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IMPACT ASSESSMENT ON EDUCATION AND TRAINING ACTIONS

Accompanying the document

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a single Education, Training, Youth and Sport Programme for the period
2014-2020**

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PART I: EDUCATION AND TRAINING

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1. PROCEDURAL ISSUES AND CONSULTATION OF INTERESTED PARTIES

1.1. Purpose of the impact assessment report

This report is part of an overall analysis of the current EU programmes in the field of education and training and youth managed by DG EAC, with a view to establishing options for the future Multilateral Financial Framework 2014-2020. This report contributes to this overall exercise by presenting exclusively the impact assessment for the future actions of the current Lifelong Learning Programme (LLP).

A list of acronyms used in this document is to be found in Annex 11.

1.2. Organisation and timing

This impact assessment has been prepared between mid-2010 and June 2011. A roadmap was approved in July 2010 and published together with the launch of public consultation in September 2010:

(http://ec.europa.eu/governance/impact/planned_ia/docs/423_eac_lifelong_learning_en.pdf).

The consultation was carried out through an inter-service steering group composed of DG Education and Culture, DG BUDG, DG ELARG, DG EMPL, DG ENTR, DG REGIO, DG RTD, SJ, Secretariat General and the Education, Audiovisual and Culture Executive Agency. Set up in May 2010, the group met six times in order to provide contributions during the impact assessment preparation. In addition, written contacts and consultations on ad hoc issues were held by DG EAC with steering group members.

1.3. Impact Assessment Board

On 3 August 2011, DG EAC submitted to the Impact Assessment Board (IAB) four Impact Assessment (IA) reports relating to the single Education, Training, Youth and Sport Programme for the period 2014-2020. With regard to the Education and Training strand of the single programme, the IAB noted in its Opinion of 9 September 2011 the need to strengthen and focus the problem definition, building in particular on concrete evaluation results and statistics. The IAB also recommended having more specific objectives for the programme. As regards policy options, the board asked to consider alternative options in terms of policy content and priorities. Efficiency gains of presenting a Single programme should be better corroborated and finally the Board asked to clarify the rationale for the Student Loan Guarantee Facility.

As a consequence, building on the substantial amount of preparatory work already carried out as underlined by the IAB, this IA report has been modified as follows:

Section 2 on problem definition has been improved by adding a presentation of the structure, main actions and priorities of current LLP, complemented by a new annex on outcomes and results in the period 2007-2010. More evidence based elements from the results of the consultation and interim evaluation have been added, and the problem definition has been re-focused. In section 3, operational objectives have been put in closer relation with the

identified problems and a fourth specific objective dedicated to management issues has been inserted. The section on options (section 4) has been revised and complemented by the identification of alternatives regarding the content of the future programme. The main element will be to concentrate the EU support on fewer education sectors or to concentrate on a single type of actions, notably mobility. The criteria explaining the budget allocation foreseen have been introduced and show where the possible options would be. They are in all cases closely linked to the policy content of the programme detailed in the section. Finally, section 6 on preferred options has been strengthened by illustrating the types of actions that will be prioritised regarding the policy content and applied regarding management simplification. A further explanation of the efficiency gains has been introduced.

Regarding the European Student Loan Facility, the requested elements to clarify the rationale of this new instrument have been inserted both in Section 1 on consultations and expertise, section 2 on EU added value, section 5 on impacts of the new instruments as well as in Annex I (list of studies).

1.4. Consultation and expertise, main sources of information

For the establishment of this impact assessment, the Commission was assisted mainly by the report provided by the external consultant (GHK Consulting Ltd); the report on the interim evaluation of the Lifelong Learning Programme (the Public Policy and Management Institute¹; the Commission's own findings; and by the results and feedback from the public consultation (the report on this public consultation can be found at http://ec.europa.eu/education/more-information/moreinformation139_en.htm).

In the context of the public consultation, the Commission services consulted both the stakeholders of the current LLP as well as general public as follows:

- The consultation process was launched at the annual LLP conference in May 2010 in Barcelona/Spain. 4 working groups of the LLP Committee and National Agencies were created in order to advise the Commission in areas of policy cooperation, mobility, partnerships and management simplification. Recommendations of these working groups were delivered in December 2010 and their conclusions used in the analysis of the public consultation and for the Commission preparation of the future programme.
- More than 120 participants covering youth, international cooperation and education and training made recommendations on both policy objectives and management issues at the Stakeholders' Forum conference, which was organised by the Commission in October 2010 in Brussels.² Online public consultation open to stakeholders and public in general took place between 15 September - 30 November 2010 and a total of 1 390 responses were received in it.
- In addition, 110 position papers and other written contributions were also submitted to the Commission by various E&T associations, interest groups, NGOs, as well as from 13 National Authorities (AT, CZ, DE, EE, FI, FR, NL, CZ, NL, SE, SK, Serbia, Switzerland) and individuals.

The main challenges of the current LLP mentioned in the public consultation were:

¹ http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm#postsoc2

² <http://www.eucis-lll.eu/pages/stakeholders-forum-info.html>.

- There are still too few learning opportunities in the workplace, mobility is not sufficient, and the participation of adults in formal education is still the exception. The quality of education is also not sufficient, which partly derives from structural problems in the academic profession (e.g. low attractiveness, lack of career opportunities).
- There are still obstacles in the validation of qualifications and competencies obtained through higher education and vocational training mobility, as the basis for admission to awarding of credit and to the future career in general.
- There are inequalities in education which need to be addressed so that individuals from all backgrounds can acquire the high levels of competence they need to contribute to and benefit from a knowledge society. Financial difficulties create inequalities in accessing higher levels of education.

An overwhelming majority of the consultation participants consider that the **objectives** of the future programme should focus on the priorities of the Europe 2020 strategy³. It should focus in particular on supporting Europeans to acquire the skills they need for their professional and personal development. Given the current high rate of unemployment of young people, the programme should provide additional support to prepare them for their professional career. In this respect the enhancement of skills of creativity and innovation, entrepreneurship, self-management and multilingualism were identified. The programme should further promote the equal opportunities in E&T and deal with early school leaving.

Several position papers expressed the view that the future LLP programme should have an integrated structure, and should cover the whole spectrum of lifelong learning. The learning mobility of individuals should remain the main priority for the future and more support should be given to the staff and teacher mobility. More than in the current LLP, the future programme should encourage partnerships between the education and the world of work, regional and local authorities and NGOs. It should also further enlarge the possibilities of cooperation with non-EU countries. Support in the area of policy developments activities should pay more attention to transversal actions. New impetus should contribute to solving the current information, financial and credit recognition problems.

Proposals also strongly emphasized the need for further simplification - both in the area of programme management and through further synergies, and for streamlining, development and testing of policy cooperation tools.

Finally, the Commission takes note that most answers and feedbacks received come from current beneficiaries of the Lifelong Learning Programme and reflect the quite usual tendency to ask for continuity and stability.

1.5. Consultation and research on a European Student Loan Guarantee Facility

A possibility of introducing a European student loan guarantee facility (*as outlined under sub-section 4.5*) has been explored and makes part of the preferred option as identified in this IA. As part of the preparations, the following research was carried out to identify the needs for, and define such an instrument.

Consultation with experts and stakeholders

³ Europe 2020. A strategy for smart, sustainable and inclusive growth. COM(2010) 2020.

- **Peer Learning Activity on funding models to expand learning mobility in higher education** (October 2008) within the Framework of the Education and Training 2010 Open Method of Co-ordination (cooperation group between Member States on good practices). Full report of the peer learning is available at: http://www.kslll.net/Documents/PLA_Ways%20to%20increase%20mobility_final%20report_Oct.%202008.pdf
- **International Policy Conference on Student Lending** (January 2009) organised by the European Investment Bank and the European Commission DG EAC. This conference brought together key experts in the field of student lending, including governmental participants from across Europe and beyond and confirmed a need to facilitate access to loan facilities for students wishing undertake part of their studies in another country, and welcomed the proposals to explore the viability of a pan-European scheme to enhance mobility at EU-level.

The conference included a specific session 'Roundtable to brainstorm possibilities for collaboration at an EU level to facilitate access to loan facilities for students wishing undertake part of their studies in another country, inter alia, the viability of a pan-European scheme to enhance mobility at EU-level'

All conference materials (programme, participants, presentations and conclusions) can be found on the EIB website at: <http://www.eib.org/about/events/international-policy-conference-on-student-loans.htm>

- A detailed feasibility study carried out by a Consortium led by the London School of Economics which analysed the demand for such an initiative and proposed possible ways of implementing it (NB the proposals on the implementation model have not been subsequently followed – see below).
- **Conference to test the need for EU intervention and examine options for the creation of a scheme.** Held (January 2011) with student loan experts, academics, governments and stakeholders, including students as part of the Feasibility Study. This revealed a strong agreement from all participants on the analysis of need and on the key features of a potential scheme, with the exception of the role of the Commission as a central body to run the scheme directly.

Development of technical aspects of the proposal

Following the completion of the feasibility study, intense cooperation has taken place with the EIB Group and DG Economic and Financial Affairs also involving DG Employment and Social Affairs and the Legal Service. This resulted in an agreed product development fiche, setting out the main criteria and implementation mode.

Pre-Market testing with potential financial intermediaries (August-October 2011)

These tests have explored possible technical parameters including key elements (eligibility criteria etc) management arrangements and level of risk sharing. This will allow the Commission to fine-tune the specific criteria and implementation mode before putting the

scheme into practice. A number of banks have already been interviewed⁴ and have highlighted which aspects of the design are attractive or acceptable to administer (eg. positive on payment holidays and grace periods in the scheme) and which will need further discussion (e.g. risk sharing level).

1.6. Respect of the Commission's minimum standards on consultation

The consultation on the future E&T programme was in line with the General principles and minimum standards for consultation of interested parties by the Commission⁵. The online questionnaire contained both closed as well as open questions. With almost 1 400 responses (874 from individuals and 516 from organisations and public authorities or bodies) this represented a good sample for the future analysis.

Adequate time was provided for preparation and planning of responses. The online consultation period was open for 75 days, stakeholders' consultations lasted almost 9 months. The volume of responses received and the wide range of stakeholders participating are proof of the success of this consultation and the effectiveness of the approach chosen. The proposals were thoroughly considered by the Commission and used for the preparation of both this impact assessment report and of the future programme design.

In addition, this report was inspired by the results and recommendations from various studies and reports prepared for the purposes of the E&T policy and of the Lifelong Learning Programme namely in the years 2008-2010 (for the list of studies see Annex 1).

2. CONTEXT SETTING AND PROBLEM DEFINITION

2.1. General policy context and links to the Commission priorities

Education and training are at the core of Europe 2020 Strategy for smart, sustainable and inclusive growth, and of the Integrated guidelines for the economic and employment policies of the Member States⁶. Arguably none of the Europe 2020 objectives and headline targets will be reached without a strong investment in human capital; five of the Europe 2020 flagships depend on the modernization of education and training: Youth on the Move, Agenda for New Skills and Jobs, as well as the Digital Agenda, Innovation Union and the Platform Against Poverty.

In its Communication "A budget for Europe 2020"⁷, relating to the next Multiannual Financial Framework 2014 – 2020, the Commission proposes to extend the EU education and training programmes in order to raise skills and help tackling the high levels of youth unemployment in many Member States. In this context, the Commission proposes to allocate 15.2 billion Euros over that 7 year period to a single, integrated programme on Education, Training, Youth and Sport.

4 Banks participating in the market testing: KfW; Caixa Geral de Depósitos; Société Générale; Ose; la Caixa; Banca Intesa SanPaolo; DIAKHITEL; SPGM; AECM; UK Student Loan Company

⁵ Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission. COM(2002) 704 final.

⁶ Europe 2020 - Integrated guidelines for the economic and employment policies of the Member States. SEC(2010) 488 final.

⁷ COM(2011) 500final

2.2. Specific policy context

2.2.1. *The Lifelong Learning Programme 2007 – 2013*

With an overall budget of EUR 6.9 billions, the current Lifelong Learning Programme (LLP) was established for the years 2007-2013 with the aim to ensure that the EU education and training policies would contribute to the objectives of the Lisbon strategy and of the Strategic Framework for European Cooperation in Education and Training (ET 2020)⁸, meaning more specifically, making lifelong learning and mobility for all a reality; improving the quality and efficiency of education and training; promoting equity, social cohesion and active citizenship, and enhancing creativity and innovation, including entrepreneurship.

Regarding its scope, the LLP supports all levels of formal education and training as well as informal and non-formal education and training activities. It is composed of 4 sectoral sub-programmes – Comenius for school education, Erasmus for higher education, Leonardo da Vinci for vocational training and Grundtvig for adult learning. Under a Transversal programme, the LLP further covers transversal activities supporting policy cooperation and innovation in lifelong learning, language learning, innovative use of ICT in education and training and activities promoting dissemination and exploitation of LLP results. Finally, within the LLP, the Jean Monnet Programme supports teaching, research and excellence in European integration.

The LLP supports eight different categories of action: mobility (during 2007-2010, almost 1,3 million students and teachers from all sectors have received a grant for mobility), bilateral and multilateral partnerships (almost 60.000 institutions involved since 2007), multilateral projects, multilateral networks, unilateral or national projects, observation and analysis of policies and systems in the field of lifelong learning and related activities, operating grants and various accompanying measures. All action categories are not applicable to each sub-programmes.

In terms of financing, Erasmus and Leonardo da Vinci are the largest subprogrammes (represent respectively 50% and 29% of budget), with the successful mobility of students, being for studies or developing a work experience. In 2009/2010 academic year, around 215.000 HE students went abroad, whereas 55.000 initial VET students undertook a placement abroad.

In terms of management, more than three quarters of the LLP budget (around 1 billion euro per year, representing nearly 45.000 contracts) is managed by a network of 40 National Agencies in 33 countries, which are in charge of the smaller scale mobility and partnerships "decentralised" actions at national level. Larger-scale international cooperation "centralised" projects and networks, and actions of the Jean Monnet Programme, are managed by the EACEA.

(For a detailed summary of main activities and main challenges observed for the LLP sub-programme and main outcomes of LLP, see Annexes 2 and 3.)

⁸ Council Conclusions of 12 of May 2009 on a Strategic Framework for European Cooperation in Education and Training ("ET 2020"). OJ C 119, 28.5.2009, p. 2.

2.2.2. Related current EU initiatives

The EU, and funding from EU education instruments in particular, cannot address alone all needs in the area of education and training. These broad challenges require the concerted effort of Member States, regional and local authorities as well as education and training organisations. Actions in favour of education require a broad policy mix including various policies and programmes.

Other EU programmes and initiatives also operate, although in different ways, with different objectives, identities and geographical scope, in the field of education and training. These are:

- *Youth in Action (YiA)* (managed by EAC): YiA supports non-formal learning focusing on young people. The objectives and targets of this programme are closely linked to those of the current LLP: YiA seeks to promote active citizenship, youth work development, European cooperation and mobility (**NOTE: for a discussion of Youth in Action, see separate Impact Assessment Report**).
- *International cooperation in education*. A number of EU programmes share the same broad objectives of the Erasmus programme while focussing on cooperation with non-EU countries and institutions:
 - **Erasmus Mundus (EM)** supports mobility in higher education to and from third countries and the development of joint degrees. It thus complements the current Erasmus/LLP by contributing to the accessibility and mobility, convergence of degree structures and attractiveness of European higher education world-wide;
 - **Bilateral programmes** for cooperation in higher education with third countries (Atlantis – with USA, EU-Canada Agreement, EU-ICI-ECP): focus on curriculum development and development of student exchanges outside the EU. Their results contribute to the achievement of a number of LLP objectives (e.g. in intra-EU Erasmus mobility), have similar objectives regarding the promotion of quality of higher education, recognition of qualifications and accreditation system etc.;
 - **Tempus** (funded by DGs ELARG / DEVCO): aims to modernise higher education institutions and systems in neighbouring countries, to enhance their quality and attractiveness. Although it is not focused primarily to the mobility actions (only some small-scale ones are funded as a part of joint projects), it complements the current Erasmus by e.g. helping pre-accession countries preparing for their future participation in the LLP.

(NOTE: for a discussion of international cooperation actions, see separate Impact Assessment Report).

- *Marie-Curie actions* (funded by DG RTD/FP7): focuses on the potential of mobility in a lifelong learning perspective for researchers. It has potential synergies with the current LLP, as the participation in Erasmus actions could motivate individuals to later take part in initiatives such as Marie Curie. (**NOTE: Marie Curie is discussed separately, as a part of the Common strategic Framework for Research and Innovation**).
- *The European Social Fund*: (managed by DG EMPL). The ESF supports EU MS and regions in the development of a range of actions including design, introduction and

implementation of reforms in E&T systems and the strengthening of innovation and research. **The LLP and the ESF have a different overall focus and priority target groups.** The ESF focuses on the labour market, and supports a Member State's own national employment and training programme(s), e.g. activities generally linked to the provision of individual assistance (through training, re-training, counselling, guidance etc.), for vulnerable groups (systematically not engaged in education), with a focus on a labour market integration of participants and on labour market requirements.

- *The European Regional Development Fund (ERDF - REGIO):* The ERDF can currently be mobilised to finance **infrastructures** for education or training, as well as training services related to business support or to foster cooperation between universities and enterprises.
- *The Erasmus for Young Entrepreneurs programme ("EYE" - DG ENTR)* offers a European exchange programme with a possibility for recently established and would-be entrepreneurs to learn by experience the necessary skills to run their enterprise/SME. EYE differs from the current LLP-Leonardo da Vinci actions in the field of VET in that the EYE work experience is strictly focused on acquiring the skills needed to successfully manage a SME and launch and grow an entrepreneurial venture, rather than build skills for future employees. Both programmes can be thus seen as complementary.

2.3. Problem definition

2.3.1. General problems in the policy area

1. The main challenge of the European education and training systems nowadays is **to equip citizens with the skills and competences** that will prepare them for a demanding and rapidly changing labour market, as well as for an increasingly diverse and knowledge-based society. Demand for highly qualified people in the EU is increasing, and will be particularly strong over the next decade: it is projected to rise by almost 16 million, whereas demand for people with medium level qualifications is projected to rise by 3.5 million up to 2020⁹. At the same time, only slightly over 30% of EU employers consider that the sector-specific skills of today's graduates are adapted to the actual needs of the economy¹⁰.

Within this global challenge, lack of **basic competences** (defined here as numeracy, literacy, science, ICT skills and competence in a foreign language) is a major problem in Europe. Nearly one third of the European population aged 25-64 - almost 80 million people - has no, or only low, formal qualifications. They face higher risks of unemployment and social exclusion. It is estimated that by 2020 demand for low skilled workers in Europe will decrease by 12 million compared to current levels¹¹.

Even if "school-based learning" is no longer sufficient to last the whole life and needs to be completed by non formal, lifelong learning (see specific development in Youth in Action report), Education and training sector remains at the core of the challenges to be tackled.

⁹ Skills supply and demand in Europe. Medium terms forecast up to 2020. CEDEFOP 2009.

¹⁰ Employers perceptions of graduate employability. Analytical report. Flash Eurobarometer Series 304, 2010.

¹¹ CEDEFOP (2009) *Skills supply and demand in Europe. Medium terms forecast up to 2020*. Luxembourg, Office for Official Publications of the European Union.

2. The persistently high levels of unemployment and underemployment in the EU, particularly amongst young people, and regular surveys¹² illustrate that **EU education and training systems still need to improve their quality and relevance.**

The quality of an education and training system cannot exceed the **quality of its staff**. Roughly between 10 % and 25 % of school principals report that instruction at age 15 is hindered by lack of qualified teachers depending on the subject¹³. Teachers have to have access themselves to the right kinds of support and training to build appropriate curricula and deliver these curricula in a way that is conducive to learning. Teacher education is a prerequisite for high-quality education and training¹⁴.

In higher education, high research quality also feeds into high quality teaching. Yet the number of European Universities in the Shanghai global ranking top 500 has declined from 210 universities in 2008 to 205 in 2010; whereas the Asian/Pacific region increased its number of universities in the top 500 from 100 to 106 in the same period¹⁵.

An excellent delivery in education and training requires specialisation. Specialisation, in turn, increases the requirement for **collaboration**. While international research collaboration is better established, European **education and training institutions** are not always able to support collaborative projects for curriculum development, teaching and learning, in particular at the international level.¹⁶ This is often because of insufficient funding and institutional capacity, in particular in the case of smaller institutions¹⁷.

Moreover, collaboration **with industry** is still limited, which hampers the potential of European systems to provide relevant professional skills. Cooperation levels are very unequal across countries, levels of education and academic disciplines. A culture of collaboration has not been developed across lifelong learning sectors. For instance, few universities have an institution-wide strategy for cooperation with enterprise¹⁸.

2.2.1 Specific problems to be addressed by EU support

Lessons learnt from current implementation

During its first three years, the Programme has financed, with almost EUR 3 billion, trans-national education and training activities promoting the modernisation of education systems in 31 European countries. It has catered for 900 000 learning mobility periods of European

¹² Less than 1/3 of employers satisfied with graduates' soft skills
More than 50 % of Europeans believe that their school education does not prepare them to run a business

¹³ European Commission (2011) Progress towards the common European objectives in education and training 2010/2011. Indicators and benchmarks. European Commission, Brussels.

¹⁴ Council Conclusions (2007), Improving the quality of teacher education, Council of the 15th November 2007; European Commission (2008) Communication *New skills for new jobs* 16 December 2008.

¹⁵ <http://www.arwu.org/>

¹⁶ Vossenstien, H., Lazendorf, U. and Souto-Otero, M. (eds.) (2008) *The impact of ERASMUS on European Higher Education: Quality, openness and Internationalisation*, Final report to the European Commission.

¹⁷ Ibid.

¹⁸ European Commission (2009) A new partnership for the modernization of universities: the EU forum for University Business Dialogue. COM(2009), 158 Final.

citizens, of which more than 720 000 by students, trainees and pupils and almost 180 000 by teachers/trainers/staff. More than 50 000 European organisations have taken part in various forms of co-operation activities.

In 2010 in terms of budget allocation, around 78% of the total LLP budget supported transnational mobility experiences for education and training. Universities through Erasmus absorb about 50% of the funds, followed by vocational training in Leonardo da Vinci with 29% of the funds, schools in Comenius with 17% whereas adult learning in Grundtvig receives 4% of the funds. Transversal activities and Jean Monnet programmes get a stable percentage of the funds, representing around 5% and 2% respectively. It should be noted that around 80% of the budget is allocated by Member States on an annual basis, corresponding to the actions managed at national level (mainly mobility and small partnerships between schools. The remaining budget is managed at EU level.

Findings from the evaluation and the on line consultation show that LLP is highly popular (in particular the Erasmus brand), considered as user friendly and addresses the needs of its various target communities. With a relative small budget (representing **around 1% of the public money spent in education in Europe**), LLP acts as a catalyst for structural change through support to policy development, cooperation and mobility.

- LLP supported mobility can be considered as a real success story. A study on a value of Erasmus Mobility of students and teachers indicated that a period of study in another European country helped to enhance international competences, facilitated access to the labour market and contributed to placing former Erasmus students in international professional positions. Mobility within the LLP also contributed to the development of European identity and such values as combating racism, prejudice, xenophobia and discrimination.
- In the absence of the LLP, developments in education would be highly fragmented in the Member States, activities would be carried out on a smaller scale and less extensively, and a number of important results would not have been achieved at all.
- It improves policy-making by providing quality tools, analysis and research as well as fora for exchanging information on best practices through the Open Method of Coordination (OMC).

Furthermore, the management system organised through a triangle between the member states, the European Commission and the National Agencies is considered as efficient:

- The National Agencies effectively used the earmarked funds in the first 3 years of implementation.
- Extensive use of lump sum grants and of electronic forms was instrumental both for achieving a high level of satisfaction among beneficiaries and cost efficiency.
- Financial audits of National Agencies also show sound management practice with very low error rates (<2%).

However, not all the potential of the Programme has been realised. The remaining key problems pointed out in particular in the evaluation and various consultations and studies are the following:

⇒ **A very significant demand for more available finance to support mobility:**

In a recent European Parliament study¹⁹, financial constraints were identified as the most important factor that restricts Erasmus participation. 57% of non-mobile students say that studying abroad is too expensive to consider and 29% of students reject Erasmus after consideration because the grant provided is insufficient to cover their costs. The study concludes that *"although it is difficult to offer a reliable estimate on the number of potential mobile students who do not study abroad because of financial constraints, we estimate this number between 980,000 and 1.5 million students"* [NB this figure includes students at Bachelor and Masters levels].

A **Eurobarometer study**²⁰ asked 15,000 higher education students about their desires to study abroad. The most frequently mentioned obstacle was a lack of funds: 61% said lack of funds had been a very big or big obstacle to their ambition to pursue part of their higher education in another country.

A second **Eurobarometer Study**²¹ interviewed 30,000 young people (not restricted to higher education), 4,200 of whom had stayed abroad (almost half as part of part of their higher education studies). Roughly two-thirds of these needed to use private funds or savings to finance their stay (and only 23% had received financial support from national or European sources). Of the remainder, 8,500 said that said lack of funding had prevented them from pursuing their desire to study abroad. On this basis, **potential demand appears to be three times the current level of mobility.**

⇒ **Prevailing obstacles to learning mobility**

Restrictions on the portability of loans: Students are often faced with difficulties when moving between countries to benefit from loans, especially as concerns support for living costs, with accessibility a particular issue and substantial differences in residency requirements between Member States.

Linguistic preparation remains an important factor for mobility. In the current LLP there is a transversal action dedicated to languages that combines with the possibility within the mobility actions to include a linguistic dimension for some sectors like Higher Education. This complexity should be removed while the languages action should be more focused and more directly linked to the need of the mobile students/teachers;

Recognition and transparency of skills and qualifications: Recognition is one of the most frequently cited difficulties by young people engaging in mobility; and is especially problematic as concerns non formal and informal learning. The existence of European-level tools and frameworks to facilitate the recognition of formal academic study, in particular the ECTS (European Credit Transfer and Accumulation System), and the 'Diploma Supplement' in higher education, which makes the content of individual

¹⁹ European parliament: Improving the participation in the Erasmus programme (July 2010)

²⁰ Eurobarometer special target survey 260 (2009)

²¹ Eurobarometer 319b (2011) for the Youth on the Move flagship initiative

qualifications more transparent, has done much to stimulate progress. However, there is still a great potential for improvement in all phases of lifelong learning, particularly on recognition and validation of informal and non-formal learning.

⇒ **The direct influence of LLP actions on the modernization of education and training systems is still hard to observe and estimate**

If benefits on individuals regarding both personal and professional competences and skills are highly visible and underlined in the results of the evaluation, more systemic impact is less obvious. Indeed mobility actions need a critical mass to have an impact. The demand-driven effect of mobility on the education systems can be observed in particular in the higher education area, where moderate levels of mobility have already contributed to support several systemic reforms and policy developments: the Bologna process towards a generalised 3+2 curricula, the adoption of transparency and recognition of European tools, the emergence of copycat support schemes at national/multinational level.

- The LLP implementation shows that this minimum level of people concerned has not always been reached. This is in particular the case in adult education due to the segmentation of the sector. In the case of people on the labour market, critical mass has not been reached because other EU instrument better answered to the concern (In that case, ESF where training within Member States remain more strategic and necessary than a transnational training period).
- A stronger involvement of teachers and trainers would ensure a multiplier effect, benefitting to more learners and ensuring more systemic impacts. Currently, only 2.1 % of teachers are mobile in the EU. There is scope for improvements for staff from all sectors, being for teaching or to be trained abroad. Current implementation as well as national reports shows that the longer the mobility is, the more impact it has. Therefore, long term staff mobility actions, as they already exist for adult and school education should be further supported and extended. On the contrary, Comenius/schools assistantships action should be discontinued given its high rate of cancellation and its overlap with Erasmus
- The collection of data, their analysis and their use – including within the Open Method of Coordination and the governance of Europe 2020 – for evidence-based policy making and reform are insufficient at European level and vary between Member States. This is one of the elements to be included in the Early School Leaving strategy but it can be extended to other topics as well. For instance, the provision of policy tools and peer comparison/pressure could contribute to smarter investments in the area of education and training.

⇒ **Variations in performance and the quality of education and training as well as its relevance for the labour market are pronounced in Europe**

As stressed in the interim evaluation, the European added value of the programme is derived from its transnationality, the innovative character of the activities undertaken and of the products and partnerships it helps to develop. Encouraging successful cooperation between Member States' education and training systems would help to identify and implement policies and practices that work and encourage learning from each other.

- Stakeholders stressed that quality of the projects linked to more specific European priorities should be given a greater emphasis in the future. Any cooperation projects between E&T should be able to illustrate, on top of its transnational character, that it will bring an added value, being at individual levels when class exchanges are foreseen, or at institutions level when exchanging pedagogical material, or even more strategically when involving enterprises to define core requirements for training courses.
- Linked of course to the objective of reducing unemployment but also to provide all citizen with the skills required for its personal and professional developments, the online consultation as well as evaluation recommend to open up the partnership actions to "external actors", i.e. the world of work and regional and local authorities.

Actions like the Comenius Regio Partnerships received a positive feedback and would benefit to be extended to all sectors, in particular to adult education and VET. Stronger and more strategic links with enterprises would be of particular relevance in HE and VET for curriculum development, but also for providing more placement opportunities.

- All these elements give support for discontinuing actions that are too vague and not focused enough, like multilateral projects and multilateral networks- as they currently exist. Of course, there is an obvious need to support networks and large cooperation projects (with several partners) but within a clear perspective and with closer links to political agendas.
- Given the marked differences in country performance, there are also substantial benefits to be derived from transnational initiatives supporting policy developments. For instance in 2009, rates of early school leaving varied between less than 5 % and more than 30 % in Member States . However, there is currently little transnational collaboration, in particular at the institutional level, in relation to the identified problem areas due to financial barriers and lack of institutional capacity

⇒ **Fragmentation and complexity of the current programme architecture**

While the current management system organised around the National Agencies, the Commission and the Executive Agency is considered as highly relevant by the evaluators, and well perceived in general by the beneficiaries of the programme, the main weaknesses to be addressed by the future programme relates mostly to the design of the programme.

- An excessive number of objectives set for the Programme have translated into a large number of specific actions by sector resulting in limited progress towards a lifelong learning approach as opposed to one based on educational sectors.
- The evaluation suggests that "the large number and the wide variety of the Programme actions complicated its administration processes. They should be further simplified by unifying the requirements for similar types of actions (mobility or different types of partnerships) across the different sectors. IT systems, management rules, reporting principles and requirements could be harmonised. This would decrease the overall number of Programme actions and administrative burden both at the project applicant/beneficiary and national Agency level and would increase the clarity and consistency of the administrative arrangements". (For detailed description of current and potential future actions – see Annex 5)

- It also stressed that the administrative arrangements of the Programme "highly benefited from a wide use of grants based on fixed costs (lump sums and flat rate grants) resulted in a decreased administrative workload both to the Programme managers and grant beneficiaries and contributed to the regularity of expenditure". It recommends therefore extending it to all possible actions.
- The evaluators, supported by many member States' positions asked for a further simplification to the system of secondary controls and declaration of assurance.

2.2.2 Who is affected?

Actors at all levels of education and training in the EU will be affected by the activities of the future E&T programme. **Young people** are a highly vulnerable population confronted with high levels of unemployment. They are the most affected by the quality content and methods of teaching, as well as by mobility experience, which equip them with the necessary basic and soft skills and competences needed for their future life. Adult learners are dependent on the availability of the retraining and on the quality trainers in order to be able to cope with the challenges of changing their professional career and labour markets' changes. However, although adults are a crucial resource for Europe, they are given different degrees of access to learning over the courses of their lives. For example, participation rates amongst those aged 45 and above represent only half of rates for those aged 25-34.²²

Finally, **knowledge management and teacher education** are prerequisites for high-quality and efficient education and training systems. Education staff therefore needs to have possibility to participate in the regular updates of their professional competences in order to be able to provide quality teaching content and methods.

E&T providers and related services need regular exchange of experience in order to develop and introduce innovative teaching methods and content and make themselves attractive and competitive in the E&T systems. However, namely those working in deprived areas are more likely to be affected by the problems outlined – such as early school leaving or lack of exchanges of experience. Also, for educational institutions with large numbers of disadvantaged students it is difficult to retain the best quality teachers and thus to keep their own competitiveness.

Enterprises and social partners in many sectors are suffering from difficulties to find workers with the skills they need and are affected by the price of them, since the low level of supply of human capital increases its price.

Third sector organisations are key for the development of the skills and competences of Europeans. They have an important role to play namely in the development of “soft skills” that are crucial for active citizenship and for employability. The public consultation highlighted their particular role in the development of multicultural awareness, leadership and entrepreneurship.

At national/policy level, countries are affected differently by the problems outlined. Furthermore, each of these problems has different causes in each country. There are two aspects which the problem areas have in common: the strong variation in individual country

²² European Labour Force Survey.

performances and the high potential for institutional cooperation. There is thus great potential for mutual learning at both institutional and policy level. Yet, currently there is insufficient knowledge about effective practices to support the OMC process and there are insufficient structures in place for the transnational development of innovation and sharing of know-how amongst practitioners.

Candidate and non-EU countries are important potential partners for closer cooperation, in particular in relation to mobility activities. Potential EU candidate countries should be allowed to participate in the programme and thereby to develop closer ties with participating countries. This would help them in preparing for EU membership.

2.4. Baseline trends

International data needed for trends analysis are difficult to quantify in exact terms. However, assuming that the present situation of the baseline would continue, the future trends reviewed for selected targets of the Europe 2020, ET 2020 and other EU strategies can be estimated as follows:

- *Student mobility*: Available data show that the proportion of students in higher education studying in another EU-27, EEA or candidate country, as a proportion of all students, increased from 2.1 % in 2000 to 2.8 % in 2007²³. The continuation of a similar trend would imply that by 2020 the equivalent proportion would be just over 4 %. Although a direct link with the benchmark indicator is not possible, this would suggest that the target that at least 20 % of EU graduates from higher education should have had a study or a training period abroad by 2020 would not be met.
- *Early school leaving*: The rate of early school leaving was 17.6 % in 2000 and 14.9 % in 2008 (2.7 points lower). An equivalent rate of progress would not deliver the European target of less than 10 % in this area by 2020.
- *Basic skills*: From 2000 to 2006 the share of pupils who are low achievers in literacy increased from 21 % to 24 %. Trends in mathematic literacy are also negative for the 2000-2006 period²⁴. The development in science and technology skills is somewhat more positive, although there is still a high proportion (20.6 %) of low achievers. Although the situation has improved slightly in the 2009 PISA wave, progress is clearly insufficient in order to achieve a target of less than 15 % low achievers in basic skills by 2020.
- *Lifelong learning participation*: the rate of participation in lifelong learning for the population 25-64 was 10.0 % in 2004 and 9.1 % in 2009. The rate of progress is negative and would not deliver the target of at least 15 % adults participating in lifelong learning by 2020.
- *International teacher mobility*: While general data on international teaching mobility could not be found, Eurostat data on outgoing Erasmus staff in the EU-27 show its low levels of 2.1 % in 2000 and 2.8 % in 2008.

²³ Eurostat indicator educ_thmob (available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?wai=true&dataset=educ_thmob).

²⁴ Eurobarometer survey num. 73.

It is reasonable to assume that the current economic crisis and low growth prospects will make it even more difficult to maintain the current level of progress without the EU intervention. In particular, it is expected that student mobility, participation in lifelong learning, as well as private investment in education, would decline although demand for post-compulsory education is increasing²⁵.

Based on the above, it can be concluded that progress in education and training would be slow and that, at the current pace of development, it would not be possible to achieve the EU 2020 strategic targets. The programme would not reach the critical mass of beneficiaries within all its actions, and its value for money would thus be limited.

2.5. Justification for EU intervention

EU action in education and training has its legal base in Articles 165 and 166 of the Treaty on the Functioning of the European Union²⁶ which refer to the contribution of the EU to the development of quality education and implementation of vocational training through encouragement of cooperation and by supplementing the actions of Member States.

While Member States are fully responsible for the content of teaching and for the organisation of their national and sub-national education systems, the EU instrument will focus on the transnational mobility of students, teachers and staff; the development of exchanges of information and best practices among the Member States through the cooperation between their education and training institutions; and the support to the political agenda. EU will also propose a new financial instrument – loan guarantee- dedicated specifically to Higher Education master students. The European added value of the future programme, as stated in the LLP evaluation is to act in areas where it can complement the initiatives of Member States.

The European added value of the new EU instrument supporting education and training rests on different aspects:

- **The transnational and innovative character of its activities and outputs** it helps to develop. The existing actions of Member States remain at national level. The EU added value lies in the way the LLP promotes and supports individual mobility, cooperation, collaboration and partnerships across participating countries, to enable learning and transfer of knowledge and innovation between education and training stakeholders, institutions and systems.
- **The way it supports the Open Method of Coordination.** EU supports the priorities outlined in EU strategies in order to help create a consensus among the various stakeholders on the role of education and training for economic and social development and to contribute to improvements in the knowledge of policy makers and education and training specialists regarding international good practices. With the aim to influence systemic changes in the field of education and training, the programme acts as a driving

²⁵ For a review of the effects of the crisis in education systems see Van Damme, D. and Karkkainen, K.: The impact of the economic recession and fiscal crisis on education in OECD countries. OECD Education today crisis survey 2010, Paris 2011.

²⁶ OJ C 83, 30.03.2010, p. 47.

force for the implementation of general European tools for mobility and recognition of qualifications²⁷.

- **The way it complements the similar national, international and EU programmes.** The specific added value of the current LLP, compared with other (national and international) programmes, lies also in the broader geographical coverage of its activities and in the fact that it promotes consistent cooperation, mobility and internationalisation of education and training at all levels. The initiatives of other EU programmes, mainly the structural funds in the area of education and training, are different. Activities of the European Social Fund are generally linked to the provision of assistance with a focus on jobs and the labour market integration of participants, whereas the LLP provides opportunities for mobility and for the development of new projects, ideas and techniques - which can subsequently be supported and mainstreamed by the ESF. The European Regional Development Fund can invest in educational infrastructure – which helps to strengthen communities and improve access. The Socio-economic science and humanities research programme (DG RTD – FP7) play an important role in supporting educational research, by funding research projects on lifelong learning, skills needs, education and social inclusion, involving the whole research community in Europe and beyond. At the same time there is thus a clear-cut distinction and scope for synergies and cooperation amongst these programmes.
- There is also **ample evidence of the added value of the current LLP at the level of individual education sectors.** Language learning is a crucial element and outcome of mobility in all LLP sub-programmes. The Comenius sub-programme for the school sector plays an important role in improving the quality of education and innovation. Vocational education and training (VET) under the Leonardo da Vinci sub-programme supports the development of the Copenhagen process and the implementation of quality systems for VET, and provides unique opportunities for internationalisation, mobility and innovation in VET. One of the main successes of the current LLP is the growth of transnational learning mobility. As outlined in the interim evaluation of the LLP, bi-lateral or multilateral agreements would be administratively more costly than EU action, which, in addition, can act as a catalyst to encourage and support Member States' activities. The LLP's transversal policy support engages all Member States in similar activities, steering the policy processes. The Grundtvig programme has significantly stimulated cooperation in adult learning. The Jean Monnet sub-programme has substantially developed research, teaching and learning about European integration.
- **The way it can create possibilities for portable student loans.** Regarding more specifically the European Student loan guarantee (*as outlined under sub-section 4.5*), the proposed facility would respond to a clearly identified market failure: on the one hand, encouraging learning mobility as a key priority of the EU, as reflected in the Bologna process agreement that 20% of HE students should be mobile by 2020. On the other hand, whilst Bologna reforms (introducing the BA/MA/PhD structure) create more opportunities for degree mobility, there is still very little degree mobility taking place. This can be explained by the fact that national loan schemes, where they exist, tend to be limited in scope, number and size and most importantly are in many instances not portable. Moreover, loans from private banks are difficult to obtain because students usually do not

²⁷

For example the Europass, European Qualifications Framework (EQF) or European Credit System for vocational education and training (ECVET).

have collateral against which to secure a loan, making the risk premium prohibitive – particularly when the borrower proposes to study abroad because of the complication of securing repayment. The problem is particularly acute for Masters level students wishing to complete a full degree programme in another Member State (full programme, high tuition fees). This is why an EU wide scheme for cross-border learning mobility would have clear EU added value to address an identified market failure, as well as being a highly visible EU commitment to Europe's students. Given the cross-border nature of the problem of portability of student loans, the issue can be more effectively addressed by the EU than by Member States acting independently. The objective of the Commission's proposal will be to provide a Europe-wide instrument, which conforms to the principle of proportionality established by the Treaty as it will not go beyond what is necessary to achieve the objectives pursued.

3. OBJECTIVES OF THE FUTURE PROGRAMME

Based on the above considerations and analysis, as well as on the results of the LLP interim evaluation, objectives have been defined with a view to concentrating future support on the actions offering maximum EU added value, while aiming at contributing the Europe 2020 strategy in the field of education and training. Against the current fragmentation of existing instruments serving similar purposes, the proposed objectives also aim at ensuring a more streamlined and simplified approach in future EU interventions and reinforcing the Lifelong Learning perspective.

The specific objectives are therefore reduced in number compared to current programme and related to indicators (detailed in Annex 10). They intend mainly to focus the programme on the key education challenges, i.e. increasing the competences and skills of the citizens and modernising the education and training systems.

The operational objectives are focussed on education and training issues (LLP related) while objectives focused on youth, international cooperation and sport are developed in their respective Impact Assessment reports. They are mainly the means by which EU will act to reach its specific objectives. Same operational objectives will answer different gaps. A table summarising the correspondence between performance gaps and operational objectives is attached in Annex 4.

Based on the above, the objectives (presented in the table below) will focus on a combination of:

- direct support to **individuals**, being students or staff (including teachers, trainers, school leaders, non educational staff) taking into account the need to ensure an even offer of transnational learning opportunities in all countries, in order to study or have a work experience regarding students, or to teach or be trained regarding staff.
- support to **education and training institutions and organisations**, taking into account their role in the quality of the systems and their impact as multiplier. Exchange of good practices and development of innovative and joint initiatives, extended involvement of the world of work and regional authorities should allow institutions to be more open and more attractive.

- support to **policy processes**, which contribute to achieving the common objectives of education and training policy through a systemic approach and which require concrete support to be more effective.

While setting specific objectives for the programme it is important to recognise how the EU mandate in the education and training area sets the scope for the intervention logic. According to the Treaty, EU intervention aims at supplementing Member States' actions and thus contributing to common overall objectives. This involves a challenge in terms of **attributing and quantifying** the specific effects of the EU intervention (considering the overwhelming dominance of the "external factor" of MS spending in the E&T area), a phenomenon that was recognised by a Commission study²⁸ in 2006 on cost-effectiveness analysis in the European Commission's evaluations, and that also limits the possibilities of setting measurable objectives. The study recommended the development of a *good professional practice* on how to deal with *multiple and complex interventions* in this context. As a follow-up to this, DG EAC is now launching a new study specifically aiming at developing a suitable model for tackling the challenge of quantifying and attributing effects of EAC's education and training actions, which is expected to provide important inputs for setting specific objectives in future as well as assessing cost-effectiveness.

Specific Objective 4 and its related operational objectives refer to the fragmentation problem referred to above, and express as well guiding principles for the design of the preferred option.

General objective, Education, Training, Youth and Sport	The objective of the Programme is to contribute to the objectives of the EU 2020 strategy and of the Education and Training strategic framework 2020 (ET2020), including the corresponding targets, to the renewed framework for European Cooperation in Youth field (2010-2018), to the sustainable development of third countries in the field of higher education and to develop the European dimension in sport.			
General objective, Education & Training	To empower individuals of all ages and social backgrounds by contributing to the development of quality education and training systems, as part of the EU 2020 strategy of smart, inclusive and sustainable growth and of the ET 2020 strategic framework.			
Specific objectives	1. To improve the level of key competences and skills, including linguistic dimension through increased transnational learning mobility opportunities for learners and staff	2. To foster quality improvement, innovation and internationalisation in education and training institutions, through enhanced transnational cooperation and good practices;	3. To support the framework of European cooperation in the field of education and training	4. To simplify the administrative architecture of the programme

²⁸ Eureval-C3E http://ec.europa.eu/dgs/secretariat_general/evaluation/docs/cea_finalreport_en.pdf

Operational objectives	1. To support staff mobility, in particular for teachers, trainers, school leaders 2. To increase HE and VET students learning mobility opportunities in order to study or have a work experience 3. To develop Erasmus Masters for higher education students, through new loan guarantee mechanism	1. To support strategic partnerships between education and training organizations and with other relevant actors 2. To support partnerships between education institutions and businesses 3. To support IT support platforms, including e-Twinning	1. To promote teaching and research on European integration. 2. To support introduction and use of tools for the recognition and transparency of skills and qualifications obtained through mobility; 3. To strengthen the international exchange of good practices and the evidence base for effective and efficient policies, systems and practices in the field of education and training;	1. To reduce from 60 to 11 the number of activities supported 2. To extend the use of lump sum 3. To introduce a single audit principle
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4. POLICY OPTIONS

4.1. Guiding principles for the identification of options

Although the current Lifelong Learning Programme is already contributing to the overarching Europe 2020 and ET 2020 goals, there is scope for improving its content and architecture, to increase the EU added value and to trigger broader systemic impacts in complementarity with other EU initiatives and MS efforts. In order to achieve the above specific and operational objectives, EU support can be improved mainly by:

- Concentrating on activities with the highest added value, where a critical mass can be mobilized, and on strong incentives to achieve the Union's policy objectives targeting systemic change. The research carried out in support of this impact assessment has enabled identifying "what works and what doesn't work" at the baseline. The results have been applied while defining the preferred option for the future, and thus guided the distribution of funding between the different actions covered on the basis of the Commission's proposal for a Multiannual Financial Framework 2014 – 2020.
- Reducing radically the complexity of the architecture of the current LLP programme, in order to diminish the administrative costs at EU, National Agencies and beneficiary level, and to increase programme user friendliness.
- Identifying those areas of activity where the programme has a competitive advantage as compared to other EU instruments or initiatives, and identifying and exploiting, already in the design phase, the opportunities for synergy and complementarity with them.

To this end, four options have been considered as described in the following. In line with the above listed guiding principles, there is a focus on identifying the option that in the best way builds on the strengths and eliminates the weaknesses at the baseline. Policy choices on content were explored (as described under sub-sections 4.4 and 4.5 below), but were rejected as they contradicted research findings and/or would not be in line with Member States and EU priorities. Then, options based on other policy instruments, and that could have had a certain impact on the general and specific objectives, could be theoretically envisaged - for instance, through EU regulation. However, such options would fall outside the mandate for EU action in the field of education, training and youth, and were thus discarded at an early stage. Similarly, given the target groups (mainly individuals and educational institutions) and the geographical scope of the programme, other forms of support such as cooperation through the OMC cannot be effectively applied without an EU funding allocation.

Regarding the scope of action, the objectives for the programme presented in this impact assessment refer to aspects that Member States would be unable to achieve on their own.

Lastly, it should be noted that, while the budget allocation for EU support should be commensurate with the objectives to be achieved, the experience of the LLP indicates that the current allocation is insufficient to achieve the objectives set out for the Programme.

4.2. Policy option 1: Status quo – continuation of the LLP (baseline option)

Under this option, EU support would continue to be implemented with the same instrument, same architecture and management system as the current Lifelong Learning Programme 2007-2013.

The future programme would be elaborated along the lines of the current LLP. It would again focus on the entire scope of lifelong learning. Under this option, the programme would keep objectives, structure and management system, as well as the approximate budget allocations and their principles, at the level of the current LLP. It would be composed of the four sectoral programmes focusing on school education (Comenius), higher education (Erasmus), vocational education and training (Leonardo da Vinci) and adult learning (Grundtvig).

The programme would again have also key activities for policy cooperation, languages, ICT and dissemination and exploitation of results under the Transversal Programme and would continue supporting studies and research on European integration under the Jean Monnet Programme.

Geographically, the programme would continue to be open to EU, EFTA and candidate countries and also to third countries for participation in cooperation activities with funds earmarked for this cooperation being kept at the current level (up to 1 % of the allocations of the programme).

The programme would thus continue to be very broad, with a large number of objectives and activities. This would be at the expense of a greater focus on key priorities highlighted by the EU 2020 and ET 2020 strategies.

There would be no attempt to seek synergies, complementarities or economies of scale between the current LLP and other programmes, in particular the current Youth in Action and Erasmus Mundus Programmes.

4.3. Policy option 2: ‘No action’

Under this option, the LLP instrument would no longer exist. Policy coordination and mutual learning processes (Open Method of Coordination) would continue. The mobility of learners, volunteers and teachers would either disappear or would take place within the framework of bilateral or multilateral agreements and funding arrangements to be concluded between Member States or institutions.

The EU would continue its obligations under Article 165 and Article 166, which would necessitate some expenditure on the provision of information and analysis, and human resources would be required to fulfil the mandate.

Otherwise, spending on education and training mobility and transnational cooperation activities would be entirely reliant on resources outside the EU budget (in particular from Member States).

4.4. Policy option 3: Strengthening the objectives of the current programme

This option would consist of refocusing the objectives of the Lifelong Learning Programme to better support Europe 2020 and ET 2020 strategic framework. The administrative structures and architecture of the different (sub) programme would not be altered.

The stronger focus of the programme would be ensured in two main ways:

(1) Focusing on activities with European added value and impact

As a first step for improvements, the activities supported by the current LLP would be screened to eliminate those:

- Not sufficiently linked to Europe 2020 and ET 2020 policy priorities;
- For which EAC programmes are not best placed to support them and for which other EU instruments would be more effective.
- Having too high management costs relative to their systemic impact;
- Presenting insufficient EU value added;
- Liable to be mainstreamed into more significant activities

The potential result of this approach would be that the budgetary equivalent of at least 15 % of current activities could be discontinued, for example,

- Leonardo actions addressing people already on the labour market have the potential to overlap with European Social Fund activities;
- Grundtvig volunteering could be covered by a Citizenship programme;
- Study visits of the Key activity 1 of the LLP Transversal Programme, which are rather expensive in comparison to their limited impact;

- Accompanying measures, currently activities per se, can be mainstreamed in the main actions i.e. strategic partnerships.

However on the simplification side this approach would lead to a much more significant gain with the number of actions reduced from 60 to 11, a reduction of 85% in the number of actions that reducing by a factor of 6 the inherent complexity of the programme.

As a second step, support for actions with a clear, demonstrable policy impact and EU added value would be strengthened.

- Mobility would place a particular emphasis on **mobility of multipliers** (staff, teachers, trainers through teaching and training periods and on Higher education and VET students, in particular through work experience opportunities in order to support the transition between education and work.
- **Transnational cooperation** within the participating countries, involving education and training institutions would be supported in so far that it would aim at developing, transferring and implementing innovative and effective education and training practices. Involvement of the world of work, regional and local authorities as well as any other relevant actors would be encouraged. To ensure EU added value, cooperation would focus on specific priority needs (e.g. curricula development in the field of entrepreneurship or creativity, financing resources or innovative methodologies). Practices and programmes which have demonstrated their impact would be expanded into all education sectors – for example, the eTwinning platform would be extended and the Joint Master and Doctoral courses could become a stronger vehicles to boost excellence and attractiveness of European higher education.
- **Support for policy reform** action would be based on excellence, including peer learning, analysis and expert meetings directly linked to the EU 2020, ET 2020 and Annual Growth Survey (AGS) priorities, as well as to the Bologna and Copenhagen processes. It should further focus on policy exchange between Education and Training authorities and other stakeholders on key issues of the political agenda, such as the Higher education modernisation agenda, literacy, ICT in schools, language learning. Incentives to reward excellence in innovation and entrepreneurship in education would be reinforced. In the area of programme support to OMC the focus would be on policy networks within Member States promoting a fact-based evidence approach for good investments.
- **Jean Monnet activities** on excellence in European research and integration will be maintained.

(2) Simplifying and rationalising the actions, while respecting different categories of beneficiaries

Based on Erasmus charter and Leonardo certificate, individual mobility should not be allowed anymore if not part of an institution's strategy. Learning agreement could be of course of different nature, depending on the education sector concerned. However, mobility opportunities should ensure quality of the learning, minimum recognition in order not to remain only an individual experience. And this can only be really ensured if an institution has to take responsibility for a certain mass of actions/people.

On a more economic point of view, as stressed by National Agencies directors in the consultation, management of individual applications is far from being cost effective.

The effect of mobility could also be leveraged through its stronger link with EU tools for transparency and recognition of qualifications. In Higher education and Vocational Education and Training sectors, increased use of tools like ECTS, ECVET should be targeted.

Rationalising the actions would mean mainstream all language preparatory activities within mobility activities themselves. Language is still one the main barriers of mobility and the fact that in the LLP 2007-2013, mobility actions can differ from language activities (meaning different deadline,s applications..) do not help to ensure efficient answer for students.

Further rationalisation would be possible by "merging" certain existing actions: for instance in LLP 2007-2013, a teacher has to apply to separate actions depending on the purpose of his mobility, meaning if he goes to another country to teach or to be trained.

The option would support the idea of having a single action, covering both purposes that would be included in a single application from a university for instance that will cover both students and staff requests, under a single set of rules.

Programme would also develop joint testing of innovative policy approaches, e.g. on early school leaving and should mainstream transfer of mature innovations/best practices to the European Social Fund.

Alternatives regarding policy content could be to look for an even more focused programme and to concentrate the EU support on the headlines targets defined within the Europe 2020 strategy. This would mean reducing the scope of EU intervention to Higher Education and the schools sector in order to tackle the issue of HE attainment level and early school leaving. Mobility of HE students would be boosted even more and the level of grants could be increased. Mobility of staff would remain a priority, in particular regarding ESL challenges, and cooperation between institutions could be further developed within these two sectors.

The main drawback would be to completely abandon the idea of lifelong learning. While the LLP evaluation already stressed a lack of a cross-sectoral approach in the current programme (2007-2013), this would furthermore not be in line with the Member States' views on the VET sector, particularly concerning the Copenhagen process and the benchmark on VET mobility.

Another alternative would be to dedicate the EU programme on education to Higher Education only. This would allow supporting more strongly the Bologna process, initiated by the Member States, and concentrate on the international dimension of EU universities, which are the education institutions involved in the global race for talent. Such an option would involve the same drawbacks as mentioned above regarding the lifelong learning perspective and the need.

Delivery mechanisms

For all alternatives described above, the programme would be managed, as under the 2007-2013 period, with the support of the network of National Agencies and an Executive Agency. The National Agencies comply well with the EU management rules; financial audits of the EU contracts with National Agencies also show sound management practice with very low error rates (< 2 %).

Having said that, while there is still scope for simplification and mainstreaming within the current LLP structure, the architecture of the LLP is complex, and fragmented into a series of sub-programmes (Erasmus, Leonardo da Vinci, Comenius, Grundtvig, Jean Monnet, transversal programmes). The specific and diverse rules, deadlines, types of actions between these sub-programmes limit the scope for simplification of the current delivery mechanism and are reflected in the general stakeholders' requests for simplification.

4.5. Policy option 4: A single programme for education, training, youth and sport: strengthening objectives and impact through concentration and streamlined architecture

This option is complementary with – and builds upon – option 3 as described in chapter 4.4. above. Bringing together the three current EU programmes for education, training and youth as well as the EU initiative in the area of sport support, the programme would identify and exploit their respective synergies and simplify the architecture and delivery mechanism of the current LLP.

Following the general trend expressed in the Multiannual Financial Framework requesting a reduced number of programmes for the period 2014-2020 and a simplification of procedures, this option would exploit the scope for concentration and simplification within existing programmes (as concerns Youth, Sports as well as the international cooperation in higher education, see separate Impact Assessments), but also across the various programmes which share similar broad objectives, types of action and delivery mechanisms.

This option would merge into a single programme the following set of current programmes (NOTE: for a detailed analysis, see separate Impact assessments) :

- The current Lifelong Learning Programme (LLP) and its 6 sub-programmes – including Jean Monnet ;
- The Erasmus Mundus programme as well as the other EU programmes for cooperation in higher education, such as Tempus, Alfa and Edulink focussing on mobility and cooperation between non-EU and EU countries and on the development of joint degrees to foster excellence in higher education;
- The Youth in Action programme, a key instrument for the participation of young people, providing non-formal learning opportunities for them particularly in the context of volunteering, or traineeships abroad.
- Given the tasks defined by the Lisbon Treaty for sport²⁹, under the same Article as education, the current policy initiative of DG EAC in the sports domain would be included to the new programme under as well.

(1) Exploit synergies and complementarities between different sectors and between policy fields

Screening of activities of the above mentioned programmes, including the subprogrammes within LLP has shown that they were all supporting the same types of actions that can be summarized as follows: ;

²⁹ Article 165 of the Treaty on the Functioning of the European Union. OJ C 83, 30.03.2010, p. 47.

- learning mobility of individuals
- institutional cooperation for innovation and good practices;
- support for policy reform.

Jean Monnet activities would remain included in the Programme, with its own specificities and a separate chapter would be dedicated to sport. By presenting a programme structure built around these three types of key actions, this option would address the problem of the current fragmentation of sub-programmes within LLP, the overlaps between programmes (international mobility of students), and the remaining gap between formal and non formal education (LLP/Youth in Action).

It would therefore answer some of the stakeholders' concerns regarding in particular:

- the need for a continuum in the learning pathway;
- the extension of mobility to non EU countries, in particular for higher education
- the need for stronger integration of non formal learnings within education concerns;
- the need to strengthen EU action towards young people, in particular regarding Youth unemployment rates.

This simplification of the architecture would give scope for common modalities, rates, rules and IT instruments, while taking into account the specificities of the different types of beneficiaries. It would also simplify the communication, allowing new participants to benefit from the programme and support a more targeted dissemination of results of the programme that would support more systemic and sustainable impact of the supported projects. Simplification of rules would also mean higher cost effectiveness, reducing administrative burden and allowing managers and applicants to concentrate on the results of their activities rather than on the management rules.

Insertion of an international dimension within the Programme would strengthen Europe's will to support excellence and innovation, in particular in Higher education. More mobility opportunities, to and from non EU countries would increase Europe's visibility and role in the global race for talents. **An alternative option** would be to reduce the future programme to mobility actions, still covering student and staff mobility as well as volunteering. This would allow to increase the number of mobility opportunities offered at EU level but would reduce the impact of the programme on individuals, and to a certain extent on institutions that will be in charge of organising the mobility. Cooperation exchanges will be reduced to administrative arrangements and exchange of good practices and innovative methods will not be possible across Europe. As transnational activities are not at the core of other EU interventions (notable ESF), the networking and development of clusters of universities will not be possible. This alternative will not support the openness of the sectors to external actors, like enterprises and local authorities as suggested by evaluation and consultations. Jean Monnet programme will have to be redefined, keeping only the mobility part of it, which will reduce its impact at international level.

(2) Rationalise the delivery mechanisms of current programmes

Since the current LLP, YiA and Erasmus Mundus already use the same delivery mechanisms (National Agencies and/or the Education, Audiovisual and Culture Executive Agency), integration within a single programme would also allow for some significant **economies of scale, simplification of processes and rationalisation of reporting**.

Delivery mechanism: an EU mobility “one-stop shop”

Under this option, whatever its policy content, an integrated single programme would offer the opportunity to address the issue of the overlapping areas of intervention: within the sub-programmes of the current LLP; between the LLP and Youth in Action; and between Erasmus and its non-EU mirror programmes. The single programme also offers the opportunity of significant economies of scale and enhanced visibility of EU action.

The delivery mechanism under this option could aspire to become the EU “**mobility one stop shop**”. The existing system of delivery through National Agencies used by current programmes could become even more efficient, since further savings could be achieved by:

- Promoting a single National Agency per country to reap economies of scale;
- Combining a target public specific front office with a streamlined back office: same management rules per action, single IT tool for programme management, simple and single electronic forms for applications and reporting.

The programme would still be managed with the support of a network of National Agencies and an Executive Agency, and the choice for the one or other management body would depend on the priorities set for each of the three action types described above. Building on the current strengths, on the basis of the LLP experience and feedback from beneficiaries and other stakeholders, the National Agency system could be improved by:

- Concluding contracts only with organisations, instead of individuals, and reducing the complexity and total number of contracts.
- Using lump sum grants to the full, thus cutting down on grant management costs for beneficiaries and on control costs for National Agencies and the EC.
- Reducing control costs and audits through a clearer definition of the respective roles of Member States (which would be responsible for financial audits) and European Commission (which would be responsible for performance and compliance checks).
- Combining a target public specific front office (schools, universities, etc.) with a streamlined back office. This would allow significant scope for same management rules for the same types of action, same IT tools for programme management, simpler electronic forms for applications and reporting, etc.

To qualify for mobility grants, the education, training and youth organisations would have to prove that the conditions for high quality mobility are in place.

For mobility between education, training and youth institutions in a participating and in a third country, the grant would be managed by the E&T or Youth institution in the participating country for both incoming and outgoing mobility. No National Agencies would be set up in third countries.

(3) *Introduce a new financial instrument to boost mobility at Master's level*

In order to reinforce the impact of the programme and ensure a more integrated approach towards the different levels of Higher Education, it is proposed to introduce a new financial instrument. This new instrument will be dedicated to EU (or candidate country, EEA) mobile Master's students, undertaking a full Master's level degree programme in another EU Member State/EEA country.

It is necessary to avoid undue administrative burdens from the operation of a system of student loans to promote cross-border mobility. For that reason, although the (LSE) feasibility study provided a wealth of information on the needs for student support in this area, it is proposed **not** to follow the specific recommendation on the design of the administrative architecture. The feasibility study envisaged the direct provision of loans and the establishment of a European agency to administer loans and collect repayments. This has been rejected, in favour of a guarantee facility which will operate within the framework of the Debt Platform and which will limit the administrative burden for the Commission.

The Commission would therefore **not** be involved in direct lending under the Erasmus Masters Student Loan Guarantee, nor in collecting repayments or instituting recovery/follow-up of the loans: those aspects would be the responsibility of the individual participating banks which would have a contractual relationship only with the trustee chosen to administer the guarantee (most probably the EIF). Thus the proposal would avoid the ongoing administration challenges which have ensued from the offer of direct loans from the EU Budget to individuals in the past, such as those which were previously offered under the framework of the European Coal and Steel Community.

The EU intervention is to provide a **guarantee to financial intermediaries**. This EU guarantee will offset some of the risk of potential non-repayment by students and thus make lending viable to banks. The Erasmus Masters loan guarantee **complements the existing Erasmus Grants** which focus on 'credit' mobility (usually one academic semester) and provide approximately €1,000 per student

It will represent up to €12,000 for a one-year Master's programme and up to €18,000 for a two-year programme.

Demand for the product: attractiveness and market testing

i) Student need and attractiveness

Students have expressed a clear need for more financial support for mobile studies, including the potential for more affordable finance in the form of loans:

Discussions with the European Students Union (representative body) have indicated that they are interested in the proposal. Ideally, students would of course prefer grants to loans. Grants to reach the same objective of funding 43.000 mobile masters students per year would cost an average of € 600 million per year, as opposed to the € 100 million for the loans. Given the leverage, loans are a far more efficient use of EU funds.

Students also stress that loans should be affordable – i.e. the benefits of the guarantee (and any low interest rate loans from the EIB) should be passed on to student, and that safeguards against payment hardship should be built in.

There are approximately 20 million students enrolled in tertiary education in the EU at any one time. On the basis of Eurostat data (which combines Bachelor and Master level students), the LSE estimates the number of Masters students at around 4.5 million people, of whom approximately 5% are taking their full programme abroad. They estimate that achieving the EU 20% mobility benchmark would require a further 318.000 students a year to study abroad.

ii) Attractiveness for banks/financial intermediaries

Market-testing by the EIF with banks/potential financial intermediaries has shown a positive reaction and interest in the scheme. A number of banks have already been interviewed³⁰ and have highlighted which aspects of the design are attractive or acceptable to administer (eg. positive on payment holidays and grace periods in the scheme) and which might be a tipping point (eg. risk sharing level). Only the UK Student Loan Company has shown less enthusiasm as the scheme would not fund purely national studies.

Scaling the instrument

Despite the estimate of considerable demand from students, support from Member States and higher education institutions and interest from financial intermediaries, the Commission is proposing a very conservative limit on the number of loans (the average of 43.000 per year mentioned above), taking account of the fact that a balance is also needed with the traditional Erasmus exchanges (which now support over 200.000 Erasmus credit exchanges a year, with demand far outstripping the budget available). The intention is not to finance all Masters students taking their degree abroad, or even to satisfy the full-demand. The scheme will incentivise mobility, but within the limits of the budgetary resources available for this action and taking account of the need to start modestly. The proposed budget for the scheme will be phased, limited in early years, rising in the latter stages of the programme period. This both accounts for a slower start in the beginning of the initiative and is in line with a lower initial need to draw upon the guarantee increases as the number of 'active' loans which enter repayment phase will lag behind loans disbursed.

A guarantee to share risk with loan providers (banks) offers the best potential to maximise the volume of loans whilst limiting exposure for the EU budget. The involvement of the EU would be limited to acting as a guarantor against part of the possible default on the loans disbursed by the financial intermediaries.

The EU exposure will be clearly defined and limited within the contracts negotiated with the trustee at European level (eg. EIF) and in the contracts (guarantee agreements) negotiated by the trustee with financial intermediaries in each participating country. EU funds will only be used to reimburse non repayment of loans up to a capped level and the guarantee to the banks will be time-limited. The length of the EU's involvement will be limited by the maximum guarantee period offered to the financial intermediaries.

Proposals for the level of risk sharing with participating financial intermediaries have been informed by detailed technical working with DG ECFIN and with the EIB Group based upon analysis of both existing debt guarantee instruments at EU level and upon experience of

30 Banks participating in the market testing: KFW; Caixa Geral de Depositos; Société Générale; Oseo; la Caixa; Banca Intesa SanPaolo; DIAKHITEL; SPGM; AECM; UK Student Loan Company

domestic student loan provision (which covers non-mobile student loans). It has also been informed by the analysis of the target group undertaken by the LSE Feasibility study.

Management arrangements

- The administrative burden associated with distributing loans – and collecting repayments – should not be borne by the Commission. Banks would build their portfolio of student loans using their own credit and underwriting procedures and keep a portion of risk, including all residual risk.
- EC-level administration would be confined to the development of the architecture and features of the scheme, negotiation of the contract with the managing authority (eg. EIF) and monitoring the managing authority to ensure that the product is being delivered in line with the contract e.g. via an annual report. In this way the key terms of a guarantee facility for loans provided by banks to students is no different from a guarantee on loans provided by banks to an SME in terms of the follow-up time involved for EC officials.
- While the feasibility study's analysis of the need is sound (stocktaking, market failure, target group and added value for EU intervention), the options presented for the establishment of a loan facility are not feasible on grounds of cost (both capital needed to provide direct loans and administrative cost to run the scheme on a centralised model) and political viability (no appetite to create a supra-national agency with co-ordination of taxation schemes to manage collection of loan repayments).
- The scheme would therefore be managed by an entrusted managing authority. Discussions have taken place with the European Investment Bank Group – the European Investment Fund already manages several EU guarantee schemes on behalf of the European Commission.
- **Loans would be disbursed and administered by Financial Intermediaries** (banks or student loan agencies) in Member States/EEA countries (estimated one per country selected following a call for expressions of interest conducted by the managing authority)
- An **EU level website** would be established as an entry portal for general information and to provide details of participating countries and banks. All correspondence with students/potential borrowers would take place at national level with participating banks/financial intermediaries.

Minimising the risks related to non-reimbursement

- A guarantee to share risk with loan providers (banks) offers the best potential to maximise the volume of loans whilst limiting exposure for the EU budget. Furthermore, the administrative burden associated with distributing loans – and collecting repayments – is best handled at a local level.
- Target group - based upon earnings profiles, masters' level students are more likely to secure employment and salaries which will enable prompt reimbursement of the loan.
- The scheme would be governed by the Financial Regulation and operate within the framework of the Equity and Debt Platform Rules, currently being developed by the Commission.
- The involvement of the EU would be limited to acting as a guarantor against part of the possible default on the loans disbursed by the financial intermediaries. The EU exposure will be clearly defined and limited within the contracts negotiated with the managing authority at European level (e.g. EIF) and in the contracts negotiated with financial intermediaries in each participating country. EU funds will only be used to reimburse non repayment of loans up to a capped level.

- Proposals for the level of risk sharing with participating financial intermediaries have been informed by the analysis of the target group undertaken by the Feasibility study and by detailed technical working with DG ECFIN and with the EIB Group. The latter has based itself upon analysis of a combination of existing debt guarantee instruments (which focus most often on small business start-up and expansion) and upon experience of domestic loan provision (which covers non-mobile student loans). Information on risk levels and what portion could be shouldered by an EU budgetary contribution has not been published during the ongoing development phase as this is commercially sensitive material which could influence eventual negotiations.

4.6. Indicative budget assumptions for the different options

For the baseline scenario option, the overall budget as well as the allocation of funding among the programme's education sectors and actions would in real terms remain close to the current programme.

There would not be any specific budget allocation as such for option 2 – discontinuation of the programme. Spending on education and training mobility and transnational cooperation actions would be entirely reliant on non-EU resources, notably on funding by Member States and by individual learners themselves. The costs of the EU would be minimal, linked only to the necessary operational arrangements to be ensured by the EU in order to fulfill obligations under Article 165 and Article 166 - the provision of information and analysis.

Several elements point towards the opportunity of a substantial increase of the budget available for a future EU education and training programme, provided that it can ensure an efficient delivery of EU priorities in education and training: the overwhelming evidence of the link between education attainment, productivity and growth; the new, increased priority given to education and training by the EU, particularly within the Europe 2020 strategy and especially since the crisis; the increasing pressure towards the internationalisation of higher education, and the growing competition for talent; the excess demand for access to the current LLP, which cannot be met for lack of funding; the demonstrable impact of past and current EU programmes on Member States' systems and individuals; the absence of a credible alternative to EU funding.

Option 3 - and especially option 4 as described in chapter 4.5 - offer the possibility of achieving a significant critical mass of beneficiaries and systemic impacts through, on the one hand, a discontinuation of current actions with insufficient EU added value; and on the other hand, an overall increase of EU support for education, training and youth of **at least 70 %**.

While its architecture will be organized according to the three key actions, access to the Programme will be open to the main sectors now benefiting from the LLP and Youth in Action Programme.

It is however worth stressing that the innovative approach chosen lends itself to greater EU value added and very significant simplification. The price is a much reduced comparability with the existing generation of programmes. Simplification, concentration and value added do necessarily lead to architectural changes linked to a different intervention logic that to some extent breaks with the past.

On the basis of experience and on the enhanced emphasis on mobility, around two thirds of the budget will be allocated to learning mobility. Indeed as underlined in the analysis of performance gaps, mobility opportunities need a critical mass to have systemic impact.

Benchmarks on mobility (in particular in Higher Education and Vocational training) have been agreed at EU level and need as well some strong commitment in order to be reached by 2020. Co-operation, and especially policy reform, while critically important in terms of policy impact, will naturally have more limited budgetary implications because of the nature of the activities. For its international component, the Programme is in line with the priorities of the EU's external policy. Flexibility will be built in the annual budget allocation, so as to respond to events in the international context.

Support to policy reform by nature cannot absorb a lot more than foreseen. Under this action, EU intervention in education is indeed focused on networks and studies linked to political priorities which are identified and limited. Therefore the only possible alternative would be to dedicate most of the resources to cooperation activities. This would certainly not be in line with the MFF and jeopardize all the successes and positive effects attached to Erasmus actions. Catalyst effect of the EU programme will be lost. Indeed cooperation between institutions is fundamental to create long lasting networks and support exchange of best practices need time. They are as well more complex to settle and manage.

Implementing provisions will **enhance allocations of funds based on performance** for actions managed at national level: 25% of the funds will be allocated based on quantifiable principles such as budget implementation, number of realised mobilities and implementation of the National Agency work programmes. This is the share of the performance based allocation already applicable in Erasmus: it is proposed to build on this experience. The remaining budget foreseen for mobility actions (75%) will be allocated between participating countries on the basis of three criteria: population, cost of living and distance between capitals.

Implementation of the programme will ensure that the funding levels allocated to each of the five main broad sectors will not be reduced below the levels guaranteed by the programmes for the 2007-2013 period. These allocations have been derived from the present situation to ensure continuity in the minimum guarantee given to the main education sectors if the Commission's budget proposal for Heading 1 is confirmed. These minima leave a considerable unallocated margin, from which all sectors are likely to benefit: By way of illustration, in the LLP all education sectors absorb funds beyond their minimum guaranteed amount.

Whilst ensuring stability in funding level and avoiding a "stop-and-go" approach, the budget allocation as regards the international dimension of the new programme will follow the geographic and policy priorities established for external action spending under the next Multiannual Financial Framework.

A programme Committee will assist the Commission in budget allocation. In line with the current practice, after consultation of the Committee, more detailed calls for proposals will be issued specifying, to the extent applicable, the exact deliverables, targeted publics, planned budgets.

5. ANALYSIS OF IMPACTS

For the impact analysis of options, the evidence on the performance and impacts of the current LLP is provided by the interim evaluation and other sources. Given that the environmental impacts of options for the programme in education and training are negligible

or not relevant, they were not discussed in this impact assessment. Due to the EU mandate in the policy areas concerned and the intervention logic applied (more or less implied by the former), a qualitative approach has been used to analyse the type and magnitude of anticipated social and economic impacts and impacts on fundamental rights, taking into account:

- The type of impacts generated by the LLP: some of its indirect and systemic impacts cannot be estimated with precision, as their outcomes are not easily quantifiable; for example, the benefits from cooperation activities, multilateral projects and networks in education and training.
- The nature of the evidence/data available: For many impacts at the individual, institutional and systemic level, the evidence available on the current programme (providing the basis for the analysis of impacts of the post 2013-programme) comes from qualitative surveys on beneficiary satisfaction as quoted in activity, evaluation or assessment reports or in various studies.

The matrix hereafter compares the social and economic impacts and impacts on fundamental rights per option *vis-à-vis* the baseline/status quo activities. Detailed description of impacts of each option is available in Annex 7.

Legend:

++	+	0	-	--
<i>positive</i>	<i>slightly positive</i>	<i>Neutral</i>	<i>slightly negative</i>	<i>negative</i>

	Policy area	Specific dimension	Option 1: 'Status quo' (baseline)	Option 2: Discontinuation of the programme	Option 3: 'Strengthening the objectives of the programme'	Option 4: 'A single programme for education, training, youth and sport'
				Type / magnitude of impact (compared to baseline)		
Social impacts	Education and training	Learners' mobility in HE	0	--	+	++
		Learners' mobility in VET	0	--	+	++
		Learners' mobility in adult education	0	---	+	++
		Participation of pupils in schools	0	--	+	+
		HE teachers mobility	0	--	+	++
		VET teachers' mobility	0	--	+	++
		Adult education teachers' mobility	0	--	+	++

	Policy area	Specific dimension	Option 1: 'Status quo' (baseline)	Option 2: Discontinuation of the programme	Option 3: 'Strengthening of the objectives of the programme'	Option 4: 'A single programme for education, training, youth and sport'
				Type / magnitude of impact (compared to baseline)		
		Reduction of early school leaving	0	N/A	++	++
		Participation in lifelong learning	0	-	++	++
		Internationalisation and transnational cooperation among education and training institutions and systems	0	--	+	++
		Cross-sector cooperation	0	-	++	++
		Quality of education and training	0	-	+	++
		Innovation	0	--	+	++
		Inclusion and equal opportunities in education	0	-	++	++
		Multilingualism	0	-	++	++
		European citizenship	0	--	+	++
		Cultural awareness and personal development	0	-	+	+
	Labour markets	Employability	0	-	+	++
		Workers' mobility within the EU	0	-	+	+
		Inclusion and equal opportunities	0	-	+	+
		Job quality	0	-	+	+
Economic impacts	Educational and other institutions	Administrative burdens	0	+	+	++
	Macro-economic environment	Economic growth and employment	0	-	+	+
Impact on		Free movement of persons	0	-	++	++

	Policy area	Specific dimension	Option 1: 'Status quo' (baseline)	Option 2: Discontinuation of the programme	Option 3: 'Strengthening of the objectives of the programme'	Option 4: 'A single programme for education, training, youth and sport'
				Type / magnitude of impact (compared to baseline)		
fundamental rights		Right to education	0	-	+	+

Regarding the European loan guarantee, the expected impacts are the following::

Number of students – Calculations of the expected financing need and the number of students able to be supported have been informed by the Feasibility Study which has examined the costs of mobile studies by country. The number of students that will actually be able to benefit from the scheme will be subject to the budget available. By way of illustration, € 100 million per year from the EU budget could generate loans totalling at least € 600 million per year³¹ (i.e. **a leverage factor of at least 6**), supporting around **43,000 students based upon an average loan of €14,000** (50% following 1-year programmes, and 50% following 2-year programmes and all borrowing the maximum amount). **This leverage effect** has been calculated (by DG ECFIN) based upon comparable experience of other EU initiatives providing lending guarantees.

6. COMPARING THE OPTIONS AND IDENTIFYING THE PREFERRED OPTION

Each policy option was assessed against a set of criteria relating to different potential benefits and costs. Because of the non-availability of quantifiable data, it was not possible to provide the likely impact of each policy option in monetary terms. Similarly, the impact of any future programme would vary significantly depending on the global amounts available for funding.

Therefore, for each policy option, the impact has been assessed in qualitative terms, based on information collected through the IA consultation process, results from the interim LLP evaluation, two expert workshops organised during the impact assessment, success cases and anecdotal evidence, and interviews with key LLP stakeholders carried out by an external consultant.

³¹ EU contribution + capital committed to student lending by participating financial intermediaries

6.1. Comparison of options

Legend:

	++	+	0	-	--
<i>Comparison to baseline scenario</i>	<i>positive</i>	<i>slightly positive</i>	<i>neutral</i>	<i>slightly negative</i>	<i>negative</i>

	Option 1 Status quo - Continuation of the current LLP	Option 2 Discontinuation of the programme	Option 3 Strengthening the objectives of the programme	Option 4 A single programme for education, training, youth and sport	Explanation of given ratings:
Effectiveness in terms of achieving specific objectives:					
Objective 1 – To support all European citizens in the acquisition of skills and competences through formal and non formal education and training	0	-	+	++	Under Option 2, the EU would not contribute directly to this objective. Some support would be given to Member States only in the form of provision of information and analysis. Both option 3 and option 4 would positively contribute to the objective. Option 4 would have a more positive effect, considering also the inclusion of activities of the current Youth in Action Programme in the non-formal education area.
Objective 2 – To foster cooperation, quality improvement and innovation in education and training institutions, through enhanced	0	--	+	++	Under option 2 the Member States would theoretically be able to promote quality and innovation in their E&T systems at national

	Option 1 Status quo - Continuation of the current LLP	Option 2 Discontinuation of the programme	Option 3 Strengthening the objectives of the programme	Option 4 A single programme for education, training, youth and sport	Explanation of given ratings:
transnational cooperation and spreading of good practices					level. However, cooperation would be very limited - depending only on bilateral and multilateral agreements between the EU MSs. Option 3 and 4 would positively contribute to this objective. Innovation would be even reinforced under option 4 by benefitting from the larger range of target groups and areas covered.
Objective 3 – To trigger policy reforms at national level and support the modernisation of education and training system through enhanced policy cooperation and better use of recognition and transparency tools	0	--	++	++	Under option 2, the recognition tools would be practically impossible to introduce without the contribution of the EU programme. Option 3 and 4 would both contribute to this objective.
Efficiency/cost-effectiveness, in terms of:					
Implementation costs (taking account of simplification measures);	0	++	+	++	Operational arrangements and to them linked costs would be minimal for option 2, reduced just to the management of obligations under Article 165 and Article 166 which would necessitate some expenditure on the provision of information, analysis and some human resources linked to them. Since the single programme (option 4) brings simplification and reduces fragmentation, the cost-effectiveness of its implementation would be

	Option 1 Status quo - Continuation of the current LLP	Option 2 Discontinuation of the programme	Option 3 Strengthening the objectives of the programme	Option 4 A single programme for education, training, youth and sport	Explanation of given ratings:
					significant. For option 3 the positive impact would be lower, since the activities of all separate sub-programmes would be maintained.
EU budget	0	++	+	++	There would be no EU budget allocation under option 2. Significant advantages in EU added value, outcomes and systemic impact from increasing overall budget levels would be linked to options 3 and especially option 4.
Administrative burden	0	++	+	++	Option 2 would of course eliminate the burden of managing the programme for MS, although their Treaty-based information obligations would remain. Option 3, and, more so option 4 through the “one stop shop”, would represent a considerable reduction of administrative burden and an increase of value for money. The obligations related to the management of the programme would be reduced considerably under option 3 and especially 4 in comparison to the current programmes due to the simplification of management arrangements and the radical reduction in the number of actions.

	Option 1 Status quo - Continuation of the current LLP	Option 2 Discontinuation of the programme	Option 3 Strengthening the objectives of the programme	Option 4 A single programme for education, training, youth and sport	Explanation of given ratings:
Coherence (with strategic objectives, etc.):	0	--	+	++	Under option 2, coherence would suffer significantly: it would be left to MSs to decide how they implement the EU2020 and ET 2020 strategic objectives and priorities. Option 3 would allow for stronger coherence through a focus on EU priorities. Option 4 would add to option 3 a more integrated approach and a reduction of the fragmentation and overlaps between sub-programmes and different types of beneficiaries.

6.2. Preferred option: A single programme for education, training, youth and sport

The programme under this option would combine a focus on activities with high added value and impact on beneficiaries (mainly mobility and innovative cooperation projects), the scaling up of these activities (huge increase of VET/HE student mobility, real priority on staff mobility) a radical simplification of management (extended use of lump sum, reduction of number of objectives and actions), and a reduction of administrative costs through the merger of existing programmes for education, training and youth (LLP, Youth in Action and Erasmus Mundus) in a single programme extended to sport activities.

After a comparison of impacts of identified options it appears that option 4 – i.e. the integration of the current programmes active in the field of education and training, including international cooperation in higher education and youth, as well as sport activities - is the option providing the strongest positive economic and social impacts, and the highest relevance to the needs analysis.

As described in sub-section 4.5. above, option 4 combines the strong focus on EU policy priorities and added value of option 3, with a radical simplification of the delivery mechanism and implementation of EU programmes. It brings about more focused actions to generate significant impact on the problem areas addressed by the programme. Moreover, currently the different programmes fund activities which are similar in nature (mobility, traineeships etc.); EU support would gain in coherence and would be more visible and understandable to the target groups.

In comparison to the shortcomings identified in the existing programmes, and in particular in the current LLP and its sub-programmes, option 4 would:

- Create more systemic impacts on policy developments and implementation of the Europe 2020, Education and Training 2020 and EU Youth Strategy, by prioritising activities with greater impact and sustainability.

This is in particular the case for mobility of staff in all sectors (including youth workers) that will be boosted in order to give 1.000.000 individuals the opportunity to teach or be trained abroad, as well as giving HE and VET students the opportunity of getting a work experience or a study period within Europe or even in third countries. They are, as multipliers, one of the key of improvements of the systems;

- Achieve greater relevance and added value by focusing on a smaller set of priorities and problems of key importance for the EU, in particular emphasise the links between programme activities and the EU policy agenda; Cooperation projects and networks will have to answer to key EU issues, such as literacy, low achievers or recognition of non formal learning. A stronger link with labour market needs will be ensured by the increased participation of world of work as well as reinforced transfer of innovation activities;
- Put stronger focus on the crucial role of education and human capital for innovation by promoting education-business partnerships, targeting excellence in teaching and learning, employability and entrepreneurship;
- Help address some urgent priorities in Member States in the context of a decrease in financing in the education and training sector, and foster thematic networking at national and EU levels;
- Address the current fragmentation between existing programmes (streamlining the current structures, funding, bringing together all sectors, etc.) and exploit economies of scale;

By reducing the number of different deadlines in call, harmonising the application and reporting forms, extending the use of lump sum, supporting friendly IT tools, it will reduce the needs of training of managers in charge of the programme, simplify the communication and ensure a broader access to the programme at the end;

- Address the lack of synergies between current activities in different lifelong learning sectors and towards a genuine lifelong learning approach (taking into account both the role of formal and non-formal learning).

More emphasis will be put on the quality of projects. For mobility, institutions/organisations will have to present an integrated request on behalf of individuals – being students or staff. It will support the lifelong learning approach with in the same proposal from a university for instance the request for mobility of students within EU, training of school assistants, hosting of non EU teachers and/or students;

- Radically simplify the programme architecture, structuring support along three transversal types of activities: learning mobility, cooperation between institutions and organisations and mutual learning and policy development.

Monitoring and performance assessment will be easier to organise and allow for a more result-oriented approach. A clearer complementarity with other EU funds will be possible.

The establishment of a single Programme Committee will also contribute to more cost-effective and lean management. While this will require coordination among relevant departments within Member States, increased coordination can also lead to improved effectiveness based on stronger synergies among policies and sectors.

The aim will be to reach **a cumulative effect of these simplifications to a productivity increase of around 40%.**

The efficiency gain stems from the reduction of the inherent complexity of a programme based on much fewer objectives, concentration on key actions, mainstreaming of peripheral ones and discontinuation of overlapping, inefficient and micro-actions. The objective is a reduction by 85% in the number of actions compared to the present situation. It is estimated that this component would allow a gain of around 30% in the system through economies of scope.

A further 10% productivity gain could be expected from the adoption of common overhead tools following the merge of the programmes and the establishment of a single National Agency per country. The efficiency gain would stem from the commonality of overhead expenditure and the economies of scale linked to it: a single IT system to manage the funds entrusted to National Agencies, one set of rules, reduced number of financial transactions, etc.

Overall in terms of million € managed per FTE the combined effect would raise from 6 to 10 € Million the amount managed by each FTE.

Controls will be based on the single audit principle: the National Agency will be responsible to check the programme beneficiaries and the Commission will oversee and coordinate the control system and set minimum requirements to avoid overlaps. The checks will be largely risk based. These measures are starting to be implemented already in the current programmes. The Member State through the designated national authority will monitor and supervise at national level the activities related to the programme.

The resulting simplified and streamlined architecture would be easily scalable with low marginal costs and an increase of the budget in the order of 70%, as proposed by the MFF Communication, could be accommodated with the current level of resources. For the currently existing programmes, 1 FTE manages around EUR 6 millions. With the merge of the programmes and the envisaged improvements, it could manage 10 millions. (For detailed clarification of the cost effectiveness of the programme for education, training, youth, international cooperation in higher education and sport see Annex 8.)

The table below gives general assessment of the education, training, youth and sport activities of the new programme, and explains their contribution to overarching priorities. More detailed description of activities

specific for the youth, international cooperation in higher education and sports are available in separate impact assessment reports submitted for these parts of the proposed future programme.

Action	Contribution to overarching priorities
Learning mobility of individuals	Learning mobility (increased levels under the new programme): broader set of basic, professional and soft skills obtained as learning outcomes by mobility participants, including through activities to and from third countries in particular in higher education; acquisition of valuable life and professional experience, e.g. in the case of placements, voluntary service etc.; better employability of mobility participants; encouragement of further professional mobility; improved perspectives/clearer ideas for further education or career pathways; increased youth participation in society and democratic life. Teachers'/trainers'/staff/youth workers mobility (increased levels under the new programme): development of innovative teaching methods, tools and institutional strategies to enhance skills acquisition; improved attractiveness of E&T institutions with mobile teachers.
Cooperation for innovation and good practices	Innovative cooperation projects on key priorities: the development of basic (e.g. literacy, numeracy, digital), professional and soft skills in the curricula and voluntary activities; new approaches that are enabled, developed or tested in the programme and benefit from international institutional collaboration; enhancement of outreach strategies, innovation and entrepreneurship through closer link with business, the promotion of non-formal learning and recognition of its outcomes Development of partnerships that continue through time and operate outside EU funding, through the provision of seed-funding that enables initial institutional collaboration Joint /double curricula/programmes: increased relevance of curricula to labour market needs, particularly in the context of the internationalisation of commercial exchanges. Partnerships between education providers and world of work through the provision of seed-funding that enables initial institutional collaboration in this area; better matching between skills supply and labour market needs; development of common priorities. Cooperation with third countries: through the exchange of information and good practice on education, training and youth strategies, partnerships aimed at enhancing quality education, attraction of top talent to Europe. Partnerships with European Youth NGOs: to support the development of a European dimension in youth activities and in line with the objectives of the EU Youth Strategy.
Policy support	Support to EU policy agenda, in particular in the field of literacy, ICT in schools, languages learning Support OMC policy networks (e.g. early school leaving) through the organisation, funding and dissemination of activities. Support to the EU structure dialogue in the youth field Enhance the international dimension in education and training through targeted capacity building in non EU countries, in particular neighbourhood countries; Research, promotion and dissemination activities that are linked to the outcomes of

Action	Contribution to overarching priorities
	mobility and cooperation actions; activities for the monitoring of progress on common priority issues, Support to the implementation of EU tools: Europass for the recognition of soft skills and better transparency of learning outcomes for employers; Youthpass for the recognition of non-formal learning outcomes; EQF, credit systems Joint testing of innovative approaches in E&T and youth including with an international dimension
Jean Monnet Activities	The Jean Monnet programme of the current LLP would continue to feature as a small component of the single programme, with its specific objectives: it would continue stimulating teaching, research and reflection on European integration in higher education institutions worldwide.
Sport	Activities in the field of Sport would focus on the fight against doping, violence and racism and fostering transnational activities to promote good governance.

7. MONITORING AND EVALUATION

7.1. Monitoring and evaluation of the current LLP

A number of issues pertinent to the outline of future monitoring and evaluation arrangements have been identified in the course of the IA exercise. The current system for monitoring indicators (see Annex 9) was set in June 2010 in the middle of the programme implementation, taking into consideration also the quantified targets required in the LLP Decision³² as to be achieved until the year 2012 (Erasmus) or by the end of the LLP in 2013. However, the agreed LLP indicators are primarily focused on measuring direct outputs of Programme's activities and do not capture wider range results and impacts of the programme. In particular, the projects/networks/partnerships/individuals should achieve various soft outcomes which cannot be measured in the same way as hard ones.

7.2. Framework for monitoring and evaluation of the future programme

The monitoring and evaluation of the future programme should contain both continuing monitoring to assess the progress towards achieving the objectives of the programme and the formal evaluation exercises as well.

Continuous monitoring could be based on the following approaches:

Collection of information on progress in relation to the quantitative outputs of the Programme via its dedicated IT system. Such potential output indicators would be reported in the regular annual programme activity reports.

³² To increase volume of partnerships between schools in different Member States, so as to involve at least 3 million pupils in joint educational activities during the period of the programme; to reach at least 3 million individual participants in student mobility under the Erasmus programme and its predecessor programmes by 2012; to increase placements in enterprises to at least 80 000 per year by the end of the LLP in 2013 and to support at least 7 000 individuals per year in mobility actions for adult learners.

A regular assessment of qualitative outcomes, aimed at measuring impact on individual beneficiaries (young people, teachers, staff, youth workers) organisations and systems. Such indicators would be based on the intervention logic of the future programme and its general and specific policy objectives. The regular annual programme activity reports could make this information public. Such assessments could take place through the means of online survey(s), longitudinal studies on programme beneficiaries, ministries of education, teaching and training bodies, education think-tanks, employer organisations etc., and other source of verification such as the analysis of work plans and reports.

Formal evaluation procedures would include mid-term and ex-post evaluation to be contracted with the independent expert body. Mid-term evaluation would predominantly consider the results achieved in the first part of the implementation of the programme as well as the results of the ex post evaluations of the current programmes. It would recommend improvements for the continuation of the programme. It would also give recommendations for the preparation of the further programme. Final evaluation would focus on the impacts achieved by the Programme.

Accordingly, the ex-post evaluation of the next programme would be included in the evaluation carried out mid-term for the programme coming after the next.

Member states, including the managing authorities, will be requested to contribute to the monitoring and evaluation process through national reports and analysis of the final beneficiaries feedback. The Commission Report on the mid-term evaluation of the programme would be submitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions in spring 2017.

It will also be important to better communicate the achievements of the programme. The programme statistics would thus be released on a more regular basis, for which full exploration of the potential of current IT management tools for a support of monitoring and reporting mechanism would be necessary. For a tentative list (still work in progress) of identified output, result and impact indicators for the new programme, see Annex 10.

8. ANNEXES

- (1) Studies and reports used for the preparation of this IA report
- (2) LLP outcomes and results 2007-2010
- (3) Main activities of the current Lifelong Learning Programme, and main challenges identified in the LLP interim evaluation
- (4) Linking operational objectives to performance gaps identified in the Problem Description
- (5) How current LLP actions should be transformed into future actions
- (6) Detailed description of the EU loan guarantee
- (7) Detailed description of impacts of the four identified options
- (8) Tentative cost-effectiveness analysis of the four identified options
- (9) Current LLP monitoring indicators (2007-2013)
- (10) Tentative list of indicators for the monitoring and evaluation of the future programme

(11) List of acronyms

Annex 1: Studies and reports used for the preparation of this IA report

Title of the study	Year of publication
Youth on the Move. Results of the consultation on the Green Paper on the learning mobility of Young people (http://ec.europa.eu/education/yom/wpconsult_en.pdf)	2010
Enabling the low skilled to take their qualifications “one step up” (http://ec.europa.eu/education/more-information/doc/2010/lowskill.pdf)	2010
Changing patterns of working, learning and career development across Europe (http://ec.europa.eu/education/more-information/doc/2010/warwick_en.pdf)	2010
Inclusion and education in European countries (http://ec.europa.eu/education/more-information/moreinformation139_en.htm)	2009
Key competences in Europe: opening doors for lifelong learners (http://ec.europa.eu/education/more-information/doc/keyreport_en.pdf)	2009
Study of the impact of Comenius In-Service Training activities (http://ec.europa.eu/education/comenius/doc/istreport_en.pdf)	2010
Study of the Impact of Comenius Assistantships (http://ec.europa.eu/education/more-information/doc/2010/comeniusreport_en.pdf)	2010
Teachers’ Professional Development - Europe in international comparison (http://ec.europa.eu/education/school-education/doc/talis/report_en.pdf)	2010
Key competences for adult learning professionals (http://ec.europa.eu/education/more-information/doc/2010/keycomp.pdf)	2010
Study on European Terminology in Adult Learning for a common language and common understanding and monitoring of the sector (http://ec.europa.eu/education/more-information/doc/2010/adultreport_en.pdf)	2010
Assessment of the impact of ongoing reforms in education and training on adult learning (http://ec.europa.eu/education/more-information/doc/2010/reforms.pdf)	2010
Update to the European Inventory on Validation of Non-formal and Informal Learning (http://ec.europa.eu/education/more-information/doc/2010/inventory_en.pdf)	2010
Adults in formal education: Policies and Practice in Europe (http://eacea.ec.europa.eu/education/eurydice/documents/thematic_reports/128EN.pdf)	2010
Impact of the Leonardo da Vinci programme on the quality of vocational education and training systems (http://ec.europa.eu/education/more-information/doc/2010/vetpro_en.pdf)	2010
VET teachers and trainers: Key actors to make lifelong learning a reality in Europe (http://ec.europa.eu/education/more-information/doc/2010/teatra_en.pdf)	2009
Study of the impact of Leonardo da Vinci programme on the quality of vocational education and training systems (http://ec.europa.eu/education/more-information/doc/2010/vetpro_en.pdf)	2010
Promotion of multilingualism in the 31 countries of the LLP (http://ec.europa.eu/education/languages/pdf/doc1631_en.pdf)	2008

Study on the contribution of multilingualism to creativity (http://ec.europa.eu/education/languages/news/news3653/report_en.pdf)	2009
Indicators on ICT in primary and secondary education (http://ec.europa.eu/education/more-information/doc/ictindicrep_en.pdf)	2009
Study of the impact of technology in primary schools (http://www.crie.min-edu.pt/files/@crie/1269619794_02_synthesis_report_steps_en.pdf)	2009
EAC 47/2009 Feasibility study to examine the potential need for a Student Lending Facility at European Level was organised for a study to: <i>Make lifelong learning and mobility a reality, by reducing financial barriers. This Study will investigate options for the feasibility of establishing a pan-EU student lending scheme in support of learning mobility</i> The winning contractant was the London School of Economics Enterprise. The final report was submitted in March 2011 and is available at: http://ec.europa.eu/education/higher-education/doc/lending_en.pdf The feasibility study identifies a clear market gap for students who wish to take a full programme of study at masters level outside their home country. These students are faced both with <u>higher costs</u> (due to the existence of higher tuition fees at masters level and the length of study which is on average 1-2 years), and they <u>have poor access to finance</u> (either grant or loan) in order to sustain these costs.	November 2009

All reports and studies for education and training can be available at the following websites:

- http://ec.europa.eu/education/more-information/moreinformation139_en.htm
- http://ec.europa.eu/education/languages/eu-language-policy/doc126_en.htm
- http://ec.europa.eu/education/lifelong-learning-policy/doc/mobility/com329_en.pdf
- http://ec.europa.eu/education/leonardo-da-vinci/doc1243_en.htm
- http://eacea.ec.europa.eu/education/eurydice/documents/thematic_reports/128EN.pdf
- <http://www.eurydice.org>

Annex 2: LLP Outcomes and Results 2007-2010

Lifelong Learning Programme – Sub-programmes 2007-2010 (figures rounded to 1‰ of their value)

		Target audience (b)	Sub Programme (a)	2007	2008	2009	2010	TOTAL-a	TOTAL-b	TOTAL-c
Decentralised actions	Mobility ⁽²⁾ (c)	Students (studies)	Comenius ⁽¹⁾	PM	PM	PM	PM		677.705	1.246.188
			Erasmus	159.000	163.000	168.000	177705	667.705		
		Training Placements	Erasmus	N/A	20.000	30.300	35561	85.861	233.000	
			Leonardo da Vinci	59.600	55.200	67.500	65942	248.242		
		Staff/teachers/trainers/education specialists/adult education staff	Comenius ⁽¹⁾	9.840	11.400	11.800	12972	46.012	176.000	
			Erasmus	25.800	31.400	36.400	37776	131.376		
			Leonardo da Vinci	13.900	12.500	12.800	12420	51.620		
			Grundtvig	1.300	1.780	2.480	2385	7.945		
			Study Visits		2.530	2.360	2537	7.427		
	Others (c)	Institutions involved	Erasmus	2.190	2.520	2.740	2655	10.105	17.400	58.383
			Leonardo da Vinci ⁽³⁾	3.490	3.030	3.440	3107	13.067		
		Partnership projects (organizations involved)	Comenius	7.890 ⁽⁴⁾	5.640	6.010 ⁽⁵⁾	5923	11.563	25.400	
			Leonardo da Vinci	N/A	810	946	1016	2.772		
			Grundtvig	1.440 ⁽⁴⁾	1.240	1.460	1600	4.300		
		Multilateral Projects	Leonardo da Vinci	315	330	307	284	1236		
Centralised actions (c)	Multilateral Projects	Comenius	36	44	39	33	152	737	882	
		Erasmus	50	43	43	50	186			
		Leonardo da Vinci	32	35	42	38	147			
		Grundtvig	77	69	56	50	252			
	Multilateral Networks	Comenius	5	3	5	7	20	91		
		Erasmus	8	8	13	8	37			
		Leonardo da Vinci	7	8	4	5	24			
		Grundtvig	2	2	3	3	10			
	Accompanying measures	Comenius	7	1	4	4	16	54		
		Erasmus	6	4	6	8	24			
		Leonardo da Vinci	1	2	2	2	7			

		Grundtvig	2	2	2	1	7		
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⁽¹⁾ Comenius mobility (2007: 120.000 pupils/40.000 staff) is only a part of the 3 million targets, which also includes pupils and staff participating in partnership projects (2007: 608.000/67.000).

⁽²⁾ e-Twinning data are not included.

⁽³⁾ The sum of coordinators and partners of Transfer of innovation projects and partners of Leonardo da Vinci partnerships

⁽⁴⁾ 2007 was a transitional year for Comenius and Grundtvig Partnerships: these actions moved from one-year contracts renewable once, to two-year contracts. Hence column 2007 contains new 2-year contracts (Comenius: 5.095 – Grundtvig: 598) as well as renewed 1-year contracts and it is not comparable with the figures for 2008 onwards, which contain only new 2-year contracts.

⁽⁵⁾ Grants awarded to institutions within Comenius School Partnerships (schools) and Comenius Regio Partnerships (local/regional authorities)

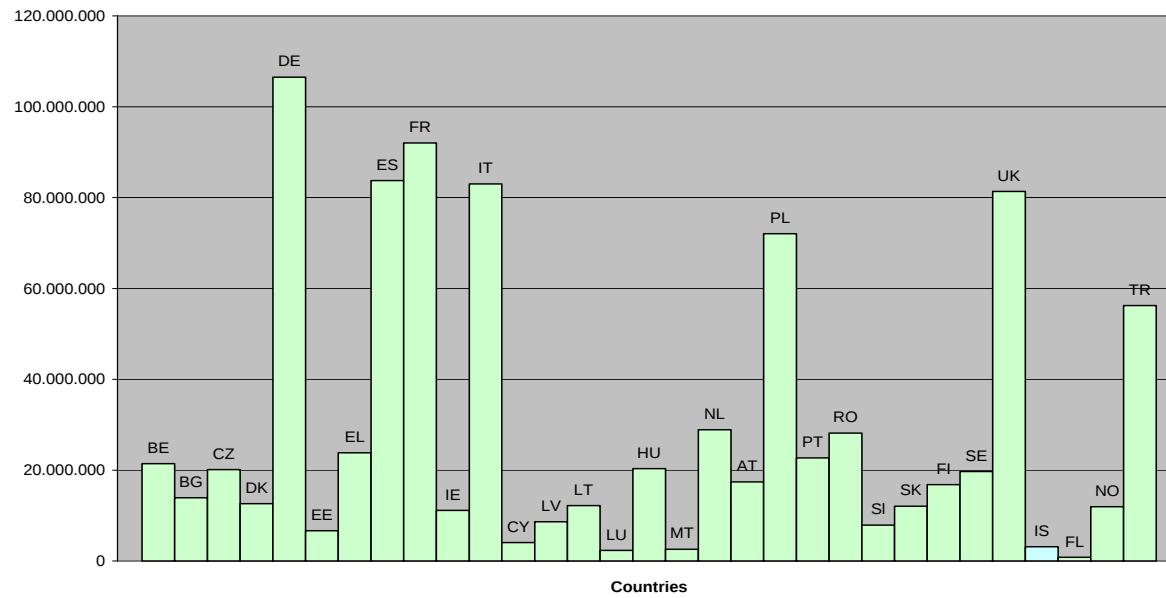
Lifelong Learning Programme - Transversal Programme 2007-2010

			2007	2008	2009	2010
KA1 Policy Cooperation/ Innovation in lifelong learning	KA1 centralized total	Projects funded	6	7	6	6
		Organizations involved	143	186	71	41
KA2 Languages	Multilateral projects	Projects funded	21	20	21	24
		Organizations involved	158	138	159	129
	Multilateral networks	Projects funded	3	8	5	1
		Organizations involved	76	79	52	42
	Accompanying measures	Projects funded	1	2	3	2
		Organizations involved	3	8	11	9
KA3 ICT	Multilateral projects	Projects funded	21	15	25	24
		Organizations involved	160	127	184	170
	Multilateral networks	Projects funded	2	5	1	2
		Organizations involved	15	48	5	9
KA4 Dissemination/ exploitation	Multilateral projects	Projects funded	12	12	14	10
		Organizations involved	110	113	110	95

Lifelong Learning Programme - Jean Monnet 2007-2010

	2007	2008	2009	2010
Global presence (countries in the JM network)	60	61	62	68
Number of Jean Monnet teaching projects	- 720 chairs - 1.936 modules and courses	- 757 chairs - 1.967 modules and courses	- 794 chairs - 1.998 modules and courses	- 837 chairs - 2.068 modules and courses
Number of Jean Monnet Centres of Excellence	112	134	145	155
Number of student reached annually	± 230.000	± 232.000	± 235.000	± 240.000

LLP Global Budget Received (2010)



Annex 3: Main activities of the current Lifelong Learning Programme, and main challenges identified in the LLP interim evaluation

Main activities	Main challenges
COMENIUS SUB-PROGRAMME	
<i>Partnerships</i> are considered as one of the most successful Comenius actions in terms of the number of received applications, satisfaction of the beneficiaries and expected results, thanks to its flexibility and wide scope.	High participation costs for some schools (i.e. costs for finding and funding substitute teachers and in some cases allocation of own resources for successful implementation of the partnership). Lack of coordination among NAs in allocating the support for the partnerships. Since all partners need to apply for support in their own country, some partners might receive support, while the applications of other partners are rejected.
<i>In-Service Training</i> has been praised due to its positive impact on the beneficiaries.	Uneven quality of the training provision is considered as an obstacle to higher satisfaction of institutional beneficiaries.
<i>Assistantships</i> are regarded as successful with an increase of demand. Individual beneficiaries are overall satisfied with their participation. Improved linguistic and inter-cultural skills are commonly viewed as the key benefits for the assistants as well as for the students and the staff of the receiving school. <i>Comenius Regio Partnerships</i> action presents high potential to complement the existing measures, broadening the target group to include regional authorities and removal of barriers between various sectors of education.	High rate of cancellations among the selected candidates. This is likely caused by the fact that the recent graduates experience radical changes in their personal and career plans, while lengthy selection procedures for assistantships require longer time commitments. Difficulty in organising assistantships in primary schools.
LEONARDO DA VINCI SUB-PROGRAMME	
The evaluation revealed a high value added in the provision of unique opportunities for internationalisation, widening of participation and support for innovations in VET. <i>Mobility actions</i> are considered as especially successful for their direct impact on the learners. The surveys of beneficiaries in several countries found that mobility has contributed to increased language skills, intercultural competences and professional development. There was some evidence that placements have directly contributed to enhanced employability of the trainees.	Lack of language skills prevents higher levels of mobility of learners and trainers. Difficulties in developing partnerships (with schools, but especially with host employers and SMEs in particular). Difficulties in securing adequate level of participation of the trainers in mobility actions.
<i>Partnerships and innovation transfer</i> projects are seen as an important instrument for exchanges of best practice. Focus on the development of concrete products is considered to be one of the most important preconditions for the success of such projects.	

Main activities	Main challenges
ERASMUS SUB-PROGRAMME	
Students' mobility considerably contributes to language learning, understanding of the diversity of cultures and personal development. Teachers' and other educational staff's mobility is seen as important for the professional development of the beneficiaries and has a positive impact on the students' motivation in the recipient higher education institutions (HEIs). In addition to individual-level benefits, mobility actions have also considerably contributed to the internationalisation of HEIs. For instance, attempts to facilitate students' mobility led to the establishment of offices for international affairs, which expanded their functions to encompass direct contacts with other HEIs. Furthermore, the development of intensive programmes, participation in networks and multilateral projects has contributed to higher intensity of cooperation between HEIs. It is likely that without the Erasmus Intensive Language Courses (EILC) action participants would not be able to learn the local language.	Numbers of outgoing students have not been rising as fast as expected or have been decreasing. Inadequately small grants for mobile students (and teachers) hinder more effective implementation of Erasmus. This poses an obstacle to further increases in the numbers of mobile students and it has a negative effect on equal opportunities: students from less well-off families face disincentives to participate in the programme.
GRUNDTVIG SUB-PROGRAMME	
The number of applications (particularly for mobility actions) has increased in the majority of the participating countries and it has increased access for a range of target groups, including those with special needs, immigrants and prisoners. Grundtvig complements national efforts at developing an adult learning community and facilitating cooperation. The learning partnerships have resulted in particularly high quality outcomes. In-service training has demonstrated considerable potential for enhancing the competences of the beneficiaries and increasing the overall quality of adult education.	The diversity of the adult education sector. The learning opportunities are provided by a diverse range of actors and the implementation of Grundtvig faces difficulties in involving them in the programme. The number of different actions, different rules and different application deadlines, and occasional uncertainty about the interpretation of the rules, made it difficult to clearly present the programme to interested stakeholders and has increased the management costs.
TRANSVERSAL SUB-PROGRAMME	
	It has been suggested that the Transversal programme's budget does not match the scale and scope of the programme objectives. Evidence from the interim evaluation suggests that the current structure of the Transversal programme does not reduce fragmentation in education policies and does not provide the best cost-effectiveness. The recommendation is to structure it along the lines of thematic cross-sectoral calls on languages, ICT, innovation etc. This would allow the expansion or

Main activities	Main challenges
	integration of some themes, depending on the needs of the E&T community and budget availability.
KA 1: Policy cooperation and innovation in LLP	
KA1 activities included study visits (involving more than 6 300 education and vocational training specialists and decision makers), grants for studies and comparative research and various policy cooperation activities, (Eurydice Network, Europass initiative, Euroguidance network, PLOTEUS portal, etc.), Presidency events, and specific calls for proposals.	For the activity ‘Studies and Comparative Research’ there is an implementation gap between the specific nature of this action, the quality of project proposals as well as their results, resulting in a limited utility for informing policy making.
KA 2: Languages	
KA2 creates a space for the development of high quality methodologies and materials, which would not be available in the absence of EU funding. The projects are felt to be higher quality in comparison to language projects funded by the LLP sectoral sub-programmes, due to a more specialist focus on high quality language learning methodologies. The programme actively stimulates cooperation which would otherwise be lost. Participation in both centralised and decentralised projects has an automatic impact on the participants’ foreign language skills.	Project success is strongly dependent on the management skills of the leading beneficiary - inexperienced project managers sometimes cannot cope with the high demands of managing a European project and some projects produce high quality results but fail to exploit them or add onto their success. To have a long-lasting impact on the status of multilingualism in Europe, structural changes in national systems are needed. The widespread dominance of the English language can make it hard for projects to generate sufficient support and interest for their projects.
KA 3: Development of ICT-based content	
KA 3 Multilateral Projects and Multilateral Networks encourage innovation and creativity in learning and teaching and links learning communities through the use of ICT. According to the statistical Report of 2009, KA 3 ICT activities are also complementary to other activities such as KA2 (language). The implementation of the KA3 is linked with the activities of DG Enterprise and Industry (e-Skills of professionals), DG Information Society and Media (e-inclusion and digital literacy) and DG Research (research and development in the area of technology-enhanced learning).	Insufficient resources/ high level of competition (1:13 success ratio).
KA 4: Dissemination and exploitation of results and exchange of good practice	
D&E activities are important to support project	Expertise about dissemination and exploitation is not

Main activities	Main challenges
managers to exploit the outcomes and experience from their projects and to try to ensure sustainability of their work. D&E are also necessary to ensure that stakeholders external to the LLP (e.g. policy makers) become aware of the results of LLP projects. Through large-scale D&E activities, beneficiaries can learn from each other and use each others' networks to reach other actors, for example at policy level. The mandatory valorisation plan for project proposals has made stakeholders more aware of the need for D&E. KA4 can lead to a closer connection of the different sub-programmes.	always equally present among beneficiaries and lack of it among individual beneficiaries is an obstacle to effective use of project results. It can be questioned whether the means provided for the KA4 and accompanying measures match the aspirations. The main barrier is the knowledge and expertise of the project team and the composition of the consortium. The general impression is that no lessons are drawn from the monitoring activities.
JEAN MONNET ACTIONS	
The Jean Monnet programme supports the development of specific actions (Jean Monnet Chairs, Ad Personam Chairs, Centre of Excellence, European Modules, Associations of Professors and Researchers, Information and Research activities, Multilateral Research groups), supports specified institutions dealing with issues relating to European integration and European associations active at European level in the field of education and training. It is considered that other mechanisms would not have provided better cost-effectiveness. This is due to the concentration of limited financial resources on institutions with a proven record of excellence and the establishment of a quality label that allows better targeting and dissemination.	Limited resources/high level of competition Small number of beneficiaries from non-EU countries

ANNEX 4: Linking operational objectives to current performance gaps

Performance gaps of the current LLP	Operational objectives of the future programme
A very significant demand for more available finance to support mobility	To increase HE and VET students learning mobility opportunities in order to study or have a work experience To support staff mobility, in particular for teachers, trainers, school leaders
Prevailing obstacles to learning mobility	To develop Erasmus Masters for higher education students, through new loan guarantee mechanism To support introduction and use of tools for the recognition and transparency of skills and qualifications obtained through mobility To increase HE and VET students learning mobility opportunities in order to study or have a work experience (<i>including linguistic preparation</i>)
The direct influence of LLP actions on the modernisation of education and training systems is still hard to observe and estimate.	To support staff mobility, in particular for teachers, trainers, school leaders To support strategic partnerships between education and training organizations and with other relevant actors To support partnerships between education institutions and businesses To support IT support platforms, including e-Twinning To strengthen the international exchange of good practices and the evidence base for effective and efficient policies, systems and practices in the field of education and training;
Variations in performance and the quality of education and training as well as its relevance for the labour market are pronounced in Europe	To support staff mobility, in particular for teachers, trainers, school leaders To increase HE and VET students learning mobility opportunities in order to study or have a work experience To support strategic partnerships between education and training organizations and with other relevant actors To support partnerships between education institutions and businesses To support IT support platforms, including e-Twinning To strengthen the international exchange of good practices and the evidence base for effective and efficient policies, systems and practices in the field of education and training; To promote teaching and research on European integration.
To simplify the administrative architecture of the programme	To reduce from 60 to 11 the number of activities supported To extend the use of lump sum To introduce a single audit principle

ANNEX 5: HOW CURRENT LLP ACTIONS SHOULD BE TRANSFORMED INTO FUTURE ACTIONS

Current Actions	Future actions
1. COMENIUS PREPARATORY VISITS → to be mainstreamed in mobility action 2. COMENIUS ASSISTANTSHIPS (ASSISTANTS) → to be discontinued 3. COMENIUS ASSISTANTSHIPS (HOST SCHOOLS) → to be discontinued 4. COMENIUS INDIVIDUAL PUPIL MOBILITY → to be mainstreamed 5. COMENIUS IN-SERVICE TRAINING FOR TEACHERS AND OTHER EDUCATIONAL STAFF (IST) 6. ERASMUS PREPARATORY VISITS → to be mainstreamed in mobility action 7. ERASMUS ORGANISATION OF MOBILITY 8. ERASMUS STUDENT MOBILITY FOR STUDIES 9. ERASMUS STUDENT MOBILITY FOR PLACEMENTS 10. ERASMUS STAFF MOBILITY – TEACHING ASSIGNMENTS BY HEI TEACHING STAFF AND BY INVITED STAFF FROM ENTERPRISES 11. ERASMUS STAFF MOBILITY – TRAINING FOR HEI STAFF AT ENTERPRISES AND AT HEI 12. ERASMUS INTENSIVE LANGUAGE COURSES - to be discontinued/replaced by on-line language courses 13. ERASMUS UNIVERSITY CHARTER 14. ERASMUS CONSORTIUM PLACEMENT CERTIFICATE 15. LEONARDO DA VINCI PREPARATORY VISITS → to be mainstreamed in mobility action 16. LEONARDO DA VINCI INITIAL VOCATIONAL TRAINING (IVT) 17. LEONARDO DA VINCI PEOPLE IN THE LABOUR MARKET (PLM) - to be discontinued 18. LEONARDO DA VINCI VETPRO (VET PROFESSIONALS) 19. LEONARDO DA VINCI MOBILITY CERTIFICATE 20. GRUNDTVIG PREPARATORY VISITS → to be mainstreamed in mobility action 21. GRUNDTVIG VISITS AND EXCHANGES FOR ADULT EDUCATION STAFF (VIS) 22. GRUNDTVIG ASSISTANTSHIPS (ASS) to be discontinued 23. GRUNDTVIG IN-SERVICE TRAINING FOR ADULT EDUCATION STAFF (IST) 24. GRUNDTVIG WORKSHOPS to be discontinued 25. GRUNDTVIG LEARNING PARTNERSHIPS 26. GRUNDTVIG SENIOR VOLUNTEERING PROJECTS to be discontinued 27. KA1 STUDY VISITS FOR EDUCATION AND VOCATIONAL TRAINING SPECIALISTS AND DECISION MAKERS to be discontinued	Transnational individual mobility - <i>staff mobility, in particular for teachers, trainers, school leaders and youth workers;</i> - <i>mobility for higher education students (including joint/double degrees) and VET students;</i> - <i>Erasmus Master for higher education students, with a new loan guarantee mechanism;</i>

28. COMENIUS MULTILATERAL SCHOOL PARTNERSHIPS 29. COMENIUS BILATERAL SCHOOL PARTNERSHIPS 30. COMENIUS REGIO PARTNERSHIPS to be extended to other sectors 31. COMENIUS MULTILATERAL PROJECTS 32. COMENIUS ACCOMPANYING MEASURES to be mainstreamed 33. eTWINNING 34. ERASMUS INTENSIVE PROGRAMMES to be discontinued/integrated in cooperation projects 35. ERASMUS MULTILATERAL PROJECTS 36. ERASMUS ACCOMPANYING MEASURES to be mainstreamed 37. LEONARDO DA VINCI PARTNERSHIPS 38. LEONARDO DA VINCI TRANSFER OF INNOVATION 39. LEONARDO DA VINCI DEVELOPMENT OF INNOVATION 40. LEONARDO DA VINCI ACCOMPANYING MEASURES to be mainstreamed 41. GRUNDTVIG MULTILATERAL PROJECTS 42. GRUNDTVIG ACCOMPANYING MEASURES to be mainstreamed 43. KA2 NEW MATERIALS / ONLINE COURSES / AWARENESS RAISING to be mainstreamed 44. KA2 ACCOMPANYING MEASURES to be mainstreamed 45. KA3 MULTILATERAL PROJECTS to be mainstreamed 46. KA4 MULTILATERAL PROJECTS to be mainstreamed	COOPERATION PROJECTS - <i>Strategic partnerships between education establishments/youth organisations and/or other relevant actors.</i> - <i>Knowledge Alliances between higher education establishments and businesses .promoting innovation</i> - <i>Sector skills alliances between education institutions and businesses promoting employability</i> - <i>IT support platforms, including e-Twinning.</i>
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47. COMENIUS MULTILATERAL NETWORKS to be mainstreamed 48. LEONARDO DA VINCI NETWORKS to be mainstreamed 49. ERASMUS ACADEMIC NETWORKS to be mainstreamed 50. GRUNDTVIG MULTILATERAL NETWORKS to be mainstreamed 51. KA1 STUDIES AND COMPARATIVE RESEARCH 52. KA1 NETWORKS to be mainstreamed 53. KA2 MULTILATERAL NETWORKS to be mainstreamed 54. KA3 MULTILATERAL NETWORKS to be mainstreamed	SUPPORT FOR POLICY REFORM - <i>Support to open methods of coordination</i> - <i>EU tools: valorisation and implementation.</i> - <i>Policy dialogue</i>
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Jean Monnet Activities

Annex 6: Detailed description of the EU loan guarantee

How would an EU student loan guarantee operate?

Even with a closely defined target group such as mobile Masters³³, providing the full capital for loans directly from the EU budget would be too onerous financially (involving a 'loan book' likely to be in the billions in the long term), and would require a high level of administration at the EU level/a new EU Agency.

It is more realistic for the **EU to act as a guarantor against the possible default on loans**, which would be disbursed by financial intermediaries, funded from private sources (essentially banks). In practice, the EU would shoulder an important part of the risk of default making loans possible at reasonable interest rates.

Proposals for an EU student loan should be built into the new financial instruments of the post-2013 Multiannual Financial Framework. The EU student loan guarantee fund would be established within the framework of the planned **EU Debt Platform**.

The underlying budget to establish the EU student loan guarantee fund would come from **EU education programmes**; the necessary provisions would be built into the Decision establishing the new Single Programme for education, training, youth and sport for 2014-2020.

Capital for the loans would be leveraged from banks (Financial Intermediaries). **Financial institutions at national/regional level would act as the direct contact point with potential borrowers**, disbursing loans and collecting repayments. These would be selected to participate following an expression of interest procedure by a nominated Managing body, possibly the European Investment Fund, based upon guidelines established by the EC and the EIB.

Given the cross-border nature of the initiative, **a limited number of common criteria should be set at EU level**, particularly for repayment mechanisms and administrative requirements (notably a common on-line application form, and common eligibility criteria, e.g.: student to be an EU (*or candidate country, EEA*) resident and have been accepted to attend a *nationally recognised study programme at Masters level in another country of the EU (+ candidate /EEA)*, *no adverse information on the student in the banking system such as bankruptcy or default on other loans*).

Students would be automatically directed to the appropriate Financial Intermediary in their chosen country from the European Commission's web pages, possibly as part of Youth on the Move portal. This establishes a visible entry point to a branded 'EU Student Loan', including a presentation of basic information such as common eligibility criteria. All operational information and processing would take place at a local level (by the banks).

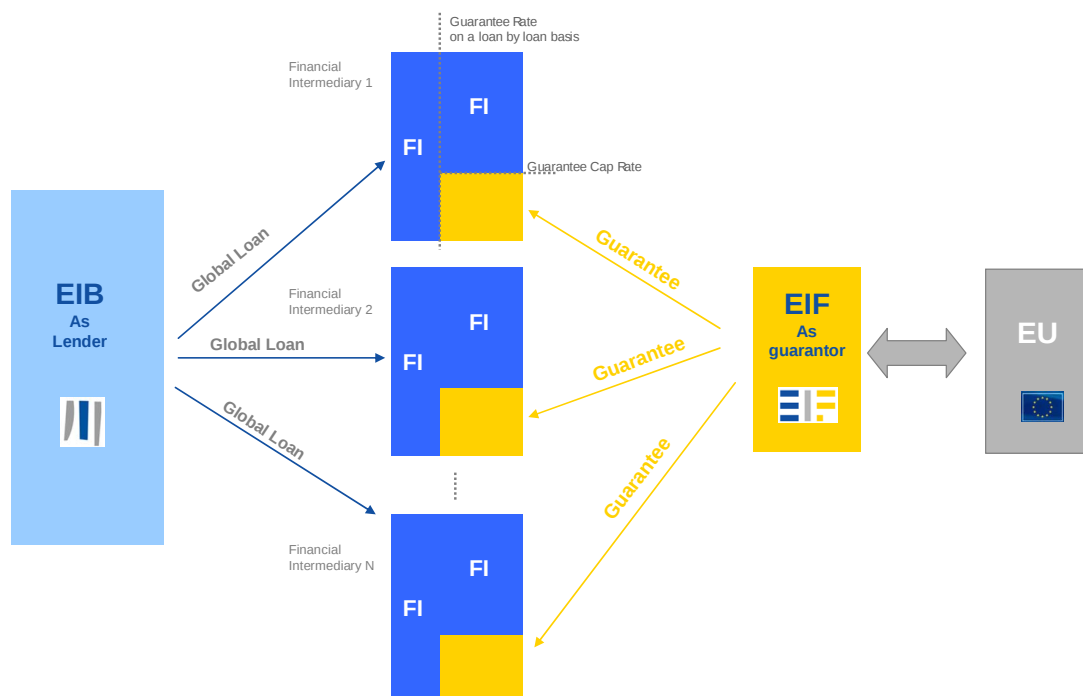
Repayment of loans would be via 'normal' bank loan mechanisms. During the repayment phase proof of income provided by the graduate or through official sources would allow the Financial Intermediary to establish whether the borrower qualifies for exemption from

³³ Estimated at more than 300 000 student per year by independent research on the potential for an EU student loan.

repayment (grace period) or *for payment holiday (period where they could freeze repayments e.g. during a spell of unemployment or maternity).*

If a graduate **defaults** on the loan, the Financial Intermediary would apply to the EU Student Loan fund for part-reimbursement. The cost of the default would be shared between the Financial Intermediary and the European Student Loan (EU contribution). The level of risk-sharing should be sufficiently attractive to the Financial Intermediary in order to secure their participation, but should not lead to moral hazard (i.e. Financial Intermediary should not find it easier to recover the money from the EU contribution than pursuing the graduate borrower to repay). An **appropriate risk sharing may be in the range of 60-70 % to be shouldered by the EU contribution.**

European Student Loan architecture (EIB and EIF are provided as examples):



Annex 7: Detailed description of impacts of the four identified options

N.B.: given that the environmental impacts of options for the programme in education and training are negligible or not relevant, they were not taken into account for the purposes of this impact assessment

SOCIAL IMPACTS

Option 1 – "Status quo" - continuation of the current LLP (baseline option)

Overall the new programme would only reach a limited number of participants from disadvantaged socio-economic groups, as the costs of mobility would prevent their participation in mobility experiences. The risks of social selectivity of the participants identified for HE student mobility³⁴ in the current programme would remain; similarly, in VET, some participants would still be prevented to participate because of a too small subsistence grant³⁵.

Regarding the organisational and systemic level, the programme would still be a driving force for the implementation of European tools for mobility such as the ECTS, ECVET, Europass or the EQF and would continue to be a driver for the internationalisation of education and training. The continuation of the LLP would also contribute to support policy processes such as the Bologna and the Copenhagen process³⁶ and, to a lesser extent, the OMC.

The continuation of the LLP would facilitate access to the labour market of participants by having a significant positive impact on their skills and employability³⁷. It could be expected that involvement in programme activities would still bring similar benefits to participants in this respect as in the current programming period. Mobility activities focused on teachers and trainers would continue to support their career development. Most of the staff mobility supported by the programme would take place in HE; with some staff mobility also happening in VET and schools.

The continuation of the LLP would make a significant contribution to the promotion of European citizenship similarly to the current LLP, which has strengthened sense of European citizenship for 91 % of Comenius and Grundtvig participants, 82 % of Erasmus participants and 83 % of Leonardo participants.

Option 2 – No action

With the discontinuation of the programme, future developments in the area of mobility, cooperation and policy development would be much more fragmented and bilateral, would

³⁴ Souto-Otero, M. and McCoshan, A., The socio-economic background of Erasmus students. Final report to the European Commission. ECOTEC Research and Consulting, Birmingham 2006.

³⁵ LLP Interim evaluation report.

³⁶ LLP Interim evaluation report.

³⁷ Ibid.

take place at a smaller scale and would not develop as consistently across EU Member States, due to the diminution of available financial resources and the lack of consistent drive³⁸.

Inequalities in access to mobility opportunities for learning would accentuate. Mobility to a smaller set of countries would prevail, leaving those countries where minority languages are spoken at disadvantage. There would also be greater social inequalities in mobility, as only people who can afford to participate in such activities without the funding of the LLP will continue to do so. Volunteering and youth activities would not be brought together with education.

Teacher and trainers³⁹ mobility would probably be limited to language teachers – except for higher education. The teachers with knowledge of other countries and systems in addition to their own, as well as examples of their good practices, would consequently be reduced.

The discontinuation of the programme and the significant decrease in cooperation activities which would result from it would also have negative impacts on the implementation of the OMC and related processes such as the Bologna and Copenhagen process. The OMC (through European benchmarking, peer learning activities and other fora of learning, etc) would still contribute to stimulate the development of national education and training policies. However, current weaknesses of the OMC, such as the insufficient involvement of various stakeholders in the process and the low level of ownership and visibility of its objectives, would be further aggravated.

The role filled by the LLP could not be assumed by any other EU programmes such as the European Social Fund (ESF). ESF supports LLL approaches but has different target groups and much lesser focus on actions to innovate the systems, structures or modes of delivery and spreading good practice through transnational cooperation and international mobility.

A negative impact on labour markets would be expected as the discontinuation of the programme. The current benefits in terms of skills improvements and attitudes of the LLP participants (about 300.000 participants per year) would be lost. The usage of the tools and structures that currently facilitate mobility – such international offices and transparency tools - would also suffer as a consequence.

The discontinuation of the programme would result in missed opportunities in terms of development of European citizenship and the understanding of European integration. As some of the most popular EU actions in the eyes of the citizens would disappear, this would create a negative image of the Union.

Option 3 – Strengthening the objectives of the programme

In comparison to baseline scenario, the social impact would increase in relation to the most significant problems faced by Europe in its skills development. In terms of social cohesion, it is likely that the concentration of activities would favour those countries and groups that are worse-off in terms of skills development, in particular through the new emphasis on basic skills.

³⁸ LLP Interim evaluation report, PPMI 2010 (http://ec.europa.eu/dgs/education_culture/evalreports/index_en.htm#ccp08).

³⁹ For the purposes of this impact assessment report, 'teacher' covers both 'teachers and trainers'.

The future programme would achieve a more significant impact on a smaller set of priorities that count the most. This would increase the relevance of the programme impact in relation to wider policy developments and benchmarks. Greater partnership work with other organisations and sectors outside education – such as the productive and voluntary sector – would take place.

This option is expected to result in the improvement of the skills supply in the short-term through mobility and in the medium term through international learning at the practitioner and policy level. The future programme would be expected to facilitate the access to the labour market of participants by having a positive impact on their employability, and to also affect their type and quality of employment.

The future programme would considerably contribute to the promotion of European citizenship. It would enhance the perception of beneficiaries of being European citizens and empower them to contribute to economic and social life, in this sense not differing strongly from the baseline option. A focus on hard-to-reach and disadvantaged groups could also favour the development of European citizenship among those participants who are traditionally not engaging in any transnational activity.

Option 4 – A single programme for education, training, youth and sport

The integration and considerable simplification of the programme would generate a positive impact in terms of administrative expenditure and accessibility: more individuals and education and training institutions could be in a position to apply for funding, with the establishment of mobility ‘one stop shops’ (integrated NAs). The programme would also help promote the development of lifelong learning in a more efficient way.

Benefits in the promotion of European citizenship and multilingualism could be expected, with an even greater impact if the programme would be successful in stimulating a further development of individual learning mobility.

As in the case of option 3, the future programme would achieve a more significant impact on a smaller set of priorities that count the most. This would increase the relevance of the programme impact in relation to wider policy developments and benchmarks. The simplification of the programme would encourage more participation from education and training institutions and individuals, as well as cross-sectoral work, resulting in a greater social impact in terms of scale.

Compared to the current LLP, the new programme would contribute to addressing more effectively the most important problems faced by Europe in the development of the skills of its workforce. Strong positive social impacts could be expected, both at the micro level (in terms of individual skills development and socio-professional insertion) and macro level (performance of lifelong learning systems and of labour markets) from this option. In terms of social cohesion, it is likely that the concentration of activities would favour those countries and groups that are worse-off in terms of skills development, in particular through the new emphasis on basic skills.

Under this option, there would also be greater emphasis on internationalisation and cooperation with third countries, in particular those of strategic importance for Europe.

In addition, involvement in the new programme's activities would give participants a sense of being European citizens, empower them to contribute to economic and social life and contribute to the development of multilingualism. A greater focus on activities that focus on the hard-to-reach groups who traditionally do not engage in transnational processes could favour the development of European citizenship among specific disadvantaged groups of the population.

ECONOMIC IMPACTS

Option 1 – "Status quo" - continuation of the current LLP (baseline option)

The programme would improve to a limited extent the functioning of the single market by increasing the number of people willing to work abroad and obtaining jobs abroad. It would also facilitate the transparency of qualifications with a similar aim. Thus there would be a mid- and long-term positive impact on competitiveness at the European level, thanks to the improvement of the skills levels of the population and to a better allocation of human capital in Europe through mobility.

While there would be no transition costs, the costs to manage the high number of different activities and sub-programmes, with a certain degree of duplication, would remain. There are also dissemination and time costs involved in the need for potential beneficiaries to understand a complex programme and how they can benefit from it.

Option 2 – No action

The discontinuation of the programme would entail an immediate reduction of costs associated to the management of the programme, but costs for related activities implemented at national levels would increase to support bilateral and multilateral agreements. Further negative impacts would be associated with the effects of discontinuation on skills formation levels and on the labour market, as described above. The discontinuation of the programme could aggravate future shortages of labour-market relevant skills such as linguistic skills, communication skills and technical skills resulting in loss of productivity and competitiveness.

Option 3 – Strengthening the objectives of the programme

Economic impacts are likely to be positive as the future programme would tackle, in a more effective way, problems which generate huge costs in terms of unemployment benefits and active labour market measures, as well as hidden costs in terms of loss of productivity. Even with a moderate contribution to the reduction of these problems, the future programme would ensure significant savings and generate growth in the long-term. By improving its skills supply, Europe would become a more attractive business location, which has positive consequences for the smart growth of the European economy.

In terms of management costs, in the short term there would be a substantial reallocation of management and administrative staff thematically and into new priorities, which would generate a moderate increase in costs as a result of transition processes. However, in the medium term there would be a reduction of costs and an increase in efficiency. Costs would be lower and efficiency higher when the whole life of the programme is taken as the time-horizon for analysis.

Option 4 – A single programme for education, training, youth and sport

By improving the quality of its skills supply and the performance of its lifelong learning systems and labour markets, the new programme would contribute to supporting productivity, competitiveness and growth in Europe and would thus achieve substantial positive economic impacts.

The new programme would contribute to improving the levels of competitiveness in Europe in a global perspective by placing greater emphasis on cooperation and mutual exchange with third countries in the higher education sector, which would strengthen the capacities of European universities to innovate and remain poles of excellence at the global level. Through its contribution to the improvements in the quality of skills the programme would also help make Europe a more attractive business location worldwide, which would have positive consequences for the smart growth of the European economy.

For national authorities, required changes due to the integration of different programmes would require initial adaptation of National Agencies. Such negative impacts would be relevant to the starting point of the programme, whereas there would be significant economies of scale in the long-term perspective, compared to the current management of the LLP, Erasmus Mundus and Youth in Action, linked to:

- The possible establishment of one single National Agency per country. As noted by the LLP interim evaluation report, in some countries, the establishment of a single National Agency improved co-ordination, made the use of administrative resources more efficient, reduced the duplication of administrative tasks and facilitated cross-sectoral integration at the national level. Having the same entry port to European programme would be beneficial for EU citizens and namely young people, even if just in terms of accessing information.
- Full standardisation of documents and procedures and streamlined back office.

Option 1 – "Status quo" - continuation of the current LLP (baseline option)

The programme would still have positive impacts in relation to a number of fundamental rights, such as the right to education and right to freedom of movement. Mobility flows would also consider linguistic diversity, as countries with less spoken languages are involved in mobility flows.

Option 2 – No action

The discontinuation of the programme would not contribute to the creation of the necessary conditions for European citizens to actively enjoy the right to move and work across the EU. Mobility flows would respect linguistic diversity to a lower extent, as countries with less spoken languages would be less involved in mobility flows.

Option 3 – Strengthening the objectives of the programme

This option would provide a positive impact on fundamental rights, as it would put greater emphasis on ensuring the right to education of all in the EU – in particular those more disadvantaged - than in the baseline scenario.

Option 4 – A single programme for education, training, youth and sport

This option would have a positive impact on fundamental rights, as it would put greater emphasis than the baseline scenario on ensuring the right to education of EU citizens – in particular those more disengaged with the education system. It would also have a positive impact on the right to freedom of movement and would address non-discrimination on the bases of gender and disability in the same way as the baseline. Mobility flows would also consider linguistic diversity, as countries with less spoken languages would be involved in mobility flows.

Annex 8: Tentative cost-effectiveness analysis of the four identified options

	Option 1 Status quo (baseline option)	Option 2 No action	Option 3 Strengthening the objectives of the programme	Option 4 Single programme for education, training, youth and sports (Preferred Option)	MFF budget (annual) Available resources
			Due to refocusing on activities of maximum EU added value : - Reduction of budget (-16%) - Reduction of actions (15 % savings)	Due to refocusing on activities of maximum EU added value and to simplification of delivery mechanisms linked to the merge of programmes: - Reduction of budget (-16%) - Great reduction of actions - Economies of scope and scale in management delivery mechanisms (40% savings)	- Increase in budget (+70%) - Reduction of actions due to the refocused and simplified programme - Economies of scope and scales due to the merge of the current programmes
Human Resources	165FTE	0m€	165FTE - 15% = 140 FTE	<i>Savings due to merge</i> (165FTE+Youth+EM+Sport) - 10% = (50 + 61) -10%= 204 FTE <i>Savings due to merge, refocusing and simplification</i> (165FTE +Youth+EM+Sport) - 40% = (165 + 61) – 40% = 136 FTE	204 FTE <i>(Resources currently allocated to the existing programmes, including a 10% reduction due to programmes' merging)</i>

	Option 1 Status quo (baseline option)	Option 2 No action	Option 3 Strengthening the objectives of the programme	Option 4 Single programme for education, training, youth and sports (Preferred Option)	MFF budget (annual) Available resources
Operating grant (National Agencies)	50m€	0m€	50m€ -15%= 43m€	<i>Savings due to merge, refocusing and simplification</i> (50m€+Youth) -40% = (50m€+11m€) - 40% = 37m€	61 m€
Operating grant (Education, Audiovisual and Culture Executive Agency)	20m€	0m€	20m€ -15%= 17m€	<i>Savings due to refocusing and simplification:</i> (20m€ + Youth + EM) - 15% -15%= (20m€ + 3m€ + 3m€) – 30%= 18m€	To be further examined
PM yearly budget managed prices 2011	1 027m€	0m€	1 027m€ -15% = 873m€	<i>Savings due to refocusing</i> (1027m€+Youth+EM+Sport) - 15%=(1027+133+97+7)-15%= 1074m€	15.2m€/7years= 2 170m€
Labour intensity (Meuros/FTE)	6.22	0	6.23	7.89	10.63

Annex 9: Current LLP monitoring indicators (2007-2013)

Number	Indicator	Description
1	Grants by consortia	Number and size
2	Grants by partner	Number and size
3	Grants per participant	Number and size (number of staff, students, pupils, learners, per country)
4	Consortium composition and size (size, legal status and commercial orientation)	Type of partners, hosts and homes, per action, per country
5	Consortium composition and size, by type of institution	Type of participating institutions (institution type, sector), per country
6	Consortium composition and size, intensity of cooperation and country of coordinator	Number of consortia, number of partners per consortia, per coordinator country, per partner country
7	From/to mobility	Number students, pupils, learners, in-flows and out-flows matrix per country
8	Duration of mobility	Number of participant in-flows and out-flows durations, per country
9	Educational map of action	Subjects, educational areas (ISCED), of the project, per action
10	Social cohesion topics addressed by the projects	Social cohesion topics addressed by the project (cultural diversity, xenophobia, special needs, equal treatment, sexual discrimination, racial discrimination, age discrimination.

Annex 10: Tentative list of indicators for the monitoring and evaluation of the future programme

N.B. The targets identified in the table below are not those of the programme only. They are European targets including in particular national funding. They should be read as overall targets for which it is difficult to quantify the programme's own contribution.

Indicators	Sources of data	Target	Related objective
- Tertiary level attainment - Early school leavers	EU 2020 ET2020 reports Eurostat	By 2020, at least 40% of 30-34 year olds should be higher education graduates. By 2020, not more than 10% of 18-24-year-olds have only lower-secondary education and are not enrolled in education or training.	To empower individuals of all ages and social backgrounds by contributing to the development of quality education and training systems, as part of the EU 2020 strategy of smart, inclusive and sustainable growth and of the ET 2020 strategic framework. (<i>General E&T objective</i>)
% of participants who have increased their key competences and/or their skills relevant for their employability	Eurostat Final report of beneficiary Surveys/Eurobarometer	By 2020, 95% of people who state having gained or improved key-competences through their participation in a programme project	To improve the level of key competences and skills, including linguistic dimension through increased transnational learning mobility opportunities for learners and staff (<i>Spec. obj. 1</i>)
% of organisations that have participated in the Programme and that have developed/adopted innovative methods	Surveys/Eurobarometer Final report	Yearly increase	To foster quality improvement, innovation and internationalisation in education and training institutions, through enhanced transnational cooperation and good practices (<i>Spec. obj. 2</i>)
Number of member states making use of the results of the Open method of coordination in their national policy development	ET 2020	All Member states take the relevant information/results available from the education and training OMC systematically into consideration by 2020	To support the framework of European cooperation in the field of education and training (<i>Spec. obj. 3</i>)
Number of non EU higher education institutions involved in the mobility and cooperation actions	Final report IT monitoring tool Surveys/Eurobarometer	Yearly increase	To enhance the international dimension of education, training and youth, notably in higher education, through international and regional cooperation for mutual learning and targeted capacity building in non EU countries (<i>Int. coop.</i>)
% of participants who have increased their language skills		By 2020, at least 80% of lower secondary pupils are taught two foreign languages or more	To improve the level of key competences and skills, including linguistic dimension through increased transnational learning mobility opportunities for learners and staff

			<i>(Spec. obj. 1)</i>
Number of students receiving training through Jean Monnet activities.	Final report IT monitoring tool Surveys/Eurobarometer	Yearly increase	To promote excellence in European integration through the Jean Monnet activities worldwide (<i>Spec. obj. Jean Monnet</i>)
% of participants who use the results of cross-border projects to fight against threats to sport. % of participants who use the results of cross-border projects to improve good governance and dual careers % of participants who use the results of cross-border projects to enhance social inclusion, equal opportunities and participation rates	Final report IT monitoring tool Surveys/Eurobarometer	Yearly increase	To promote good governance in sport in the EU, to sustain sport structures based on voluntary activity and to strengthen the knowledge base about sport in the EU; To exploit the potential of sport to foster social inclusion, ensure equal opportunities for all and fight against violence, racism and other forms of intolerance; To promote dual careers through the combined education and training of sports people; To fight against doping in amateur and grassroots sport. <i>(Spec. obj. Sport)</i>

Appropriate indicators will be defined and agreed within the specific rules for the Erasmus Masters Student Loan Guarantee instrument. These will include indicators gathered based upon the loan portfolio and characteristics of individual borrowers, such as: geographical coverage; average loan size; borrower characteristics eg. sex, geographic origin and destination, study field/discipline). Indicators should not represent an undue burden on the final and ultimate beneficiaries (banks and student borrowers) in their collection or on the Commission and/or managing authority in their evaluation and verification.

High level output indicators focusing on the numbers of mobile masters students are consistent with the approach for other actions foreseen by the programme.

Annex 11: List of Acronyms

AGS	Annual Growth Survey
EACEA	Education, Audiovisual and Culture Executive Agency
EEA	European Economic Area
EM	Erasmus Mundus Programme
E&T	Education and training
ECTS	European Credit Transfer and Accumulation System (higher education)
ECVET	European Credit System for Vocational Education and Training
EQARF	European Quality Assurance Reference Framework for Vocational Education and Training
EQF	European Qualifications Framework
ERDF	European Regional Development Fund
ESF	European Social Fund
ESL	Early school leaving
HEI	Higher education institutions
ISCED	The International Standard Classification of Education – designed by UNESCO in the early 1970's to serve as an instrument suitable for assembling, compiling and presenting statistics of education both within individual countries and internationally. ISCED levels of education scale is the following: 0 – pre-primary education; 1 – primary education / first stage of basic education; 2 – lower secondary education / second stage of basic education; 3/ (upper)secondary education; 4 – post-secondary non tertiary education; 5 – first stage of tertiary education (not leading directly to an advanced research qualification); 6 – second stage of tertiary education (leading to an advanced research qualification).
LdV	Leonardo da Vinci – sectoral sub-programme of the LLP
LLP	Lifelong Learning Programme 2007-2013
OMC	Open Method of Coordination
PISA	Programme for International Student Assessment – a programme for a worldwide evaluation of 15-year-old school pupils' scholastic performance. It is coordinated by the OECD with a view to improving educational policies and outcomes.
VET	Vocational education and training
YiA	Youth in Action Programme