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Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing a European Training Foundation (recast)**

(presented by the Commission)

## **EXPLANATORY MEMORANDUM**

### **1. Introduction**

The European Training Foundation, hereinafter referred to as the ETF or the Foundation, is a decentralised EU agency created under Council Regulation (EEC) No 1360/90 of 7 May 1990<sup>1</sup>. ETF is situated in Turin, Italy.

According to its founding Regulation, the ETF's overall objective is to contribute to developing vocational training systems in partner countries falling within its geographical scope.

The ETF was originally created to support implementation of the PHARE external assistance programme in the vocational training field. However, following three consecutive amendments to its founding Regulation, the ETF has acquired an extended geographical scope also covering the countries of the previous TACIS, CARDS and MEDA programmes.

Since the ETF's founding Regulation was last amended, there have been important developments in the European Union's policy outlook in both the education & training and external relations fields, while new instruments have been adopted to implement these policies. Accordingly, it is felt that a new amendment to the ETF founding Regulation is necessary to take into account recent developments, to update its role and function and to provide a sound basis for its future work.

In 2005 the Commission presented a draft Interinstitutional Agreement on the operating framework for the European Regulatory Agencies<sup>2</sup>. Although this framework, which is still at the proposal stage, is primarily intended to guide the Commission in setting up new decentralised agencies, its principles should also be taken into account when proposing significant amendments to the founding Regulations of existing agencies, with the long-term aim of achieving a high degree of convergence on key issues. This proposal was prepared taking into account the principles of the draft Interinstitutional Agreement (hereinafter IIAOFA).

Furthermore, this legislative proposal aims to provide a recasting version of the ETF founding Regulation, in line with the Interinstitutional Agreement of 28 November 2001 on a more structured use of the recasting technique for legal acts<sup>3</sup>.

### **2. Context and objectives of the proposal**

#### ***2.1. Recent developments in Vocational Education and Training (VET)***

The ETF's thematic remit, as described in its founding Regulation, is to contribute to development of vocational training systems in partner countries.

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<sup>1</sup> OJ L 131, 23.5.1990, p. 1.

<sup>2</sup> COM(2005)59 final of 25.02.2005. See also the Communication on the operating framework for the European Regulatory Agencies, COM(2002)718 final of 11.12.2002.

<sup>3</sup> OJ C 77, 28.3.2002, p. 1.

In recent years education and training policy in the EU has switched from considering the different sectors separately to embracing a lifelong learning (LLL) perspective involving a holistic view of education and training as part of an entire learning system encompassing primary and secondary education, higher education, initial and continuing VET, and further and adult education.

Furthermore, LLL is considered to be a key factor in achieving the Lisbon goals as it can equip people with the knowledge, skills and wider competences to work and live as active citizens in a dynamic and fast changing economy and society.

In this context, traditional vocational training, defined as a procedure providing people with work-related skills of immediate use in the labour market, cannot be considered in isolation from developments in other areas of education or long-term labour market trends.

## **2.2. *New external relations policy instruments***

Following successive amendments to its founding Regulation, the ETF's geographical scope was until now defined by reference to the external relations programmes under which it was operating (PHARE, CARDS, TACIS, MEDA).

As from 2007 these programmes have been replaced by new external relations policy instruments, mainly the Instrument for Pre-accession Assistance (IPA) and the European Neighbourhood and Partnership Instrument (ENPI).

The introduction of these new external relations policy instruments marks a significant further step towards a policy-driven, rather than a programme-driven, approach to external assistance within a sector-wide perspective. These instruments are designed to help partner countries achieve home-grown reforms in different sectors.

In this new context, the ETF will increasingly be required to provide the Commission with information and analysis at the policy development and assistance programming phase, as well as to contribute, at the Commission's request, to analysis of the overall effectiveness of training assistance to the partner countries. The other focus of attention will be on helping partner countries build capacity to define and implement reform strategies appropriate to the national context, and on promoting networking and exchange of experience and good practice between the EU and the partner countries and amongst partner countries themselves.

## **2.3. *ETF's external evaluation***

In line with Article 17 of the ETF's founding Regulation, as modified by Council Regulation 1572/98<sup>4</sup>, an external evaluation of the ETF's activities during the period 2002 – 2005 was carried out in 2005. The evaluation's final conclusions, together with a series of recommendations, were presented to the Commission in 2006, and were the subject of a Communication from the Commission to the Council and to the European Parliament adopted on 19 December 2006<sup>5</sup>.

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<sup>4</sup> OJ L 206, 23.07.1998, p.1.

<sup>5</sup> COM(2006) 832 final.

The evaluation confirmed that the work furnished by the ETF is seen as good value and concluded that the Commission services and the EC delegations have a positive perception of the ETF's provision of expertise in VET.

The evaluators also addressed a series of recommendations that require action either by the Commission or by the ETF itself. The Commission analysed the evaluators' findings, conclusions and recommendations, and took them duly into account, when drafting this legislative proposal. The most important recommendations in this context are set out below.

#### *2.3.1. Thematic remit of the ETF*

The evaluators concluded that the ETF's thematic remit limiting it to VET is too restrictive and, although it has been interpreted over the last years with some flexibility by both the Commission and the ETF, they recommended that the revision of the ETF founding Regulation should define the ETF's role on the basis that VET is one part of a wider programme of Human Resources Development (HRD).

#### *2.3.2. Geographical scope*

The evaluators argued for some increased flexibility in the ETF's geographical scope, as this would allow its particular expertise to be used by the Commission in countries which are at comparable stages of development and facing similar socio-economic challenges. At the same time, the evaluators stressed that this flexibility has to be accompanied by rigorous prioritisation of the ETF's activities.

#### *2.3.3. Governance structures*

The evaluators highlighted their conclusion that the Governing Board's strategic role should be reinforced and that the Advisory Forum, although acting as an important and useful network of experts, falls short in its role of providing advice to the Governing Board and should probably not keep its current statutory function.

### **2.4. Conclusion**

In the light of the above reasoning, the Commission proposes the following:

- ∄ the ETF's thematic remit should be broadened, to cover human resources development (HRD), in particular education and training in a lifelong perspective, as well as related labour market issues;
- ∄ furthermore, the ETF's geographical scope has to be updated and redefined by reference to the new European Union's external relations policy instruments and priorities;
- ∄ within this new working environment, the ETF's functions must be adapted accordingly while remaining focused on priorities clearly established in coordination with the Commission;
- ∄ the Foundation's governing structures need to be modernised, with a view to promoting effective decision-making and contributing to long-term convergence with other Agencies, as provided for in the IIAOFA.

### **3. Justification of the Commission's proposal**

This proposal provides for necessary amendments to the founding Regulation and contributes to simplifying the legislation related to the ETF.

### **4. Choice of legal instrument: recasting Regulation**

Following its adoption in 1990 the ETF's founding Regulation was amended three times (in 1994, 1998 and 2000) to extend the geographical scope of the ETF's activities to the TACIS, MEDA and CARDS countries respectively. Furthermore, the founding Regulation was amended a fourth time, in 2003, to bring it into line with the new Financial Regulation.

As there is currently a need to substantively amend this Regulation, as explained in paragraph 2 above, the Commission considers that this is the occasion to use the recasting technique, as described in the Interinstitutional Agreement of 28 November 2001 on a more structured use of the recasting technique for legal acts<sup>6</sup>, in order to adopt a single legislative text which simultaneously makes the desired amendments, codifies those amendments with the unchanged provisions of the earlier acts and repeals those acts.

### **5. Legal Basis**

Article 235 of the Treaty establishing the European Community (current Article 308) provided the legal basis for the ETF's founding Regulation.

However, paragraph 4.1 of the Communication on the operating framework for the European Regulatory Agencies<sup>7</sup> states that "*the legal instrument creating [an Agency] must be based on the provision of the Treaty which constitutes the specific legal basis for that policy*".

The Commission considers that the new thematic remit of the ETF, as described in this recasting Regulation, although wider than "traditional" vocational training, remains closely related to the EU policy in this specific field.

Therefore, Article 150 of the Treaty on vocational training, and especially paragraph 3 thereof stipulating that "*the Community and the Member States shall foster cooperation with third countries and the competent international organisations in the sphere of vocational training*", seems to be the appropriate legal basis for the ETF founding Regulation.

Paragraph 4 of the same Article stipulates that the proposed legal act is to be adopted in accordance with the procedure referred to in Article 251 of the Treaty (co-decision).

### **6. Commentary on the text proposed**

The recast founding Regulation contains 27 articles in total. Most of the existing articles have either been supplemented through new references or additional elements, while others have been moved to other parts of the text and/or rephrased with a view to providing a more readable and succinct version. Some completely new articles have been added, mainly to

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<sup>6</sup> OJ C 77, 28.3.2002, p. 1.

<sup>7</sup> COM(2002)718 final of 11.12.2002.

address elements recommended under the IIAOFA. A number of articles have remained unchanged, while others have been deleted, as they were obsolete or redundant.

The reference to the legal basis has changed, as old Article 235 (current 308) of the Treaty was replaced by Article 150, for the reasons explained under point 5 above.

The recitals have been modified as follows: a first recital has been added to indicate that the new legal act constitutes a recasting of the earlier one; a new recital refers to the Foundation's seat; three new recitals have been added to clarify the situation regarding previous modifications of the founding Regulation; three new recitals have been added as a reference to the new EU external policy instruments and the need for human resources development in the countries covered by these instruments.

Furthermore, a new recital refers to the recent external evaluation of the ETF and the related Communication from the Commission to the Council and the European Parliament, as this proposal takes into account the conclusions of this Communication.

Finally, a series of new recitals refer to the role of the Governing Board and the obligation of the Foundation to apply the Community rules and procedures in relation to: budgetary and financial questions; combat against fraud, corruption and unlawful activities; public access to documents; processing of personal data. The last recital confirms that the proposed Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the EU.

The main substantive changes are described below:

#### Article 1 (Subject matter and scope)

As explained above, the emerging importance of the lifelong learning approach to education and training and the continuing importance of labour market issues in the ETF's work have meant that, in practice, the Foundation's concerns have always been broader than the wording of its thematic remit would suggest.

In order to formalise this state of affairs, it is proposed that ETF's thematic remit should be broadened to cover "*human resources development, in particular education and training in a life-long learning perspective, and related labour market issues*".

The Commission considers that the ETF, which has limited resources, should maintain its geographical focus. It is therefore proposed that the ETF's primary scope be defined by reference to the Instrument for Pre-Accession (IPA) and to the European Neighbourhood and Partnership Instrument (ENPI). To enable the ETF to operate in accordance with external relations priorities in areas falling outside its primary geographical scope (such as the Central Asian countries), an ad hoc decision should be taken by the ETF Governing Board on proposal from the Commission.

Formerly "eligible countries" are from now on referred to as "partner countries".

#### Article 2 (Functions)

In view of the Foundation's envisaged new role under the new external relations policy instruments, its functions should be redefined as follows:

- € providing information, policy analysis and advice on human resources development issues and their links to sector policy objectives in the partner countries;
- € supporting relevant stakeholders in partner countries to build capacity in human resources development;
- € facilitating the exchange of information and experience among donors engaged in human resources development reform in partner countries;
- € supporting the delivery of Community assistance to partner countries in the field of human resources development;
- € disseminating information and encouraging networking and exchanges of experience and good practice between the European Union and partner countries and amongst partner countries on human resources development issues;
- € at the Commission's request, contributing to the analysis of the overall effectiveness of training assistance to partner countries.

### Article 3 (General Provisions)

The Foundation's seat is referred to in paragraph 2, and some further details specifying cooperation with the European Centre for the Development of Vocational Training (CEDEFOP) are added in paragraph 3, while paragraphs 4 and 5 include provisions on administrative control by the European Ombudsman as well as modalities for the establishment of co-operation agreements between the ETF and other relevant bodies.

### Articles 4 (Transparency), 5 (Confidentiality) and 6 (Remedies)

These articles expand the scope of the old Article 4a on access to documents by including provisions on transparency and confidentiality recommended under the IIAOFA and provide for the necessary remedies in this context.

### Articles 7 (Governing Board), 8 (Voting rules and tasks of the Chairperson) and 9 (Powers of the Governing Board)

With a view to promoting effective decision-making and minimising operating costs, article 7 proposes a restructuring of the ETF's Governing Board, taking into account the principles set out in the IIAOFA, as follows:

- € the number of representatives on the Governing Board is limited to fifteen;
- € the Commission and Council should designate an equal and limited number of members (six each);
- € in the interest of transparency, the Commission will also designate three representatives of the partner countries as non-voting members of the Board;

€ all members of the Board will be appointed on the basis of their experience of the sector concerned and with regard to gender equality for a five-year term (instead of the current three years).

Article 9 sets out the Governing Board's duties and tasks in a succinct and more coherent way.

#### Old Article 6 (Advisory Forum)

Since the Advisory Forum no longer holds a statutory function as an organ of governance of the ETF, this article is removed from the founding Regulation. However, the Advisory Forum may continue as an activity of the ETF, working through the form of regional seminars. This position is supported by the external evaluation findings.

#### Article 10 (Director)

This article brings the Director's appointment procedure into line with the IIAOFA recommendations and with more recent discussions at interinstitutional level on this matter. Specific provisions are included with regard to the evaluation of the Director and the possibility to extend its term of office once and for no more than three years. The Director's duties are set out in a succinct and more coherent way. A clear provision on the Governing Board's role in disciplining and dismissing the Director has been added in paragraph 5.

#### Article 11 (Public interest and independence)

This new article is in line with the IIAOFA recommendations.

#### Article 12 (Annual work programme)

This is a new article presenting in a succinct and more coherent way the procedure for preparing and adopting the annual work programme, previously set out in old article 5. A four-year framework perspective is proposed instead of the current three-year one.

#### Article 13 (Annual activity report)

This is a new article presenting in a detailed way the procedure for preparing and adopting the annual activity report; previously this procedure was partially covered by paragraph 9 of the old Article 5.

#### Article 14 (Links with other Community actions)

This article contains a more comprehensive and sustainable presentation of the old Article 8 with no reference to specific actions.

#### Articles 15 (Budget), 16 (Budgetary procedure) and 17 (Budget implementation and control)

These articles remain largely unchanged, with some minor simplifications. A new paragraph 11 is added to Article 17, to ensure that the Director will take all necessary steps to act on the observations accompanying the decision giving discharge.



#### Article 18 (European Parliament and Council)

This article provides, in line with IIAOFA recommendations, for the possibility of the EP and the Council to ask for a hearing with the Director of the Foundation on any subject relating to the latter's activities.

#### Article 19 (Financial rules)

Paragraphs 2 to 4 have been added to ensure ETF compliance with sound accounting rules and action to combat fraud.

#### Articles 20 (Privileges and immunities), 21 (Staff Rules), 22 (Liability) and 23 (Participation of third countries)

These articles remain largely unchanged. A sentence is added to Article 21 (Staff Rules) to include, in line with the IIAOFA recommendations, a reference to the arrangements of Article 110 of the Staff Regulations and Article 127 of the Conditions of Employment of Other Servants, as well as to the possibility of seconding national experts to the Foundation. In the first paragraph of Article 23, the phrase "in the training field to the eligible countries" has been replaced by "in the human resources field to the partner countries", to bring the terminology into line with Article 1, while a sentence added at the end of the same paragraph clarifies the conditions of participation for third countries.

#### Article 24 (Evaluation)

This article is supplemented in keeping with IIAOFA recommendations and provides for an extension of the evaluation cycle to four years, to take into account the four-year programming perspective.

#### Article 25 (Review)

This article links future revisions of the founding Regulation to future evaluations, and provides for the possibility to repeal the founding Regulation if the ETF's existence is no longer justified with regards to the objectives assigned to it.

#### Article 26 (Repeal)

This article repeals the earlier Regulations and provides that references to those acts shall be regarded as references to the recasting Regulation and be read in accordance with the correlation table annexed to it, as required by Article 7(b) of the Interinstitutional Agreement of 28 November 2001 on a more structured use of the recasting technique for legal acts.

#### Article 27: Entry into force

### **7. Subsidiarity and Proportionality**

The ETF tasks, as reformulated in this proposal, are "*to contribute, in the context of EU external relations policies, to improving human resources development, in particular education and training in a lifelong learning perspective, and related labour market issues*" in specific partner countries. This proposal includes a list of precise functions to be exercised by

the ETF "*within the limits of the powers conferred on the Governing Board and following the general guidelines established at Community level*". In this way, the ETF conforms to the principles of subsidiarity and proportionality.

## **8. Budgetary implications**

This proposal does not introduce any new activities for the ETF. Its objective is rather to provide for an updated and clearer definition of ETF's current functions, under a wider thematic remit (HRD) and a renewed geographical scope. However, it is considered that the wider thematic scope as well as the focus on information and policy analysis tasks (with a parallel reduction of project management as from 2008) should represent a more labour intensive work that is expected to require an important investment on behalf of the ETF in terms of staff training and qualification. Therefore, a legislative financial statement explaining the budgetary needs of the ETF in the next years is attached to this proposal.

↓ new

Proposal for a

↓ 1360/90

⇒ new

## REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

### establishing a European Training Foundation

⇒ (recast) ⇐

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

↓ 1360/90 (adapted)

⇒ new

Having regard to the Treaty establishing the European ~~Economic~~ Community, and in particular Article ~~235~~ ⇒ 150 ⇐ thereof,

Having regard to the proposal from the Commission<sup>8</sup>,

~~Having regard to the opinion of the European Parliament,~~

Having regard to the opinion of the ⇐ European ⇐ Economic and Social Committee<sup>9</sup>,

↓ new

Having regard to the opinion of the Committee of the Regions<sup>10</sup>,

Acting in accordance with the procedure laid down in Article 251 of the Treaty<sup>11</sup>,

Whereas:

<sup>8</sup> ~~OJ No C 86, 4. 4. 1990, p. 12.~~ ☒ OJ C [...], [...], p. [...]. ☒

<sup>9</sup> ~~Opinion delivered on 25 April 1990 (not yet published in the Official Journal)~~ ☒ OJ C [...], [...], p. [...]. ☒.

<sup>10</sup> OJ C [...], [...], p. [...].

<sup>11</sup> OJ C [...], [...], p. [...].

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↓ new

- (1) Council Regulation (EEC) No 1360/90 of 7 May 1990 establishing a European Training Foundation has been substantially amended several times<sup>12</sup>. Since further amendments are to be made, it should be recast in the interests of clarity.
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↓ 1360/90 (adapted)

⇒ new

- (2) ~~Whereas~~ The European Council meeting at Strasbourg on 8 and 9 December 1989 called upon the Council to adopt, at the beginning of 1990, the necessary decisions for the establishment of a European Training Foundation for Central and Eastern Europe, acting on a proposal from the Commission; ~~⇒~~ To this end on 7 May 1990 the Council adopted Regulation (EEC) No 1360/90 which established the said Foundation. ~~⇐~~
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↓ new

- (3) Pursuant to a decision taken by common agreement between the representatives of the Governments of the Member States meeting at Head of State and Government level in Brussels on 29 October 1993<sup>13</sup>, the Foundation has its seat in Turin, Italy.
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↓ 1360/90 (adapted)

- (4) ~~Whereas~~ On 18 December 1989 the Council adopted Regulation (EEC) No 3906/89<sup>14</sup> on economic aid to the Republic of Hungary and the Polish People's Republic which provides for aid in areas including training to support the process of economic and social reform in Hungary and Poland;

- (5) ~~Whereas~~ The Council ~~may~~ ☐ has ☐ subsequently extend ☐ ed ☐ such aid to other countries of Central and Eastern Europe under a relevant legal act ☐ s ☐.

- (6) ~~Whereas the process of economic and social reform will contribute to the development of mutually beneficial economic and commercial relationships between the countries of Central and Eastern Europe and the Community; whereas these intensified relationships will also contribute to a harmonious development of economic activities within the Community;~~
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↓ new

- (7) On 27 July 1994 the Council adopted Regulation (EC) No 2063/94<sup>15</sup> amending Regulation (EEC) No 1360/90 with a view to including in the activities of the European Training Foundation the States receiving assistance under the Regulation (Euratom, EC) No 2053/93 (TACIS Programme).

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<sup>12</sup> OJ L 131, 23.5.1990, p. 1. Regulation as last amended by the Council Regulation (EC) No 1648/2003 of 18 June 2003 (OJ L 245, 29.9.2003, p. 22).

<sup>13</sup> OJ C 323, 30.11.1993, p. 1.

<sup>14</sup> OJ L 375, 23. 12. 1989, p. 11.

<sup>15</sup> OJ L 216, 20.08.1994, p. 9.

- (8) On 17 July 1998 the Council adopted Regulation (EC) No 1572/98<sup>16</sup> amending Regulation (EEC) No 1360/90 with a view to including in the activities of the European Training Foundation the Mediterranean non-member countries and territories which are beneficiaries of the financial and technical measures to accompany the reform of their economy and social structures pursuant to Regulation (EC) No 1488/96.
- (9) On 5 December 2000 the Council adopted Regulation (EC) No 2666/2000<sup>17</sup> on assistance for Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the Former Yugoslav Republic of Macedonia amending Regulation (EEC) No 1360/90 with a view to including in the activities of the European Training Foundation the Western Balkan States covered by the Regulation.
- (10) External assistance programmes related to the countries covered by the activities of the European Training Foundation are to be replaced by new external relations policy instruments, mainly the instrument established by Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-Accession Assistance<sup>18</sup> and the instrument established by Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument (ENPI)<sup>19</sup>.
- (11) Through supporting human resources development in the context of its external relations policy, the EU contributes to economic development in these States by providing the skills necessary to foster productivity and employment and supports social cohesion by promoting civic participation.
- (12) In the context of these States' efforts to reform their economic and social structures, the development of human resources is essential for attaining long-term stability and prosperity and in particular for achieving socio-economic equilibrium.

↓ 1360/90 (adapted)

⇒ new

- (13) ~~Whereas, if~~ The European Training Foundation could make an important contribution ⇒ , in the context of EU external relations policies, ⇐ to the effective provision of training assistance to the countries of Central and Eastern Europe eligible for economic aid to support the process of reform ⇐ improving human resources development, in particular education and training in a lifelong learning perspective ⇐
- (14) ~~Whereas, if~~ For its contribution, the European Training Foundation will need to call upon the experience gained within the Community in the area of vocational training ⇒ European Union ⇐ in implementing a common policy for vocational ⇐ in relation to ⇐ education and ⇐ training ⇐ in a lifelong learning perspective ⇐ and upon its institutions concerned with training ⇐ involved in this activity ⇐

<sup>16</sup> OJ L 206, 23.07.1998, p. 1.

<sup>17</sup> OJ L 306, 07.12.2000, p. 1.

<sup>18</sup> OJ L 210, 31.7.2006, p. 82.

<sup>19</sup> OJ L 310, 9.11.2006, p. 1.

- (15) ~~Whereas~~ ~~There exist in the Community and in third countries, including the countries of Central and Eastern Europe~~ ⇒ covered by the activities of the European Training Foundation ⇐ , regional and/or national, public and/or private facilities which can be called upon to collaborate in the effective provision of aid in the area of ~~training~~ ⇒ human resources development, in particular education and training in a lifelong perspective ⇐ ~~;~~
- (16) ~~Whereas~~ ~~The status and structure of the European Training Foundation should facilitate a flexible response to the specific and differing requirements of the individual countries to be assisted, and allow it to carry out its functions in close cooperation with the existing national and international facilities~~ ⇒ bodies ⇐ ~~;~~
- (17) ~~Whereas~~ ~~The European Training Foundation should be endowed with legal personality, while maintaining a close corporate relationship with the Commission and respecting the overall political~~ ⇒ and operational ⇐ responsibilities of the Community and its institutions~~;~~
- (18) ~~Whereas~~ ~~The European Training Foundation should have close links with the European Centre for the Development of Vocational Training, with the Trans-European Mobility Scheme for University Studies (Tempus) and any other schemes instituted by the Council to provide aid in the area of training to~~ ~~the~~ ~~countries of Central and Eastern Europe~~ ⇒ covered by its activities ⇐ ~~;~~
- (19) ~~Whereas~~ ~~The European Training Foundation should be open to the participation of countries which are not members of the Community and which share the commitment of the Community and the Member States to the provision of aid to~~ ~~Central and Eastern Europe~~ ⇒ the countries covered by the activities of the European Training Foundation ⇐ in the ~~training~~ field ⇒ of human resources development, in particular education and training in a lifelong perspective, ⇐ under arrangements to be laid down in agreements between the Community and themselves~~;~~

↓ new

- (20) The Commission and the member States should be represented within a Governing Board in order to control effectively the functions of the Foundation. This Board should be entrusted with the necessary powers to establish the budget, verify its execution, adopt the appropriate financial rules, establish transparent working procedures for decision making by the Foundation and appoint the Director.
- (21) In order to guarantee the full autonomy and independence of the Foundation, it should be granted an autonomous budget whose revenues come essentially from a contribution from the Community. The Community budgetary procedure should be applicable as far as the Community contribution and any other subsidies chargeable to the general budget of the European Union are concerned. The auditing of accounts should be undertaken by the Court of Auditors.
- (22) The Foundation is a body set up by the Communities in the sense of Article 185(1) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial

Regulation applicable to the general budget of the European Communities<sup>20</sup> (hereinafter "the Financial Regulation") and should adopt its financial rules accordingly.

(23) Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>21</sup> should apply to the Foundation.

(24) In order to combat fraud, corruption and other unlawful activities the provisions of Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)<sup>22</sup> should apply without restriction to the Foundation.

(25) Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission<sup>23</sup> documents should apply to the Foundation.

(26) Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data<sup>24</sup> should apply to the processing of personal data by the Foundation.

(27) Since the objectives of the action to be taken, namely the need for human resources development (HRD), in particular education and training in a lifelong learning perspective, and related labor market issues, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(28) This Regulation respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union. In particular, this Regulation seeks to promote the application of Article 43 of the Charter of Fundamental Rights of the European Union,

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↓ 1360/90

(29) ~~Whereas the Treaty does not provide, for the action concerned, powers other than those of Article 235,~~

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<sup>20</sup> OJ L 248, 16.09.2002, p.1.

<sup>21</sup> OJ L 357, 31.12.2002, p. 72.

<sup>22</sup> OJ L 136, 31.5.1999, p.1

<sup>23</sup> OJ L 145, 31.5.2001, p.43

<sup>24</sup> OJ L 8, 12.1.2001, p.1

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↓ 1360/90 (adapted)

~~HAS~~ ☒ HAVE ☒ ADOPTED THIS REGULATION:

*Article 1*

☒ Subject matter and scope ☒ Objectives

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↓ 2666/2000 Art. 16 (adapted)  
⇒ new

This Regulation hereby establishes the European Training Foundation (hereinafter referred to as the «"Foundation"»), whose objective shall be to contribute to the development of the vocational training systems of: ⇒ , in the context of EU external relations policies, to improving human resources development, in particular education and training in a lifelong learning perspective, and related labour-market issues in the following countries : ⇐

~~the countries of Central and Eastern Europe designated as eligible for economic aid by the Council in Regulation (EEC) No 3906/89 or in any subsequent relevant legal act,~~

~~the new independent States of the former Soviet Union and Mongolia which are the beneficiaries of the programme to assist economic reform and recovery pursuant to Regulation (Euratom, EC) No 1279/96 or any subsequent relevant legal act,~~

~~the Mediterranean non-member countries and territories which are the beneficiaries of the financial and technical measures to accompany the reform of their economic and social structures pursuant to Regulation (EC) No 1488/96 or any subsequent relevant legal act, and~~

~~the countries which are beneficiaries under Regulation (EC) No 2666/2000<sup>25</sup> or any subsequent relevant legal act.~~

~~Those countries shall be hereinafter referred to as the «eligible countries».~~

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↓ new

- a) the countries eligible for support under Council Regulation (EC) No 1085/2006 and subsequent related legal acts;
- b) the countries eligible for support under Regulation (EC) No 1638/2006 and subsequent related legal acts;
- c) other countries designated by decision of the Governing Board on a proposal from the Commission, in accordance with the external relations priorities of the European Union and as far as available resources allow.

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<sup>25</sup> ~~OJ L 306, 7.12.2000, p. 1.~~



The countries under a), b) and c) are hereinafter designated as the "partner countries".

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↓ 1360/90

~~The Foundation shall in particular:~~

- ~~— seek to promote effective cooperation between the Community and the eligible countries in the field of vocational training,~~
  - ~~— contribute to the coordination of assistance provided by the Community, its Member States and the third countries referred to in Article 16.~~
- 

↓ 1572/98 Art. 1.2

## ~~Article 2~~

### ~~Scope~~

~~Following the general guidelines established at Community level, the Foundation shall work in the training field, covering initial and continuing vocational training as well as retraining for young people and adults, including in particular management training.~~

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↓ 1360/90 (adapted)

## ~~Article 3~~

### ~~Functions~~

↓ 1572/98 Art. 1.3 (adapted)

For the purpose of achieving the objectives set out in Article 1, the Foundation ~~shall~~, within the limits of the powers conferred on the ~~a~~Governing ~~b~~Board and following the general guidelines established at Community level ~~☒~~ , shall have the following functions ~~☒~~ :

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↓ 1360/90

- ~~(a) — provide assistance in the definition of training needs and priorities through the implementation of measures of technical assistance in the training field, and through cooperation with the appropriate designated bodies in the eligible countries;~~
- ~~(b) — act as a clearing house to provide the Community, its Member States and the third countries referred to in Article 16, together with the eligible countries and all other interested parties, with information on current initiatives and future needs in the training field, and provide a framework through which offers of assistance can be channelled;~~

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↓ 2063/94 Art. 1.2

~~(e) on the basis of (a) and (b);~~

- ~~— examine the scope for joint ventures of training assistance including pilot projects, for the setting up of specialized multinational teams for specific projects and for identifying operations which could be cofinanced;~~
- ~~— fund the design and the preparation of such projects, the implementation of which may be financed by contributions from one or several countries, together with the Foundation, or, in exceptional cases, from the Foundation on its own;~~

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↓ 1572/98 Art. 1.4

- ~~— implement, at the request of the Commission or of the eligible countries in cooperation with the governing board, vocational training programmes agreed on by the Commission and one or more of the eligible countries as part of the Community policy of assistance to these countries, using multidisciplinary teams of specialists in close collaboration with the competent authorities in the countries involved and drawing actively on the experience of Community vocational training programmes; in the selection of projects to be managed by the Foundation, priority will be given to projects of an innovative value and for the candidate countries for accession — to projects which relate directly to the Community's programmes in the field of vocational training;~~

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↓ 1360/90

~~(d) for activities and projects which are funded by the Foundation: arrange for the appropriate public and/or private bodies with a proven training record and the necessary expertise to design, prepare, implement and/or manage projects on a flexible, decentralized basis;~~

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↓ 1572/98 Art. 1.5

~~(e) confer on the governing board the power to lay down tendering procedures for projects funded or co-financed by the Foundation, taking due account of the procedures established pursuant to Regulation (EEC) No 3906/89, in particular Article 7 thereof, pursuant to Regulation (Euratom, EC) No 1279/96, in particular Articles 6 and 7 thereof, Regulation (EC) No 1488/96, in particular Article 8 thereof, or in any subsequent relevant legal act;~~

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↓ 1360/90

~~(f) in collaboration with the Commission, assist in the monitoring and evaluation of the overall effectiveness of training assistance to the eligible countries;~~

~~(g) disseminate information and encourage exchanges of experience, through publications, meetings, and other appropriate means;~~

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↓ new

- a) provide information, policy analysis and advice on human resources development issues and their links with sector policy objectives in the partner countries;
  - b) support relevant stakeholders in partner countries to build capacity in human resources development;
  - c) facilitate the exchange of information and experience among donors engaged in human resource development reform in partner countries ;
  - d) support the delivery of Community assistance to partner countries in the field of human resources development;
  - e) disseminate information and encourage networking and exchanges of experience and good practice between the European Union and partner countries and amongst partner countries on human resources development issues;
  - f) at the Commission's request, contribute to the analysis of the overall effectiveness of training assistance to the partner countries;
- 

↓ 1360/90 (adapted)

- (h) ~~⊗~~ g) ~~⊗~~ ~~within the general framework of this Regulation,~~ undertake such other tasks as may be agreed between the ~~g~~Governing ~~b~~Board and the Commission ~~⊗~~ , within the general framework of this Regulation ~~⊗~~ .

### *Article ~~43~~*

#### **General provisions**

1. The Foundation shall have legal personality. It shall enjoy in each of the Member States the most extensive legal capacity accorded to legal persons under their laws; it may, in particular, acquire or dispose of movable and immovable property and may be a party to legal proceedings. It shall be non-profit making.

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↓ new

2. The Foundation shall have its seat in Turin, Italy.

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↓ 1572/98 Art. 1.6 (adapted)

⇒ new

3. The Foundation shall cooperate with the other relevant Community bodies, ~~in particular Cedefop~~, with the support of the Commission. ⇒ The Foundation shall cooperate, in particular, with the European Centre for the Development of Vocational Training (Cedefop) in the framework of a joint annual work programme annexed to the annual work programme of each agency with the objective of promoting synergy between the activities of the two agencies. ⇐

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↓ 1360/90

~~2. Representatives of the social partners at European level which are already active in the work of the Community institutions, and international organizations active in the training field, may be associated with the work of the Foundation, notably as provided for in Articles 5 (8) and 6 (1) and (2).~~

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↓ new

4. In accordance with Article 43 of the Charter of Fundamental Rights of the European Union, the Foundation shall be subject to the administrative control of the European Ombudsman, pursuant to the conditions set out in Article 195 of the EC Treaty.

5. The Foundation may establish co-operation agreements with other relevant bodies active in the human resources development field in the EU and internationally. The Governing Board shall adopt such agreements on the basis of a draft submitted by the Director after the Commission has delivered its opinion. The working arrangements contained therein must comply with Community law.

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↓ 1648/2003 Art. 1.1 (adapted)

#### *Article 4~~a~~*

~~Access to documents~~ ☒ Transparency ☒

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↓ new

1. The Foundation shall act with a high level of transparency and comply with the provisions under paragraphs 2 to 4.

2. The Foundation shall make public without delay:

a) its own Rules of Procedure and those of the Governing Board;

b) its annual activity report.

3. The Governing Board may, at the proposal of the Director, authorise representatives of interested parties, in appropriate cases, to attend meetings of the Foundation's bodies in the capacity of observers.

4. Regulation (EC) No 1049/2001 shall apply to documents held by the Foundation.

The Governing Board shall adopt the practical arrangements for applying the said Regulation.

## Article 5

### Confidentiality

1. Without prejudice to Article 4 (4), the Foundation shall not divulge to third parties confidential information it has received for which confidential treatment has been requested and is justified.
  2. The members of the Governing Board and the Director shall be subject to the confidentiality requirement referred to in Article 287 of the EC Treaty.
  3. The information gathered by the Foundation in accordance with its basic act shall be subject to Regulation (EC) No 45/2001.
- 

~~1. Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents<sup>26</sup> shall apply to documents held by the Foundation.~~

~~2. The Governing Board shall adopt practical arrangements for implementing Regulation (EC) No 1049/2001 within six months of entry into force of Council Regulation (EC) No 1648/2003 amending Regulation (EEC) 1360/90 of 18 June 2003 establishing a European Training Foundation<sup>27</sup>.~~

## Article 6

### ⊠ Remedies ⊠

~~3.~~ Decisions taken by the Foundation pursuant to Article 8 of Regulation (EC) No 1049/2001 may form the subject of a complaint to the Ombudsman or of an action before the Court of Justice ⊠ of the European Communities ⊠, under the conditions laid down in Articles 195 and 230 of the Treaty respectively.

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## Article ~~5~~7

### Governing ~~b~~Board

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<sup>26</sup> OJ L 145, 31.5.2001, p. 43.

<sup>27</sup> OJ L 245, 29.9.2003, p. 22.

~~1. The Foundation shall have a governing board consisting of one representative of each Member State and three representatives of the Commission.~~

~~An alternate member may represent or accompany each member of the governing board; when accompanying a member, the alternate member shall attend without having the right to vote.~~

~~2. The representatives of the Member States shall be appointed by the Member States concerned.~~

~~The Commission shall appoint the members who are to represent it.~~

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↓ new

1. The Foundation shall have a Governing Board consisting of six representatives of the Member States and six representatives of the Commission, as well as three representatives of the partner countries.

Representatives may be replaced by alternates appointed at the same time.

2. The representatives of the Member States shall be appointed by the Council on the basis of their experience and expertise in the Foundation's areas of work.

The Commission shall appoint its own representatives.

The representatives of the partner countries shall be appointed by the Commission.

The Commission and the Council shall endeavour to ensure a balanced representation of men and women on the Governing Board.

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↓ 1360/90 (adapted)

⇒ new

3. The term of office of representatives shall be ~~three~~ ⇒ five ⇐ years. It shall be renewable ⇒ once ⇐ .

4. The ~~g~~Governing ~~b~~Board shall be chaired by one of the representatives of the Commission. ⇒ The term of office of the Chairperson shall expire when their respective membership of the Governing Board ceases. ⇐ ~~The chairman shall not vote.~~

5. The ~~g~~Governing ~~b~~Board shall adopt its ~~r~~Rules of ~~p~~Procedure.

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↓ 1572/98 Art. 1.8 (adapted)

⇒ new

#### Article 8

#### ⊗ Voting rules and tasks of the Chairperson ⊗

1. The representatives of the Member States ⇨ and the Commission ⇨ on the gGoverning bBoard shall each have one vote. ~~The representatives of the Commission shall have one vote between them.~~

⇨ The representatives of the partner countries shall not vote. ⇨

↓ 1360/90 (adapted)  
⇨ new

Decisions of the gGoverning bBoard shall require a two-thirds majority of the members of the board, except in the case referred to in paragraph 52.

52. The gGoverning bBoard shall determine, by a unanimous decision of its members, the rules governing the languages of the Foundation, taking into account the need to ensure access to, and participation in, the work of the Foundation by all interested parties.

63. The ~~chairman~~ ☒ Chairperson ☒ shall convene the gGoverning bBoard at least twice a year and at the request of at least a ~~simple~~ ⇨ two-thirds ⇨ majority of the members of the bBoard.

The ~~Chairman~~ ☒ Chairperson ☒ shall be responsible for informing the board of other Community activities relevant to their work and of the ⇨ Commission's ⇨ expectations ~~from~~ ☒ concerning ☒ the Foundation ☒ 's activities ☒ in the forthcoming year.

↓ 1572/98 Art. 1.9

~~7. On the basis of a draft submitted by the director of the Foundation, the governing board, in consultation with the Commission, shall examine the preliminary draft annual work programme for the following year by 30 November at the latest. The final adoption of the work programme shall take place at the beginning of each year, within the framework of a three year on-going perspective. Where necessary, the programme may be adapted during the year using the same procedure in order to ensure greater effectiveness of Community policies.~~

~~The projects and activities in the annual work programme shall be accompanied by an estimate of the necessary expenditure and by allocations of staff and budgetary resources.~~

↓ 1360/90

~~8. The governing board shall approve, as necessary and on a case by case basis, the setting up of *ad hoc* sectoral working parties involving all the countries or organizations contributing to the finance of the different projects concerned as well as other interested parties, including where appropriate representatives of social partners.~~

↓ 1648/2003 Art. 1.2

~~9. The Governing Board shall adopt the Foundation's annual report and forward it by 15 June at the latest to the European Parliament, the Council, the Commission, the European Economic and Social Committee and the Court of Auditors. The report shall also be forwarded to the Member States and, for information, to the eligible countries.~~

~~10. The Foundation shall forward annually to the budgetary authority any information relevant to the outcome of the evaluation procedures.~~

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↓ new

## *Article 9*

### **Powers of the Governing Board**

The Governing Board shall have the following functions and powers:

- a) Appoint and, where necessary, dismiss the Director of the Foundation in accordance with the provisions of Article 10.5;
  - b) exercise disciplinary authority over the Director;
  - c) adopt the Foundation's annual work programme on the basis of a draft submitted by the Director of the Foundation after the Commission has delivered its opinion, in accordance with the provisions of Article 12;
  - d) draw up an annual estimate of expenditure and revenue for the Foundation and forward it to the Commission;
  - e) adopt the Foundation's definitive budget and establishment plan following completion of the annual budget procedure, in accordance with the provisions of Article 16;
  - f) adopt the Foundation's annual activity report, in accordance with the procedure laid down in Article 13 and send to the institutions and the Member States;
  - g) adopt the Foundation's Rules of Procedure on the basis of a draft submitted by the Director after the Commission has delivered its opinion;
  - h) adopt the financial rules applicable to the Foundation on the basis of a draft submitted by the Director after the Commission has delivered its opinion, in accordance with the provisions of Article 19;
  - i) adopt the procedures for applying Regulation (EC) No 1049/2001, in accordance with the provisions of Article 4 of this Regulation.
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↓ 1360/90

## ~~Article 6~~

### ~~Advisory forum~~

~~1. The Foundation shall have an advisory forum appointed by the governing board.~~



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↓ 1572/98 Art. 1.10

~~The members of the forum shall be selected from experts among training and other circles concerned in the work of the Foundation, taking into account the need to ensure the presence of representatives of the social partners, of the Commission, of those international organisations active in the provision of training assistance, and of the eligible countries and territories.~~

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↓ 1360/90

~~There shall be appointed two experts from each of the Member States, from each of the eligible countries and from the social partners at European level.~~

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↓ 1572/98 Art. 1.11

~~2. The governing board shall seek nominations for appointment from:~~

~~— each of the Member States,~~

~~— each of the eligible countries,~~

~~— the Commission,~~

~~— the social partners at European level which are already active in the work of the Community institutions, and~~

~~— relevant international organisations.~~

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↓ 1360/90 (adapted)

~~3. The term of office of the members of the advisory forum shall normally be for three years, subject to regular review by the governing board.~~

~~4. The task of the advisory forum shall be to deliver opinions to the governing board either at the request of the board or on its own initiative concerning the annual work programme of the Foundation referred to in Article 5 (7).~~

~~All opinions shall be communicated to the governing board.~~

~~5. The director of the Foundation shall be the chairman of the advisory forum.~~

~~The advisory forum shall draw up its rules of procedure, subject to the approval of the governing board.~~

~~6. The advisory forum shall be convened by its chairman once a year.~~

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*Article ~~7~~10*

**~~The d~~Director**

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↓ 1572/98 Art. 1.12

⇒ new

1. The ~~d~~Director of the Foundation shall be appointed by the ~~g~~Governing ~~b~~Board on a proposal from the Commission for a period of five years. This term of office may be extended once for a period which may not exceed five years. ⇒ the basis of a list of candidates proposed by the Commission, for a period of five years. Before being appointed, the candidate selected by the Governing Board may be invited to make a statement before the competent committee(s) of the European Parliament and answer questions put by its/their members. ⇐

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↓ new

In the course of the 9 months preceding the end of this period, the Commission shall undertake an evaluation. In the evaluation, the Commission shall assess in particular:

- the performance of the Director;

- the Foundation's duties and requirements in the coming years.

The Governing Board, acting on a proposal by the Commission, taking into account the evaluation report and only in those cases where it can be justified by the duties and requirements of the Foundation, may extend the term of office of the Director once for not more than three years.

The Governing Board shall inform the European Parliament about its intention to extend the Director's term of office. Within a month before the extension of his/her term of office, the Director may be invited to make a statement before the competent committee(s) of the European Parliament and answer questions put by its/their members.

If the term of office is not extended, the Director shall remain in office until the appointment of his/her successor.

2. The Director shall be appointed on the basis of merit, administrative and management skills and expertise and experience in the field of work of the Foundation.

3. The Director shall be the legal representative of the Foundation.

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↓ 1572/98 Art. 1.12 (adapted)

4. The ~~d~~Director ~~shall be responsible for~~ ☒ shall have the following functions and powers ☒ :

~~the preparation and organisation of the work of the governing board, of any *ad hoc* working parties convened by the governing board and, in particular, for the preparation of the draft annual work programme of the Foundation, taking into account the general guidelines established at Community level,~~

~~the day to day administration of the Foundation,~~

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↓ 1648/2003 Art. 1.3

– ~~the preparation of the draft estimate of the Foundation's revenue and expenditure and the execution of its budget,~~

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↓ 1572/98 Art. 1.12

~~the preparation and publication of reports specified under this Regulation,~~

~~all staff matters,~~

~~undertaking the tasks with which he is charged pursuant to Article 3 and those set out in the annual work programme referred to in Article 5(7),~~

– ~~implementing the governing board's decisions and the guidelines set down for the Foundation's activities.~~

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↓ new

- a) prepare, on the basis of general guidelines established by the Commission, the annual work programme, the draft estimate of expenditure and revenue of the Foundation, its Rules of Procedure and those of the Governing Board, its financial rules and the work of the Governing Board, and any *ad hoc* working parties convened by the Governing Board;
- b) take part, without the right to vote, in meetings of the Governing Board;
- c) implement the decisions of the Governing Board;
- d) implement the Foundation's annual work programme and respond to requests for assistance from the Commission;
- e) perform the duties of authorising officer, in accordance with Articles 33 to 42 of Commission Regulation (EC, Euratom) No 2343/2002;
- f) implement the Foundation's budget;
- g) put in place an effective monitoring system to allow the regular evaluations referred to in Article 24 to be carried out and, in this basis, prepare a draft annual report on the Foundation's activities;
- h) present the report to the European Parliament;
- i) manage all staff-related matters, and in particular exercise the powers provided for in Article 21;
- j) define the Foundation's organisational structure and submit it to the Governing Board for approval;
- k) represent the Foundation before the European Parliament and the Council in accordance with the provisions of Article 18.

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↓ 1360/90

⇒ new

~~2.5. The Director shall be accountable for his/her actions to the Governing Board for his activities and shall attend its meetings~~ , which may remove the Director from his/her duties before his/her term of office has expired on a proposal of the Commission.

~~3. The director shall be the legal representative of the Foundation.~~

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↓ new

### *Article 11*

#### **Public interest and independence**

The members of the Governing Board and the Director shall act in the public interest and independently of any external influence. To this end they shall make a written declaration of commitment and a written declaration of interests every year.

### *Article 12*

#### **Annual work programme**

1. The annual work programme shall comply with the subject matter, scope and functions of the Foundation as defined in Articles 1 and 2 of this Regulation.

2. It shall be drafted within the framework of a four-year ongoing perspective in cooperation with the Commission services and with regard to the external relations priorities for the countries and regions concerned.

3. The projects and activities in the annual work programme shall be accompanied by an estimate of the necessary expenditure and by allocations of staff and budgetary resources.

4. The Director shall submit the draft work programme to the Governing Board after the Commission has delivered an opinion on it.

5. The Governing Board shall adopt the draft annual work programme for the following year by 30 November at the latest. The final adoption of the work programme shall take place at the beginning of each year.

6. Where necessary, the programme may be adapted during the year using the same procedure in order to ensure greater effectiveness of Community policies.

### *Article 13*

#### **Annual activity report**

1. The Director shall report to the Governing Board on the performance of his/her duties in the form of an annual activity report.
  2. The report shall contain financial and management information indicating the results of operations by reference to the objectives set, the risks associated with these operations, the use made of the resources provided and the way the internal control system functioned.
  3. The Governing Board shall draft an analysis and an assessment of the annual activity report on the previous financial year.
  4. The Governing Board shall adopt the Director's annual activity report and forward it together with its analysis and an assessment to the European Parliament, the Council, the Commission, the European Economic and Social Committee and the Court of Auditors by 15 June at the latest. The report shall also be forwarded to the Member States and, for information, to the partner countries.
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↓ 1572/98 Art. 1.13  
⇒ new

#### *Article ~~8~~14*

#### **Links with other Community actions**

The Commission, in cooperation with the ~~g~~Governing ~~b~~Board and, where appropriate, in accordance with the procedures set out in Article 9 of Regulation (EEC) No 3906/89, Article 8 of Regulation (Euratom, EC) No 1279/96 and Article 11 of Regulation (EC) No 1488/96 or in any subsequent relevant legal act, shall ensure consistency and, where necessary, complementarity between the work of the Foundation and other actions at Community level, both within the Community and in assistance to the ~~eligible~~ ⇒ partner ⇐ countries, with particular reference to actions under the Tempus programme and to the other programmes and actions for training that are implemented at Community level, including Med Campus.

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↓ 1360/90 (adapted)

#### *Article ~~9~~15*

#### **Budget ~~content~~**

1. Estimates of all the revenue and expenditure of the Foundation shall be prepared for each financial year and shall be shown in the budget of the Foundation, which shall include an establishment plan, and each financial year shall correspond to the calendar year.
2. The revenue and expenditure shown in the budget of the Foundation shall be in balance.
3. The revenue of the Foundation shall comprise, without prejudice to other types of income, a subsidy from the general budget of the European Communities, payments made as remuneration for services performed as well as finance from other sources.

4. The budget shall also include details of any funds made available by the ~~eligible~~ ☒ partner ☒ countries themselves for projects benefiting from financial assistance from the Foundation.

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↓ 1648/2003 Art. 1.4

*Article ~~10~~16*

**Budgetary procedure**

1. Each year the Governing Board, on the basis of a draft drawn up by the Director, shall produce an estimate of revenue and expenditure for the Foundation for the following financial year. This estimate, which shall include a draft establishment plan, shall be forwarded by the Governing Board to the Commission by 31 March at the latest.

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↓ new

2. The Commission shall examine the estimate, having regard to the proposed limits of the overall amount available for external actions, and enter in the preliminary draft general budget of the European Union the resources it deems necessary for the establishment plan and the amount of the subsidy to be charged to the general budget of the European Union (hereinafter referred to as "the general budget").

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↓ 1648/2003 Art. 1.4 (adapted)  
⇒ new

~~2.3.~~ The estimate shall be forwarded by the Commission to the European Parliament and the Council (hereinafter referred to as the ~~€~~"budgetary authority"~~»~~) together with the preliminary draft general budget of the European Union.

~~3. The Commission shall examine the estimate, having regard to the vocational training priorities in the eligible countries and to the overall financial orientations on economic aid to these countries. On the basis of the estimate, the Commission shall enter in the preliminary draft general budget of the European Union the estimates it deems necessary for the establishment plan and the amount of the subsidy to be charged to the general budget, which it shall place before the budgetary authority in accordance with Article 272 of the Treaty.~~

~~It shall establish on this basis, and within the proposed limits of the overall amount to be made available for economic aid to the eligible countries, the annual contribution for the budget of the Foundation to be included in the preliminary draft general budget of the European Union.~~

4. The budgetary authority shall authorise the appropriations for the subsidy to the Foundation.

The budgetary authority shall adopt the establishment plan for the Foundation.

5. The budget ~~of the Foundation~~ ☒ and the establishment plan ☒ shall be adopted by the Governing Board. ~~It~~ ☒ They ☒ shall become ~~final following~~ ☒ definitive after ☒ final

adoption of the general budget of the European Union. Where appropriate, it  $\Rightarrow$  If necessary the budget and the establishment plan  $\Leftarrow$  shall be adjusted accordingly.

6. The Governing Board shall, as soon as possible, notify the budgetary authority of its intention to implement any project which may have significant financial implications for the funding of its budget, in particular any projects relating to property such as the rental or purchase of buildings. It shall inform the Commission thereof.

Where a branch of the budgetary authority has notified its intention to deliver an opinion, it shall forward its opinion to the Governing Board within a period of six weeks from the date of notification of the project.

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↓ 1360/90

#### *Article ~~11~~17*

### **Budget implementation and control**

~~1. The director shall implement the budget of the Foundation.~~

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↓ 1648/2003 Art. 1.5

~~2.1.~~ By 1 March at the latest following each financial year, the Foundation's accounting officer shall communicate the provisional accounts to the Commission's accounting officer together with a report on the budgetary and financial management for that financial year. The Commission's accounting officer shall consolidate the provisional accounts of the institutions and decentralised bodies in accordance with Article 128 of the ~~general~~ Financial Regulation.

~~2.2.~~ By 31 March at the latest following each financial year, the Commission's accounting officer shall forward the Foundation's provisional accounts to the Court of Auditors, together with a report on the budgetary and financial management for that financial year. The report on the budgetary and financial management for that financial year shall also be forwarded to the European Parliament and the Council.

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↓ new

3. The Director shall implement the budget of the Foundation.

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↓ 1648/2003 Art. 1.5 (adapted)

4. On receipt of the Court of Auditors' observations on the Foundation's provisional accounts, pursuant to Article 129 of the ~~general~~ Financial Regulation, the Director shall draw up the Foundation's final accounts under his  $\boxtimes$  /her  $\boxtimes$  own responsibility and forward them to the Governing Board for an opinion.

5. The Governing Board shall deliver an opinion on the Foundation's final accounts.

6. The Director shall, by 1 July at the latest following each financial year, forward these final accounts to the European Parliament, the Council, the Commission and the Court of Auditors, together with the Governing Board's opinion.

7. The final accounts shall be published.

8. The Foundation's Director shall send the Court of Auditors a reply to its observations by 30 September at the latest. He ~~the~~ /she ~~the~~ shall also send ~~this~~ that ~~the~~ reply to the Governing Board.

9. The Director shall submit to the European Parliament, at the latter's request, any information required for the smooth application of the discharge procedure for the financial year in question, as laid down in Article 146(3) of the ~~general~~ Financial Regulation.

10. The European Parliament, on a recommendation from the Council acting by a qualified majority, shall, before 30 April of year N + 2, give a discharge to the Director in respect of the implementation of the budget for year N.

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↓ new

11. The Director shall take all appropriate steps required, if necessary, by the observations accompanying the decision giving discharge.

#### *Article 18*

### **European Parliament and Council**

Without prejudice to the controls referred to above and, in particular the budgetary and discharge procedures, the European Parliament or the Council may ask at any time, and in particular upon publication of the Foundation's annual activity report, for a hearing with the Director on any subject relating to the Foundation's activities.

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↓ 1648/2003 Art. 1.6 (adapted)

#### *Article ~~18~~19*

### **Financial Rules**

1. The financial rules applicable to the Foundation shall be adopted by the Governing Board after the Commission has been consulted. They may not depart from Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>28</sup> unless specifically required for the Foundation's operation and with the Commission's prior consent.

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<sup>28</sup> OJ L 357, 31.12.2002, p. 72, with Corrigendum in OJ L 2, 7.1.2003, p. 39.



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↓ new

2. In accordance with Article 133(1) of the Financial Regulation, the Foundation shall apply the accounting rules adopted by the Commission's accounting officer so that its accounts can be consolidated with those of the Commission.

3. Regulation (EC) No 1073/1999 shall apply to the Foundation in its entirety.

4. The Foundation shall accede to the Interinstitutional Agreement of 25 May 1999. The Governing Board shall formalise this accession and adopt the necessary measures to help OLAF carry out internal investigations.

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↓ 1360/90

*Article ~~13~~20*

### **Privileges and immunities**

The Protocol on the privileges and immunities of the European Communities shall apply to the Foundation.

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↓ 2063/94 Art. 1.8 (adapted)  
⇒ new

*Article ~~14~~21*

### **Staff rules**

The staff of the Foundation shall be governed by the rules and regulations applicable to the officials and other servants of the European Communities.

The Foundation shall exercise over its staff the powers devolved to the appointing authority.

The ~~G~~Governing ~~B~~Board shall, in agreement with the Commission, adopt the appropriate implementing rules ⇒ in accordance with the arrangements provided for in Article 110 of the Staff Regulations of Officials of the European Communities and Article 127 of the Conditions of Employment of Other Servants of the European Communities. ⇐

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↓ new

The Governing Board may adopt provisions to allow national experts from Member States or partner countries to be employed on secondment to the Foundation.

Article ~~15~~22

~~Legal~~ ~~Li~~ability

1. The contractual liability of the Foundation shall be governed by the law applicable to the contract in question.

2. In the case of non-contractual liability, the Foundation shall, in accordance with the general principles common to laws of the Member States, make good any damage caused by the Foundation or its servants in the performance of their duties.

The Court of Justice shall have jurisdiction in disputes relating to compensation for any such damage.

3. The personal liability of servants towards the Foundation shall be governed by the relevant provisions applying to the staff of the Foundation.

Article ~~16~~23

Participation of third countries

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1. The Foundation shall be open to the participation of countries which are not members of the European Community and which share the commitment of the Community and the Member States to the provision of aid in the ~~training field to the eligible~~ ⇒ human resources field to the partner ⇐ countries defined in Article 1, under arrangements to be laid down in agreements between the Community and themselves, following the procedure laid down in Article ~~228~~ ⊗ 300 ⊗ of the Treaty.

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The agreements shall, *inter alia*, specify the nature and extent of and the detailed rules for the participation by these countries in the work of the Foundation including provisions on financial contributions and staff. ⇒ Such agreements may not provide for third countries to be represented on the Governing Board with voting rights or contain provisions not in accordance with the Staff rules set out in Article 21 above. ⇐

2. Participation of such countries in ~~the~~ *ad hoc* working parties ~~provided for in Article 5 (8)~~ may be decided as necessary by the ~~G~~Governing ~~B~~Board without the need for an agreement.

---

↓ 1572/98 Art. 1.16 (adapted)  
⇒ new

*Article ~~17~~24*

**~~Monitoring and e~~Evaluation procedure**

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↓ new

1. In accordance with Article 25(4) of the framework Financial Regulation, the Foundation shall regularly carry out *ex ante* and *ex post* evaluations of its activities where these necessitate significant expenditure. The Governing Board shall be notified of the results of these evaluations.

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↓ 1572/98 Art. 1.16 (adapted)  
⇒ new

2. The Commission shall, in consultation with the ~~g~~Governing ~~b~~Board, ~~establish a monitoring and evaluation procedure of the experience acquired in the work of the Foundation~~ ⇒ conduct an evaluation of the implementation of this Regulation, the results obtained by the Foundation and its working methods in line with the objectives, mandate and functions defined herein every four years ⇐. ~~This procedure should~~ ☒ The evaluation shall ☒ be carried out with the help of external experts. The Commission shall present the ~~first~~ results of this procedure in a ~~report to be submitted~~ ☒ of the evaluation ☒ to the European Parliament, the Council and the ☒ European ☒ Economic and Social Committee ~~before 31 December 2000 and thereafter every three years.~~

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↓ new

3. The Foundation shall take all appropriate steps to remedy any problems which may come to light in the process of evaluation.

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↓ 1360/90

*Article ~~18~~25*

**Review**

~~This Regulation shall be reviewed by the Council on a proposal from the Commission within five years of its entry into force.~~

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↓ new

Following evaluation, the Commission shall present, where necessary, a proposal for the revision of the provisions of this Regulation. If the Commission feels that the existence of the Foundation is no longer justified with regard to the objectives assigned to it, it may propose that this Regulation be repealed.

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↓ new

*Article 26*

**Repeal**

Council Regulations (EEC) No 1360/90, (EC) No 2063/94, (EC) No 1572/98, (EC) No 1648/2003 and Article 16 of Council Regulation (EC) No 2666/2000, as listed in Annex I, are repealed.

References to the repealed Regulations shall be construed as references to this Regulation and shall be read in accordance with the correlation table in Annex II.

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↓ 1360/90 (adapted)  
⇒ new

*Article ~~19~~27*

⊗ **Entry into force** ⊗

This Regulation shall enter into force on the ⊗ 20th ⊗ day following that ~~on which the competent authorities have decided on the seat of the Foundation~~<sup>29</sup> ⊗ of its publication in the Official Journal of the European Union ⊗ .

This Regulation shall be binding in its entirety and directly applicable in all Member States.

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<sup>29</sup> ~~The date of entry into force of the Regulation shall be published in the Official Journal.~~

## **ANNEX I**

### **Repealed Regulation and successive amendments**

#### **Council Regulation (EEC) No 1360/90 of 7 May 1990**

(OJ L 131, 23.5.1990, p. 1)

#### **Council Regulation (EC) No 2063/94 of 27 July 1994**

(OJ L 216, 20.8.1994, p. 9)

#### **Council Regulation (EC) No 1572/98 of 17 July 1998**

(OJ L 206, 23.7.1998, p. 1)

#### **Article 16 of the Council Regulation (EC) No 2666/2000 of 5 December 2000**

(OJ L 306, 7.12.2000, p. 1)

#### **Council Regulation (EC) No 1648/2003 of 18 June 2003**

(OJ L 245, 29.9.2003, p. 22)

## ANNEX II

### Correlation table

<b>Regulation (EEC) No 1360/90</b>	<b>This Regulation</b>
Article 1 introductory words	Article 1 introductory words
Article 1 end of introductory words	—
Article 1 first to fourth indent	—
Article 1 second sentence	—
—	Article 1 end of introductory words
—	Article 1 a) to c)
—	Article 1 second sentence
Article 2	—
Article 3 introductory words	Article 2 introductory words
Article 3 a) to g)	—
—	Article 2 a) to f)
Article 3 h)	Article 2 g)
Article 4(1)	Article 3(1)
—	Article 3(2)
Article 4(3) first sentence	Article 3(3) first sentence
—	Article 3(3) second sentence
Article 4(2)	—
—	Article 3(4) and (5)
—	Article 4(1) to (3)
Article 4a(1)	Article 4(4) first sub-paragraph
Article 4a(2)	Article 4(4) second sub-paragraph
—	Article 5

Article 4a(3)	Article 6
Article 5(1)	Article 7(1)
Article 5(2)	Article 7(2) first and second sub-paragraphs
–	Article 7(2) third and fourth sub-paragraphs
Article 5(3)	Article 7(3)
Article 5(4) first sub-paragraph	Article 7(4) first sentence
–	Article 7(4) second sentence
Article 5(4) second sub-paragraph	Article 7(5)
Article 5(4) third and fourth sub-paragraphs	Article 8(1) first sub-paragraph
–	Article 8(1) second sub-paragraph
Article 5(4) last sub-paragraph	Article 8(1) last sub-paragraph
Article 5(5) and (6)	Article 8(2) and (3)
Article 5(7) to (10)	–
-	Article 9
Article 6	–
Article 7(1) first words	Article 10(1) first words
Article 7(1) end of first sentence and second sentence	–
–	Article 10(1) end of first sentence, second sentence and second to fourth sub-paragraphs
–	Article 10(2)
Article 7(2)	Article 10(5) first sentence
Article 7(3)	Article 10(3)
–	Article 10(4) points a) to k)
–	Article 11
–	Article 12
–	Article 13
Article 8 (partly)	Article 14

Article 9	Article 15
Article 10(1)	Article 16(1)
–	Article 16(2)
Article 10(2)	Article 16(3)
Article 10(3)	–
Article 10(4) to (6)	Article 16(4) to (6)
Article 11(1)	Article 17(3)
Article 11(2) and (3)	Article 17(1) and (2)
Article 11(4) to (10)	Article 17(4) to (10)
–	Article 17(11)
–	Article 18
Article 12	Article 19(1)
–	Article 19(2) to (4)
Article 13	Article 20
Article 14	Article 21 first and second sentences and first words of third sentence
–	Article 21 last words of third sentence and last sentence
Article 15	Article 22
Article 16(1)	Article 23(1) first subparagraph and first sentence of second subparagraph
–	Article 23(1) last sentence of second subparagraph
Article 16(2)	Article 23(2)
–	Article 24(1)
Article 17 (partly)	Article 24(2)
–	Article 24(3)
Article 18	–



–	Article 25
–	Article 26
Article 19	Article 27
-	Annex

## **LEGISLATIVE FINANCIAL STATEMENT**

### **1. NAME OF THE PROPOSAL:**

Proposal for a Regulation of the European Parliament and of the Council establishing a European Training Foundation (recast).

### **2. ABM / ABB FRAMEWORK**

Policy Area(s) concerned and associated Activity/Activities: External Relations, Human Resources Development in a lifelong learning context.

### **3. BUDGET LINES**

#### **3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings:**

15 02 27 European Training Foundation  
15 02 27 01 European Training Foundation – Subsidy to titles 1 and 2  
15 02 27 02 European Training Foundation – Subsidy to title 3

#### **3.2. Duration of the action and of the financial impact:**

Indefinite (annual subsidy to an organisation set up as referred to under Art. 185 of the FR).

#### **3.3. Budgetary characteristics:**

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
15 02 27 01	Comp	Diff	NO	NO	NO	No [4]
15 02 27 02	Comp	Diff	NO	NO	NO	No [4]

## 4. SUMMARY OF RESOURCES

### 4.1. Financial Resources

#### 4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013 and later	Total
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#### Operational expenditure<sup>30</sup>

Commitment Appropriations (CA)	8.1.	a	17.984	19.872	20.271	19.528	19.918	20.317	117.890
Payment Appropriations (PA)		b	17.984	19.872	20.271	19.528	19.918	20.317	117.890

#### Administrative expenditure within reference amount<sup>31</sup>

Technical & administrative assistance (NDA)	8.2.4.	c							
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#### TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	17.984	19.872	20.271	19.528	19.918	20.317	117.890
Payment Appropriations		b+c	17.984	19.872	20.271	19.528	19.918	20.317	117.890

#### Administrative expenditure not included in reference amount<sup>32</sup>

Human resources and associated expenditure (NDA)	8.2.5.	d							
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6.	e							

#### Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c +d+ e	17.984	19.872	20.271	19.528	19.918	20.317	117.890
TOTAL PA including cost of Human Resources		b+c +d+ e	17.984	19.872	20.271	19.528	19.918	20.317	117.890

<sup>30</sup> Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

<sup>31</sup> Expenditure within article xx 01 04 of Title xx.

<sup>32</sup> Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

## Co-financing details

Not applicable

### 4.1.2. *Compatibility with Financial Programming*

- ✓ Proposal is compatible with existing financial programming.
- ☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.
- ☐ Proposal may require application of the provisions of the Interinstitutional Agreement<sup>33</sup> (i.e. flexibility instrument or revision of the financial perspective).

### 4.1.3. *Financial impact on Revenue*

- ✓ Proposal has no financial implications on revenue
- ☐ Proposal has financial impact – the effect on revenue is as follows: N.a.

## 4.2. **Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.**

Annual requirements	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013 and later
As per establishment plan						
Total number of Temporary Agents	96	96	96	96	96	96
Out of establishment plan						
Total FTE external staff	34	30	30	30	30	30

## 5. **CHARACTERISTICS AND OBJECTIVES**

### 5.1. **Need to be met in the short or long term**

Recast of the Regulation to update the scope and objectives of the European Training Foundation in line with developments in the EU Lisbon and lifelong learning agenda, and to redefine its functions, with regard to the new EU external policy instruments.

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<sup>33</sup> See points 19 and 24 of the Interinstitutional agreement.

## **5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy**

The conclusions and recommendations of the 2005-06 external evaluation of the ETF were largely shared by the Commission, as indicated in COM(2006)832 final. The evaluation confirmed that the work done by the ETF is good value, Commission services and EC Delegations have a positive perception of its provision of expertise in vocational education and training (VET) and links to the labour market. Its added value stems from its understanding of the reform context, its network of experts and its capacity to respond flexibly and rapidly to requests.

## **5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework**

### **5.3.1 ETF Objectives**

The ETF will contribute to the quality of lifelong learning systems and their capacity to support employment, competitiveness and social cohesion in partner countries. This requires an adaption of the established activities to a broader thematic scope, a larger geographical scale and a policy-driven approach to meet the requirements of the new external relations instruments.

In this context, ETF investment in capacity building and action research pilot projects will need to increase as it develops the expertise and approaches needed for its new mandate

The ETF must also adapt its functions to the new EU external relations instruments around policy rather than programme supported reform.

Currently, the ETF also provides technical assistance to the Tempus programme. This is expected to cease in 2008, which is a year of transition between the current and recast regulation.

### **5.3.2 Expected results**

In the countries covered by the Instrument for Pre-accession and the European Neighbourhood and Partnership Instrument, the recast regulation foresees that the ETF will:

- € Provide information, policy analysis and advice on human resources development (HRD) issues and their links to wider policy objectives in the partner countries;
- € Support relevant stakeholders in partner countries to build capacity in HRD;
- € Facilitate the exchange of information and experience among donors engaged in HRD reform in partner countries;
- € Support the delivery of Community assistance to partner countries in the field of HRD;

- € Disseminate information and encourage networking and exchanges of experience and good practice between the EU and partner countries and amongst partner countries on HRD issues;
- € Contribute, at the Commission's request, to the analysis of the overall effectiveness of training assistance to partner countries.

### 5.3.3 Indicators for the recast regulation

ETF Activities	Indicators of the ETF contribution to competitiveness, employment and social cohesion through improvements in the quality of lifelong learning systems aimed at raising the level of HRD in partner countries.
1. Contributing to education reform in IPA, ENPI and DCI (Central Asia) regions	<ul style="list-style-type: none"> <li>– ETF sector policy analysis and advice adopted by stakeholders for the modernisation of the education sector and links to employment in line with EU external relations policies ;</li> <li>– Stakeholder capacities to define and implement education sector reform strengthened and awareness raised on relevant EU experience ;</li> <li>– Sector analysis, programming and project support adopted in IPA assistance;</li> <li>– Stakeholders from education sector, social partners and civil society actively engaged in education reform process.</li> </ul>
4. Supporting the European Commission and partner country policy development through innovation and learning	<ul style="list-style-type: none"> <li>– Capacity in information, analysis, and policy analysis and advice built in partner countries;</li> <li>– Approaches to stakeholder capacity building developed and implemented</li> <li>– Information exchange capacities among international organisations and donors engaged in HRD in partner countries developed;</li> <li>– Methodologies for sector policy and programming input to Community assistance programmes in relevant fields developed and piloted;</li> <li>– Appropriate policy lessons from EU and other relevant contexts for dissemination in/among partner countries captured and assessed.</li> </ul>

### 5.3.4 Deliverables

In general the definition of deliverables in the table below is based on the expected functions proposed by the Commission in COM(2006)832 final and on the experience in reform support developed by the ETF in the period 2000-06. However, the complexity and cost will evolve with the recast regulation

Function/action	Deliverable limited to VET and employment sub-sectors 2000-06.	Deliverable encompassing entire education sector and its links with competitiveness, employment and social cohesion 2007-13.
Information and policy analysis	Policy review and advice.	Policy review and advice with active participation of national and local stakeholders.
Capacity building	Regional seminars, peer review and site visits for partner country stakeholders.	National events for stakeholders
Information exchange among relevant international organisations and donors	Networking and periodic meetings among relevant international organisations and aid organisations.	Networking and periodic meetings among relevant international organisations and aid organisations
Support to Community assistance	Programming analysis and project identification	Support facility per priority country including sector analysis, programming, project cycle support, progress reporting.
Dissemination and networking	Establishment and management of partner country and (sub-)regional networks of stakeholders to disseminate EU policy approaches in sub sector.	Establishment and management of partner country and (sub-)regional network of stakeholders to disseminate EU policy approaches across the education sector
Evaluation of effectiveness of training assistance	Periodic review of VET assistance in a partner country on request of the Commission	Periodic review of assistance to education sector in a partner country on request of the Commission
ETF capacity building	Staff development activities to maintain ETF expertise	Staff development and recruitment activities to maintain ETF expertise and raise capacity
ETF action research	Pilot action research projects to test reform models based on EU policy approaches in partner countries	Pilot action research projects to test reform models based on EU policy approaches in partner countries

### 5.4. Method of Implementation (indicative)

#### ☐ *Centralised Management*

- ☐ directly by the Commission
- ☐ indirectly by delegation to:
  - ☐ executive Agencies
  - ☒ bodies set up by the Communities as referred to in art. 185 of the Financial Regulation

- ☐ national public-sector bodies/bodies with public-service mission
- ☐ ***Shared or decentralised management***
  - ☐ with Member States
  - ☐ with Third countries
- ☐ ***Joint management with international organisations (please specify)***

Relevant comments:

## **6. MONITORING AND EVALUATION**

### **6.1. Monitoring system**

The ETF has put in place a Monitoring and Evaluation Policy and a results based management system to measure performance against its stated objectives, expected results and resource allocations. The ETF has set indicators at corporate, activity and project levels within its annual work programme. Under the recast regulation, the ETF will increasingly include measurement of input and output against the revised functions proposed by the Commission.

In addition, the ETF has a system to assess its performance and impact at a project and country level, as well as auditing its internal control system. The ETF invests 10% of its Title III funds to evaluate and audit its performance with the support of external experts.

### **6.2. Evaluation**

#### *6.2.1. Ex-ante evaluation*

Ex-ante evaluations carried out by the Commission in accordance with Article 25(4) of the General Financial Regulation.

#### *6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)*

Ex-post evaluations carried out by the Commission in accordance with Article 25(4) of the General Financial Regulation, with the assistance of external evaluators.

#### *6.2.3. Terms and frequency of future evaluation*

The proposal provides for an ex-post evaluation at least every four years.

## **7. ANTI-FRAUD MEASURES**

The ETF is subject to control by the Internal Audit Service and the European Court of Auditors. Since 2006, the ETF has also established its internal audit capability.



## 8. DETAILS OF RESOURCES

### 8.1. Objectives of the proposal in terms of their financial cost

The table in annex is based on the following assumptions:

- The indicative allocation to the ETF in the Community financial perspectives 2007-13.
- Continuity in the allocation of ETF resources according to Community external relations priorities and ongoing development as a centre of expertise.:
  - IPA 32.5%
  - ENPI 32.5%
  - DCI 15%<sup>34</sup>
  - Innovation and learning 20%<sup>35</sup>
- The ETF will concentrate its activities in partner countries where the Community is actively investing in HRD and where the preconditions for reform are in place (a stable institutional environment and a commitment to education reform).
- Based on the external evaluation report, ETF experience and the planning assumptions in the MTP, the ETF's main functions are the provision of policy analysis and advice and input to Community assistance. The capacity building, dissemination, information exchange and evaluation of training assistance contribute to these. The ETF's proposed distribution of resources is as follows:
  - 20% education policy analysis and support
  - 24% partner country policy capacity building;
  - 39 % input to Commission sector programming and project cycle;
  - 10% dissemination and networking;
  - 3.5% information exchange among donors and international organisations;
  - 3.5% evaluation of training assistance.

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<sup>34</sup> Represents a slight increase compared to the allocation in the ETF MTP 2007-10 in view of Community Central Asia initiative

<sup>35</sup> Innovation and learning investment is key for adapting ETF capacity to the recast regulation

The actual distribution of resources will be driven by changes in the ETF's operational environment, evolving EU priorities and the specific Commission requests.

- The breakdown of ETF activity based budget costs whereby 70% of the subvention is invested in operational activities, and 30% in overhead costs. Title III represents some 15% of ETF resources.

# Annex – Point 8.1. Objectives of the proposal in terms of their financial cost

Findings of Objectives, actions and outputs should be identified)	Type of output	Av. cost	Year 2008		Year 2009		Year 2010		Year 2011		Year 2012		Year 2013 and later		TOTAL
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	
Strategic Objective 1															
Strategic Objective 1	HRD policy review	393	3	1207	4	1574	4	1605	4	1547	4	1578	4	1609	23
	Capacity building event	49	25	1207	32	1574	33	1605	30	1547	30	1578	30	1609	180
	Support to Community sector programming and project cycle	320	6	1961	8	2558	8	2609	7	2513	7	2563	7	2615	43
	Dissemination and networking	82	6	503	8	656	8	669	7	644	7	657	7	670	43
	Effectiveness analysis	197	1	151	1	197	1	201	1	193	1	197	1	201	6
total Objective 1			41	5027	53	6558	54	6689	49	6444	49	6573	49	6705	
Strategic Objective 2															
Strategic Objective 2	HRD policy review	382	3	1170	4	1526	4	1557	4	1500	4	1530	4	1560	23
	Capacity building event	38	31	1170	40	1526	41	1557	37	1500	37	1530	37	1560	223
	Support to Community sector programming section and project cycle	248	8	1901	10	2480	10	2530	9	2437	9	2486	9	2536	55
	Dissemination and networking	79	6	487	8	636	8	649	7	625	7	637	7	650	43
	Effectiveness analysis	191	1	146	1	191	1	195	1	187	1	191	1	195	6
total 2			49	4875	63	6359	64	6487	58	6249	58	6374	58	6501	
Strategic Objective 3															
Strategic Objective 3	HRD policy review	382	2	548	2	715	2	730	2	703	2	717	2	731	12
	Capacity building event	38	14	548	19	715	19	730	17	703	17	717	17	731	103
	Support to Community sector programming and project cycle	248	4	891	5	1163	5	1186	4	1142	4	1165	4	1189	26
	Dissemination and networking	79	3	229	4	298	4	304	4	293	4	299	4	305	23
	Effectiveness analysis	191	0	69	0	89	0	91	0	88	0	90	0	91	0
total 3			23	2285	30	2980	30	3041	27	2929	27	2988	27	3048	
Strategic Objective 4															
Strategic Objective 4	Capacity building for policy analysis and sector support	1,987	1	1,523	1	1,987	1	1,622	1	1,562	1	1,593	1	1,625	6
	Action learning research projects	318	4	1,219	5	1,590	6	2,027	6	1,953	6	1,992	6	2,032	33
	Information exchange among relevant international bodies	132	2	305	3	397	3	405	3	391	3	398	3	406	17
															2,3
															5
total 4			7	3,047	9	3,975	10	4,054	10	3,906	10	3,984	10	4,063	
Strategic Objective 5															
Strategic Objective 5	Technical assistance Tempus III	1,600	1	1,600											1
	Repatriation	1,150	1	1,150											1
	total Action 5	2,750													
TOTAL COST				17,984		19,872		20,271		19,528		19,918		20,317	117,89

## 8.2. Administrative Expenditure

### 8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources ( <b>number of posts/FTEs</b> )					
		Year 2008	Year 2009	Year 2010	Year 2011	Year 2012	Year 2013
Officials or temporary staff <sup>36</sup> (XX 01 01)	A*/AD	54	54	54	54	54	54
	B*, C*/AST	42	42	42	42	42	42
Staff financed <sup>37</sup> by art. XX 01 02							
Other staff <sup>38</sup> financed by art. XX 01 04/05		34	30	30	30	30	30
<b>TOTAL</b>		130	126	126	126	126	126

### 8.2.2. Description of tasks deriving from the action

### 8.2.3. Sources of human resources (statutory)

- ☐ Posts currently allocated to the management of the programme to be replaced or extended
- ☐ Posts pre-allocated within the APS/PDB exercise for year n
- ☒ Posts to be requested in the next APS/PDB procedure
- ☐ Posts to be redeployed using existing resources within the managing service (internal redeployment)
- ☐ Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

**N.B.: Statutory human resources, according to ETF's Multi-Annual Staff Policy Plan (MASP) 2007-2010.**

<sup>36</sup> Cost of which is NOT covered by the reference amount  
<sup>37</sup> Cost of which is NOT covered by the reference amount  
<sup>38</sup> Cost of which is included within the reference amount

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
<b>1 Technical and administrative assistance (including related staff costs)</b>							
Executive agencies <sup>39</sup>							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>							
<b>Total Technical and administrative assistance</b>							

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)						
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.)  (specify budget line)						
<b>Total cost of Human Resources and associated costs (NOT in reference amount)</b>						

<sup>39</sup> Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation– *Officials and Temporary agents*

Reference should be made to Point 8.2.1, if applicable

Calculation– *Staff financed under art. XX 01 02*

Reference should be made to Point 8.2.1, if applicable

8.2.6. Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees <sup>40</sup>							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 – Information systems							
<b>2 Total Other Management Expenditure (XX 01 02 11)</b>							
<b>3 Other expenditure of an administrative nature</b> (specify including reference to budget line)							
<b>Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</b>							

Calculation - *Other administrative expenditure not included in reference amount*

<sup>40</sup>

Specify the type of committee and the group to which it belongs.