

ANNUAL FINANCIAL STATEMENTS

Relating to the operations under the 2004 budget
of the European Training Foundation

By sharing expertise in vocational education and training across regions and cultures, the **European Training Foundation (ETF)** helps people to develop their skills, thereby promoting better living conditions and active citizenship in democratic societies that respect human rights and cultural diversity.

The ETF is an EU agency and promotes the objectives of the European Union. The ETF also assists the European Commission in the implementation of the Tempus Programme.

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Opinion on ETF Final Accounts for the budget year 2004

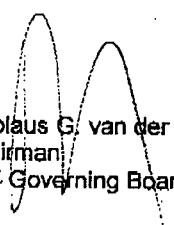
The Governing Board notes the ETF Final Accounts for the budget year 2004. It notes that the principal point raised in the Court of Auditors preliminary observations concerns the presentation of Tempus funds in the Foundation's annual accounts. The parties concerned were aware that a satisfactory long-term solution to this recurrent issue would be found only in the context of the modernisation of EU accounting practices from 2005. It notes that the solution adopted in the 2004 accounts – that of presenting the funds in an annexe – is consistent with that used in previous years pending the adoption of accrual accounting by all EU bodies from 2005.

The Board looks forward to the final report and observations of the European Court of Auditors, and the remarks of the European Parliament during the discharge procedure. The Board requests that the Director of the European Training Foundation take into account these observations and remarks with a view to consolidating the Foundation's accountability, effectiveness and efficiency in the coming period.

It calls on the Director, in cooperation with the Court of Auditors and Commission Services, to implement a satisfactory long-term solution to the reporting of TEMPUS funds in the context of the accrual accounting system to be adopted from 1 January 2005. The Director is asked to report regularly to the Board on developments in this area.

On the above basis, the Board gives a positive opinion on the Final Accounts for the budget year 2004. The Board invites the director to forward the accounts to the Commission's accounting officer, the Court of Auditor, the European Parliament and the Council by 15 September 2005 at the latest.

Date 19. IX. 2005



Nikolaus G. van der Pas
Chairman
ETF Governing Board

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Glossary

Accounts payable	An organisation's current payables due within one (1) year. Accounts payable are current assets.
Accrual accounting	Accounting methodology based on the use of the generating events for recording a transaction (following the adoption of the new Financial Regulation).
Assets	Assets are owned by an individual or an organisation, which have commercial or exchange value. Assets may consist of specific property or claims against others.
Balance sheet	A detailed listing of all assets, liabilities and equity accounts showing the financial position of a firm at a specific date and time.
C1/Current Credit appropriations	Current year credit appropriations.
C8/Carried Forward	Automatically carried-forward credits. Carry over of credits committed but not paid during the previous exercise, also called "Reste à liquider" (RAL) standing for "remainder credits to be paid".
Cash accounting	Accounting methodology based on cash flows. I.e. transactions are recognised when cash is received or paid.
Cash flow	A measure of a company's financial health. Equals cash receipts minus cash payments over a given period of time.
Current assets	The group of assets considered being liquid, in that they can be turned into cash within one (1) year. Balance sheet line items include: cash, accounts receivable and inventory.
Current liabilities	Current liabilities are liabilities to be paid within one year of the balance sheet date.
Financial Statement	A written report which quantitatively describes the financial health of a company. This includes a budget outturn statement, a balance sheet, a cash flow statement and explanatory notes.
Imprest account	Bank accounts and/or cash used for the payment of low value expenses.
Liability	A financial obligation, debt, claim or potential loss.
R0/Earmarked funds	Funds received from other than the European Commission for a specific purpose.

I. Introduction

Basis for preparation

The European Training Foundation (hereinafter ETF) is in a transitory period, moving from a cash based accounting to an accrual based one, to be implemented as of the opening of the financial year 2005.

The financial statements, which follow, have been prepared as in previous years according to the old principles on the basis of cashed revenues and committed expenditure.

The accounting policies have been applied consistently throughout the period. The financial figures of past years are comparable with those presented for year 2004. Minor changes have been introduced and are reported in the "V. Notes to the Financial Statements".

To give the reader a view on the totality of the ETF activities and funds managed; the Financial Statements include a consolidated analysis of cash flows where conventions¹ amounts are reported. Convention funds were previously shown only in an Annex to the Financial Statements.

Reporting entity

These financial statements are for the ETF, a public sector entity established by the European Council Regulation 1360/90 of May 7th, 1990.

The ETF's principal activity is to provide services to the European Commission (hereinafter as EC) and to a number of partner countries of the European Union in the support of the reform of vocational education and training systems.

The ETF receives an annual subsidy from the general budget of the EC and can also receive contributions from other public and private organisations as well as from Governments.

ETF is entrusted with the management of other funds by the EC, for the implementation of the Tempus Programme and other vocational education and training projects under the CARDS (Western Balkans), Tacis (Eastern Europe and Central Asia) and MEDA (Mediterranean regions) programmes.

The ETF controls its own bank accounts. All appropriations and other cash receipts are deposited into its bank accounts.

¹ Conventions are considered agreements between the European Commission (hereafter as EC) and ETF.

II. Summary data (non consolidated)

a. Balance sheet	2004	2003
Intangible fixed assets	3,364,664.37	3,534,424.48
Tangible fixed assets	151,633.35	267,629.54
Stocks	0.00	50,413.05
Current assets	25,664.22	86,218.39
Cash account	1,582,651.56	722,284.46
	5,124,613.50	4,660,969.92
Current liabilities	2,757,375.04	2,534,735.05
Fixed capital	2,367,238.46	2,126,234.87
	5,124,613.50	4,660,969.92
b. Budget outturn and execution	2004	2003
Final budget	18,400,000.00	18,623,000.00
Commission subsidies	17,600,000.00	18,100,000.00
Other donors	800,000.00	523,000.00
Miscellaneous revenue	79,824.88	17,453.38
Expenditure (payments)	-16,043,887.87	-15,480,087.94
Expenditure (automatic carry forward)	-2,077,729.04	-2,012,290.20
Balance carried over from previous year	-1,317,732.02	-2,155,301.92
Cancellation of appropriations carried forward	204,409.92	375,313.01
Reimbursements to the Commission	0.00	-703,477.50
Exchange gains/losses	-3,808.55	17,659.15
Result for the year	-758,922.68	-1,317,732.02
c. Statement of cash flow	2004	2003
Cash at beginning of the year	722,284.46	1,564,445.88
Increase (decrease 2003) in cash	860,367.10	-842,161.42
Cash at end of the year	1,582,651.56	722,284.46

Financial position

The balance sheet structure of the ETF changed between December 31st, 2003 and December 31st, 2004 mainly on account of the following movements:

- due to depreciation and non replacement of computer equipment there was a small decrease in tangible fixed assets (property and equipment);
- stocks are no longer registered in the balance. In previous years, considered as stocks were office supplies. As of 2004 publications are considered as stocks, but the net value is nil;
- cash accounts demonstrate an increase due to the additional funds received from the Italian Ministry for Foreign Affairs.

III. Governing Board and Management Team

The Governing Board

The European Training Foundation is governed by a Board comprising one representative for each of the EU Member States, plus observers from the candidate countries and representatives from the European Commission.

The Governing Board is responsible for adopting the draft annual work programme of the ETF and its budget, subject to the approval of the European Parliament in the context of the overall European Union budget.

It normally convenes twice a year. However, in 2004, the Governing Board met three times. Observers from the candidate countries attended the meetings held in June and in November. Mr Nikolaus van der Pas, Director General for Education and Culture of the European Commission, chaired all meetings.

➤ At the meeting of the 23rd of March:

The Governing Board Members discussed the post of the ETF Deputy Director. It was agreed that an open and transparent process under the responsibility of the director should recruit the Deputy Director. On the 23rd of March Muriel Dunbar, Deputy Director of the British Council in Indonesia, was chosen to be the new Director of the European Training Foundation. In line with the requirements of the EU regulation governing the ETF, the Governing Board reached its decision after interviewing candidates short-listed by the European Commission. Muriel Dunbar succeeded Peter de Rooij, whose mandate as Director came to an end on the 30th of June 2004 and who managed the ETF since it was established in 1994.

➤ At the meeting of the 29th of June, which was held in Turin, the ETF Governing Board:

- adopted the Internal Control Standards of the European Training Foundation - and took note of ETF's plan to achieve compliance with the standards by end 2004;
- adopted the ETF's Annual Activity Report for 2003 and provided its own analysis and assessment of it;
- decided on the procedures for the adoption of the ETF implementing rules for the New Staff Regulations;
- noted the contract with the new Director Dr Muriel Dunbar and the related procedures;
- reviewed the ETF progress report on the implementation of the action plan in response the external evaluation for the period March-June 2004; and
- noted the progress made by ETF in implementing its 2004 Work Programme.

➤ At the meeting of the 9th of November:

The Governing Board members discussed current trends in ETF activities following an oral presentation by the ETF Director. The Board also discussed developments in EU policies, which are relevant to ETF based on oral presentations by Commission services. These discussions were supported by a number of background documents.

The Board confirmed the planning perspectives for ETF 2004-2006 by adopting:

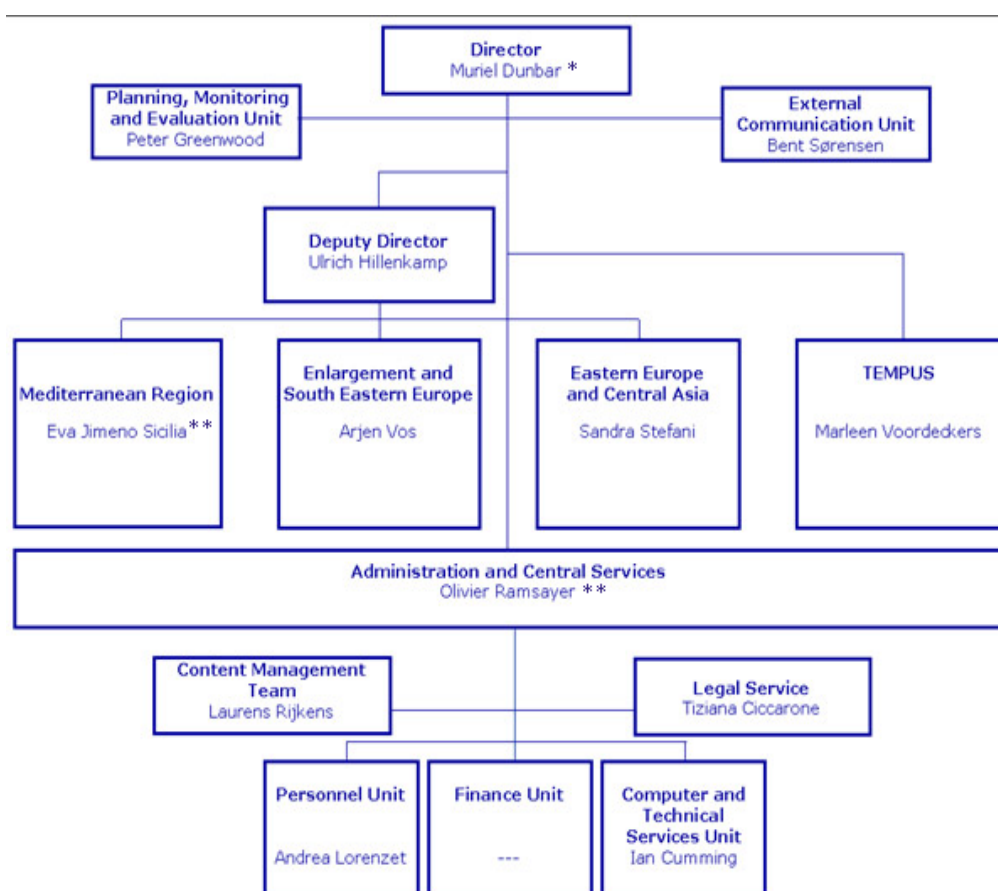
- the Amendment on the 2004 Budget;
- the ETF Work Programme 2005;
- the ETF draft Budget 2005 and Establishment Plan;
- the Rationale for ETF priorities for 2006;
- the Guidelines for the 2005 external evaluation of ETF.

The Board also reinforced ETF's policy and operational framework by adopting:

- a policy for services to EU Member States;
- a procedure for the preparation Analysis and Assessment of the ETF Annual Activity Report 2004;
- the membership of ETF Advisory Forum;
- the participation of ETF Staff Committee as observers in future Governing Board meetings.

ETF Structure

The ETF is organised on a geographical basis with three departments covering the future Member States and the Western Balkans; Eastern Europe and Central Asia; and the Mediterranean region. A separate department provides technical assistance to the Commission for the implementation of the Tempus programme. Underpinning all ETF operations is the Planning, Monitoring and Evaluation Unit, the Administrative and Central Services Department and the External Communications Unit that provide technical and administrative support to the whole organisation.



*On the 1st of July 2004, Muriel Dunbar as Director of the Foundation succeeded Peter de Rooij.

**On the 1st of February 2004 Olivier Ramsayer succeeded Markku Junkkari as Head of Administration and Central Services. Eva Jimeno Sicilia succeeded Olivier Ramsayer as Head of the Mediterranean Region.

Management Team

Like previous year the Management Team met once a month.

The Management Team now comprises the Senior Managers:

Name and Surname	Appointed	Position
Muriel Dunbar*	2004	Director
Ulrich Hillenkamp	1995	Deputy Director
Peter Greenwood	2002	Head of Planning, Monitoring, and Evaluation Unit
Olivier Ramsayer**	2004	Head of Administration and Central Services
Bent Sorensen	2003	External Communication Unit

and Heads of the operational departments:

Name and Surname	Appointed	Head of
Eva Jimeno Sicilia**	2004	Department for the Mediterranean Region
Sandra Stefani	2002	Department for Eastern Europe and Central Asia
Marleen Voordeckers	2001	Tempus Department
Arien Vos	2002	Department for Enlargement and South Eastern Europe

Advisors and managers from units & services in Administration & Central Services support the Management Team.

Principal organisational changes

The ETF post May 2004 enlargement is subject to new challenges and greater opportunities, both in the nature of the services requested by the European Commission and in the needs and aspirations of partner countries. Furthermore, key issues which relate to vocational training, labour market conditions and cultural factors all continue to advance quickly, particularly in transition economies.

ETF recognises the challenge of staying ahead of such developments and in 2004 it continued to take forward an internal change management process that had started in 2001. This helps ETF to respond most effectively to the growing number of requests for support from Commission services: in particular *EuropeAid*; the European Agency for Reconstruction (EAR); the Delegations in partner countries; and the partner countries themselves. The initiatives taken by ETF in line with the MT Perspective 2004-06 and the corporate priorities of the Work Programme 2004 were the following:

Consolidation of all operational departments in order to support Community priorities in line with Commission requests per region; particular attention was given to ETF response to the Wider Europe Neighbourhood programme and input to the relative Commission policy papers and country action plans;

- Through its Focus Groups, the ETF continued to strengthen its analytical capacity, expertise and information particularly on Community issues related social exclusion and active labour market policies;
- ETF improved its links with Commission programming and planning cycles, holding meetings in May and September of the Contact Group and regular exchange of information at operational level.

- Internal corporate discussions were held to establish a clearer vision of the Foundation as a Community agency for expertise development and training and a set of agreed core objectives role and values were launched in December 2004.
- The re-appointment of the Advisory Forum, the holding of two Regional meetings and the planning of a Mapping Knowledge initiative among Advisory Forum members were among the activities undertaken to illustrate a marked improvement in internal efficiency and management of ETF statutory bodies.
- The ETF continued to provide TEMPUS with high level technical assistance covering project selection, contract management and monitoring, information and publications, IT support and development in general administration.
- There was significant improvement in communication and transparency with external stakeholders and in particular EU institutions through the External Communications Policy. This has seen an increased in communication with key stakeholders, the European Parliament and Council as well as with partner countries and experts. ETF has also intensified its cooperation with other agencies.

Significant events

2004 marked the Tenth Anniversary of the ETF.

IV. Financial Statements

at December 31st, 2004

1. Budget outturn for the years 2004 and 2003

	2004	2003
Revenue		
Commission subsidies	17,600,000.00	18,100,000.00
Other donors	800,000.00	523,000.00
Miscellaneous revenue	79,824.88	17,453.38
Total revenue (a)	18,479,824.88	18,640,453.38
Expenditure		
<i>Staff - Title I of the budget</i>		
Payments	11,121,967.10	10,771,356.49
Appropriations carried over	122,768.09	328,908.75
<i>Administration - Title II of the budget</i>		
Payments	1,212,795.76	1,075,690.56
Appropriations carried over	247,130.61	310,433.14
<i>Operating activities - Title III of the budget</i>		
Payments	3,448,998.70	3,396,360.12
Appropriations carried over	1,167,956.65	1,086,629.08
<i>Earmarked funds</i>		
Payments	260,126.31	236,680.77
Appropriations carried over	539,873.69	286,319.23
Total expenditure (b)	18,121,616.91	17,492,378.14
Out-turn for the financial year (a-b)⁽²⁾	358,207.97	1,148,075.24
Balance carried over from the previous financial year	-1,317,732.02	-2,155,301.92
Appropriations carried over and cancelled	204,409.92	375,313.01
Reimbursements to the Commission	0.00	-703,477.50
Exchange-rate differences	-3,808.55	17,659.15
Balance for the financial year	-758,922.68	-1,317,732.02

2. Balance sheet at 31 December 2004 and 31 December 2003

ASSETS	2004	2003	LIABILITIES	2004	2003
Intangible fixed assets			Fixed capital		
Occupational right	5,000,000.00	5,000,000.00	Own capital	3,516,297.72	3,852,467.07
Software licenses	174,066.90	145,631.20	Balance for the financial year	-758,922.68	-1,317,732.02
Depreciation	-1,809,402.53	-1,611,206.72	Subtotal	2,757,375.04	2,534,735.05
Subtotal	3,364,664.37	3,534,424.48	Current liabilities		
Tangible fixed assets			Automatic carry-overs of appropriations	1,537,855.35	1,725,970.97
Equipment and furniture	287,738.06	273,460.26	Automatic carry-overs of earmarked funds	651,484.84	286,319.23
Computer equipment	1,189,349.22	1,437,791.43	Other contributors	133,999.09	30,141.50
Depreciation	-1,325,453.93	-1,443,622.15	Sundry accounts payable	883.89	650.72
Subtotal	151,633.35	267,629.54	Deferred revenue	43,015.29	83,152.45
Stocks			Subtotal	2,367,238.46	2,126,234.87
Office equipment	0.00	50,413.05			
Subtotal	0.00	50,413.05			
Current assets					
Other advances	1,910.54	4,113.40			
Recovery orders	23,753.68	43,292.62			
Sundry accounts receivable	0.00	38,812.37			
Subtotal	25,664.22	86,218.39			
Cash accounts					
Bank accounts	1,580,032.86	719,069.40			
Imprest account	2,618.70	3,215.06			
Subtotal	1,582,651.56	722,284.46			
TOTAL	5,124,613.50	4,660,969.92	TOTAL	5,124,613.50	4,660,969.92

3. Budgetary execution 2004 and 2003

2004						
	Authorised budget 2004	Committed	Paid	Automatic carry-over	Total expenses	Committed on budget
Title 1	11,493,973.00	11,244,735.19	11,121,967.10	122,768.09	11,244,735.19	97.83%
Title 2	1,470,027.00	1,459,926.37	1,212,795.76	247,130.61	1,459,926.37	99.31%
Title 3	4,636,000.00	4,616,955.35	3,448,998.70	1,167,956.65	4,616,955.35	99.59%
Total annual subsidy	17,600,000.00	17,321,616.91	15,783,761.56	1,537,855.35	17,321,616.91	98.42%
Title 4	800,000.00	800,000.00	260,126.31	539,873.69	800,000.00	100.00%
Total	18,400,000.00	18,121,616.91	16,043,887.87	2,077,729.04	18,121,616.91	98.49%
2003						
	Authorised budget 2003	Committed	Paid	Automatic carry-over	Total expenses	Committed on budget
Title 1	11,239,000.00	11,100,265.24	10,771,356.49	328,908.75	11,100,265.24	98.77%
Title 2	1,421,000.00	1,386,123.70	1,075,690.56	310,433.14	1,386,123.70	97.55%
Title 3	4,540,000.00	4,482,989.20	3,396,360.12	1,086,629.08	4,482,989.20	98.74%
Total annual subsidy	17,200,000.00	16,969,378.14	15,243,407.17	1,725,970.97	16,969,378.14	98.66%
Title 4	523,000.00	523,000.00	236,680.77	286,319.23	523,000.00	100.00%
Total	17,723,000.00	17,492,378.14	15,480,087.94	2,012,290.20	17,492,378.14	98.70%

Each of the Titles is broken down into Chapters, Articles and Items, following the nomenclature and structure used by the EC.

The most relevant details and commentary on the budgetary execution by Title, Chapter and Item are provided in the Notes to the Financial Statements under "Budgetary Execution".

Title 4 represents contributions from the Italian Ministry of Foreign Affairs and the City of Turin.

4. Consolidated cash flow analysis for the exercise 2004

Situation at 31 december 2003	ETF	Conventions	TOTAL
Bank balance	719,069.40	24,233,861.88	24,952,931.28
Imprest accounts balance	3,215.06	0.00	3,215.06
(a) Total	722,284.46	24,233,861.88	24,956,146.34
Actual earnings of the exercise 2004			
Budget subsidy from European Commission	17,600,000.00	0.00	17,600,000.00
Subsidy from Italian Ministry of Foreign Affairs	800,000.00	0.00	800,000.00
Miscellaneous budgetary earnings	79,824.88		79,824.88
Ex-budget earnings	155,976.07	8,540,292.77	8,696,268.84
(b) Total	18,635,800.95	8,540,292.77	27,176,093.72
Actual expenditure for the exercise 2004			
Total budget expenditures	17,305,322.61		17,305,322.61
Total earmarked expenditure	434,834.39		434,834.39
Ex-budget expenditure	35,276.85	11,186,826.40	11,222,103.25
(c) Total	17,775,433.85	11,186,826.40	28,962,260.25
Situation at 31 December 2004			
Bank balance	1,580,032.86	21,587,328.25	23,167,361.11
Imprest accounts balance	2,618.70	0.00	2,618.70
(d)= (a+b-c) Total	1,582,651.56	21,587,328.25	23,169,979.81

Conventions are agreements between the EC and ETF under which funds remain legally under the budget of the EC but are administered by ETF. These funds are of a multi-annual nature and about 90% of them are related to the Tempus programme. These funds have no impact on the financial result for ETF, since they are paid to final beneficiaries or reimbursed to the EC if they are unspent. This also applies to gained interest. Therefore, the cash flows stated in the above table shall be considered mainly as "pass through cash flows" transiting from ETF bank accounts, which acts as an agent of the EC. Please note that in the future, this ETF activity will decrease substantially, as the EC will execute payments related to Tempus projects directly from Brussels.

5. Bank balances conventions

	31.12. 2004	31.12. 2003
VET conventions		
BH-97.02	0.00	136,829.46
BH-99.04.01	0.00	33,543.43
ES-95.02.02	0.00	23,018.74
ES-96.22.02	0.00	252,776.20
ES-96.12.01	0.00	15,566.61
ES-96.12.02	0.00	2,693.54
ES-96.22.02	0.00	10,017.76
LE-97.03.01	0.00	57,605.39
MA-97.03	0.00	619,096.75
PL-94.16	0.00	88,194.20
RO-94.05	0.00	274,849.64
RO-97.01.04	0.00	98,532.07
Royamount	17,888.73	17,573.50
DELPHI	0.00	266,247.30
BISTRO Project	0.00	4,396.96
EDUZ-98.03	0.00	12,505.39
NOB's Phase 2	0.00	14,712.35
BI-98.01	39,313.11	302,828.04
	57,201.84	2,230,987.33
ETE MED convention		
ETE MED	0.00	0.00
	0.00	0.00
Tempus Technical Assistance conventions		
Tempus TACIS TA 2002	317,038.45	311,358.31
Tempus CARDS TA 2002	271,600.28	266,717.80
Tempus MEDA TA 2003	48,523.50	5,824.98
Tempus TA CARDS/MEDA/TACIS 2003-2004	1,217,990.54	680,000.00
Tempus TA CARDS/MEDA/TACIS 2004-2005	0.00	0.00
	1,855,152.77	1,263,901.09
Tempus projects		
Tempus Cards/Phare grants	10,026,835.06	9,854,704.65
Tempus Tacis grants	9,547,211.09	10,804,027.04
Tempus Meda grants	100,927.49	80,241.77
	19,674,973.64	20,738,973.46
Total	21,587,328.25	24,233,861.88

V. Notes to the Financial Statements

at December 31st, 2004

Accounting principles

The accounting principles adopted are those set out in the provisions of the Financial Regulation of ETF, adopted by the Governing Board of the ETF by written procedure on January 7th, 2003 and supplemented by the Implementing Rules adopted on September 8th, 2003. The ETF bases these on the model drawn up by the Commission of the European Communities for agencies and take into account the comments and suggestions made, except the accrual principle.

Conversion into Euro

The ETF keeps its accounts in Euro.

Certain operations relating to staff are converted at special rates, in accordance with the statutory provisions on the issue. The other operations are converted when they are executed, at the monthly exchange rates established by the EC. All commitments were made in Euro.

1. REVENUE AND EXPENDITURE (BUDGETARY OUTTURN)

Revenue

Revenue consists of the EC subsidy, other contributions and miscellaneous revenue. The EC subsidy and other contributions are accounted for when established.

The annual subsidy comes from lines B7 664 (external relations activities) and B7 033 (enlargement activities) of the general budget of the European Communities.

Bank interest, accumulated in 2004, including that received in January 2005 concerning 2004 should be paid back separately to the EC and is registered in the balance sheet under liabilities.

Expenditure

For the purposes of calculating the result for the financial year, expenditure refers to payments made from appropriations of the financial year, to which are added the appropriations of the same financial year carried forward to the following financial year.

Payments recorded are those authorised by the authorising officer and made by the accounting officer before December 31st, 2004.

Appropriations may only be carried forward only to the following financial year, except earmarked funds. Carry-over is automatic where there is an outstanding legally binding commitment; in all other cases carry-over is subject to the prior authorisation of the Governing Board.

Result of the financial year

The result for the financial year is the difference between:

- all the revenue registered in this financial year;
- the volume of payments made from the appropriations of this financial year, plus the volume of appropriations of the same financial year carried forward to the following financial year; and,
- the cancellations of appropriations carried forward from the previous financial year.

This difference is increased or reduced by:

- the balance resulting from exchange rate gains or losses recorded during the financial year.
- results from previous years paid back to the EC.

2. BALANCE SHEET

Fixed assets

Fixed assets are composed of tangible and intangible assets.

- Intangible assets are occupational rights on the premises and software licenses. Depreciation for the occupational rights on the premises is calculated on the basis of the 30 year duration of the rent agreement resulted from the financial contribution for the Villa Gualino's reconstruction work. The annual rental cost is a symbolic amount of Euro 1.
- Tangible assets are all movable property items (computer equipment, technical installations and furniture) which have an acquisition price of Euro 420 or more are valued at cost in national currencies, converted into Euro at the accounting exchange rate applicable on the purchase date. As of 2004, property is introduced in the inventory on delivery date, where in the past it was introduced on payment approval date. Depreciation is calculated on the basis of the year in which the asset is put into service and is calculated in whole years, irrespective of the month in which it is registered.

Since the full costs of the fixed assets were charged to the relevant expenditure accounts during the years of contribution, the depreciation is only a correction on the actual value and has no influence on the result of the financial exercise. The net book value of the fixed assets is shown in the two following tables.

Intangible assets

	Occupational rights premises	Software licences	Total
A. Purchase price:			
Preceding year:	5,000,000.00	145,631.20	5,145,631.20
Changes during year:			
• Additions		25,006.61	25,006.61
• Withdrawals			
• Correction on balance value		3,429.09	3,429.09
End of the year:	5,000,000.00	174,066.90	5,174,066.90
B. Depreciation			
Accumulated for previous years:	1,500,000.00	111,206.73	1,611,206.73
Changes during year:			
• Additions	166,666.66	28,100.05	194,766.71
• Withdrawals			
• Correction on balance value		3,429.09	3,429.09
End of the year:	1,666,666.66	142,735.87	1,809,402.53
Net value (A + B)	3,333,333.34	31,331.03	3,364,664.37

Tangible assets

	Installations, machine and furniture	Computer equipment	Total
A. Purchase price:			
Preceding year:	273,460.26	1,437,791.43	1,711,251.69
Changes during year:			
• Additions	14,277.80	28,997.60	43,275.40
• Withdrawals		277,576.67	277,576.67
• Correction on balance value	0.00	136.86	136.86
End of the year:	287,738.06	1,189,349.22	1,477,087.28
B. Depreciation			
Accumulated for previous years:	254,815.14	1,188,807.01	1,443,622.15
Changes during year:			
• Additions	7,585.53	151,822.92	159,408.45
• Withdrawals	0.00	277,576.67	277,576.67
• Correction on balance value	0.00	0.00	0.00
End of the year:	262,400.67	1,063,053.26	1,325,453.93
Net value (A + B)	25,337.39	126,295.96	151,633.35

The yearly depreciation rates applied are as follows:

Computer software and hardware	25%
Telecommunication and audiovisual equipment	25%
Printing, mail, security, buildings, tools	12.5%
Movables	10%
Vehicles fleet	25%

Stocks

Until 2003 stocks were composed of office materials and other consumable goods valued respectively at the last known price in Euro. As of 2004, publications are considered as stocks in ETF. The net value is nil.

Cash account

The Euro Domestic bank accounts are used for all financial transactions within Italy, while in all other cases the Euro Foreign accounts are used.

The Euro Italian Ministry of Foreign Affairs account is used for special projects, which are managed outside the main annual subsidy budget, as described in section "Budgetary execution - Title 4" (see also point on "Earmarked revenues").

Earmarked revenues

Earmarked revenues refer to amounts received from national and international organisations as well as from Governments, for the implementation of specific projects. The costs of these activities are registered in the budget as "Earmarked Funds" and are reported under the Title 4.

Own capital

The own capital is the counter value of the net book value of the fixed assets and the stocks.

Balance for the financial year

Balance for the financial year represents the outstanding results carried forward from the previous exercise(s) and the current year result.

Consolidated cash flow analysis

The consolidated cash flow analysis includes the funds handled by ETF on the basis of conventions with the Commission, including the technical assistance and the projects for the Tempus programme.

3. BUDGET EXECUTIONS AND FINANCIAL MANAGEMENT

In this section the most relevant budget implementation details are disclosed. Please note that the term “expenditure” means consumed commitment appropriations. Consumed commitment appropriations are commitments paid in 2004 and commitments (partly) carried forward to 2005.

Full budgetary execution details are provided in section “VI. Utilisation of appropriations”.

TITLE 1 “EXPENDITURE RELATING TO PERSONS WORKING WITH ETF”

CHAPTER 11 “STAFF IN ACTIVE EMPLOYMENT”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure / budget after transfers)
10,413,973	10,331,959	10,152,923	98.27%

The necessary appropriations had to be adjusted during the year, mainly for the following reasons:

- According to the “ETF’s mid-term perspective on staff resources 2004-2006” approved by the Governing Board on the 3rd of November 2003 (ETF-GB-03-028), Title 1 budget was planned for 104 temporary agent posts during 2004. The establishment plan for 2004 included as well 104 posts, all of them temporary. An equivalent of 96.38 full time temporary agents were actually reached and paid.
- Budgetary reallocation between Article 110 (Agents included in the workforce) and Article 111 (Other staff) took place in order to recruit auxiliary agents to cover temporary agents’ absence, delay in recruitment or in case of extraordinary workload. In total (Articles 110 and 111), an equivalent of 106.18 full time posts were filled and paid. In addition, 8.71 local agents full time equivalent were employed and paid.
- Further budgetary reallocation between Article 110 (Agents included in the workforce) and Article 117 (Supplementary services) took place in order to increase the opportunities offered by ETF to young graduates from the Partner Countries to benefit from a period of internship at ETF (from 2 full time equivalents to 4.17). Absences of local agents and short-term needs for extra administrative support were covered with 4.16 full time equivalent interim staff.
- Further budgetary reallocation between Article 110 (Agents included in the workforce) and Article 118 (Recruitment and transformation costs) took place in order to fund the launching of 15 recruitment procedures for temporary agents in 2004, which resulted in a total of 128 candidates invited for interview and 5 recruitment procedures for auxiliary agents which resulted in a total of 24 candidates invited for interview.

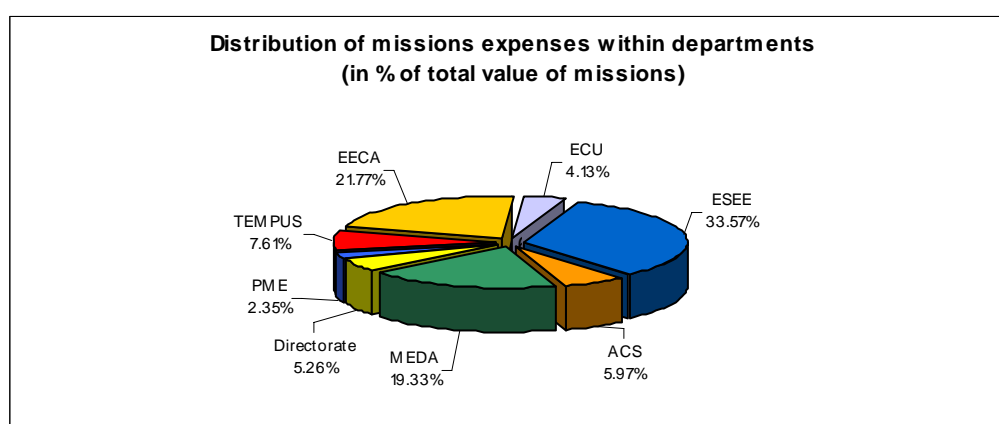
CHAPTER 13 “MISSIONS AND TRAVEL”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure / budget after transfers)
710,000	720,000	688,000	95.56%

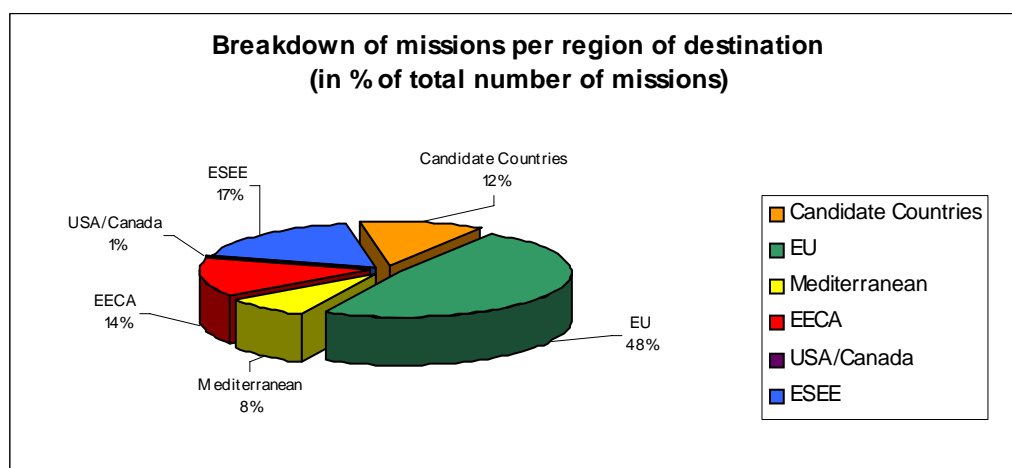
A total of 655 missions were carried out. The average cost of a mission was Euro 1,050. The original appropriation in Chapter 13 “Missions and travel” was Euro 710,000. A total reallocation of Euro 10,000 from budget Items 1100 (Basic salary) and 1102 (Transfer and expatriation allowance) to Item 1300 (Missions) was necessary to fund a limited increase in the number of missions compared to the initial plan, as well as an increase of the average cost per mission. An amount of Euro 40,000 was allocated for travel and subsistence costs related to the participation of ETF’s staff in training courses.

The distribution of the 2004 mission expenses within departments is as follows:

DEPARTMENT/UNIT	EURO	ON TOTAL
Administration and Central Services	41,100.00	5.97%
MEDA	133,000.00	19.33%
Directorate	36,200.00	5.26%
Planning Monitoring and Evaluation Unit	16,200.00	2.36%
TEMPUS	52,350.00	7.61%
EECA	149,800.00	21.77%
ECU	28,400.00	4.13%
ESEE	230,950.00	33.57%
TOTAL Missions and travel expenses	688,000.00	100.00%



The breakdown of the 2004 missions per region of destination is as follows:

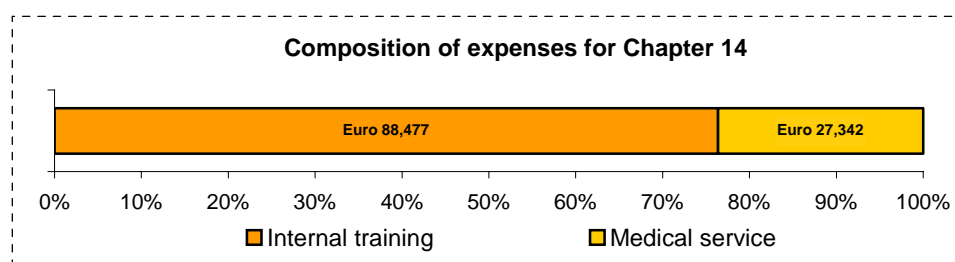


Significant missions were held in EU related to administration reforms. Meetings took place in order to discuss about the under construction Implementing Rules for the new Staff Regulations which entered into force on 1st May 2004, to be adopted by ETF in agreement with DG Admin.

CHAPTER 14 “SOCIO-MEDICAL INFRASTRUCTURE”

2004 budget (Before transfers)	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
130,000	131,014	115,820	88.40%

Under this Chapter various expenses are covered, such as the medical services and the internal training for ETF staff.



The expenses for medical services (item 1430) mainly cover the fees for the ETF doctor. Other costs related to this item are the annual medical check-up, the anti flu vaccinations, medical check-up for new recruitment, medicines for the pharmacy and some first aid supplies.

Expenditures relating to training activities (item 1440) reflect the policy decision of ETF's senior management to further updating of staff competences in order for ETF to fulfil better its role as a centre of expertise.

The total number of training days attended by ETF staff has been 554, which corresponds to an average of 5.5 days per person (language training included).

The average fee cost per training day was Euro 160.

As a follow-up to the recommendations included in the external evaluation of the ETF, in 2004 the Management Development Programme: “Putting HR Management Theory into Practice” was continued for ETF managers and extended to non-management staff. This training focussed on training on team building and where applicable personal coaching for ETF managers.

Training on generic skills included mainly professional skills in computer, communication, time management, administrative procedures, tools and languages.

CHAPTER 15 “STAFF EXCHANGES OF CIVIL SERVANTS AND EXPERTS”

2004 budget (Before transfers)	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure / budget after transfers)
375,000	295,000	272,600	92.41%

This appropriation covers costs of national and international officials as well as private sector employees temporarily seconded to ETF.

These costs consist of daily allowances, partial reimbursement of salary costs to home or sponsoring Ministries or organisations and travel costs.

This type of exchange is particularly important in that it enables ETF to benefit from the expertise acquired by national authorities in its fields of activity and it enhances networking and cross-fertilisation with relevant ETF stakeholders and beneficiaries, providing opportunities for professional and expertise development to staff from relevant organisations.

A total of 9 national experts (END) were hosted by the ETF during 2004. They worked with the ETF's geographical departments to support the further development of the internal expertise around thematic priorities which are consistent with both the evolving interests within EU foreign policy and the needs of ETF's partner countries.

A total of 5.5 ENDs full time equivalent was reached instead of the 7 full time equivalents originally planned. A new policy on the use of END was discussed and adopted during the year. It aims at making available the opportunity to be seconded at ETF to more qualified experts from partner countries by reducing the average duration of such secondments from 3-4 years to 1-2 years. The adoption of this new policy resulted in a temporary delay in the original recruitment plan for END in 2004.

CHAPTER 17 "ENTERTAINMENT AND REPRESENTATION EXPENSES"

2004 budget (Before transfers)	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure / budget after transfers)
15,000	16,000	15,393	96.21%

This chapter covers expenses linked to hospitality costs for guests (e.g. lunches, dinners, etc.) invited by the Foundation for meetings.

The amount estimated for 2004 has been increased with regard to the amount available for entertainment and representation expenses in 2003. This increase is due to a growth in the number of requests from all parts of the Foundation to offer hospitality to guests. This is in line with the new ETF policy for external communication.

TITLE 2 “BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE”

CHAPTER 20 “INVESTMENT IN REAL ESTATE, RENTALS AND ACCESSORY CHARGES”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
476,762	649,036	647,650	99.79%

This Chapter covers operational costs such as utilities, cleaning and maintenance, rentals, insurance, furnishing of premises, security and surveillance and other expenditures related to buildings.

Approved budget was increased in November 2004.

Additional to general ongoing maintenance and services the following specific activities were executed:

- Office Reorganisation including – refurbishment and redecoration;
- Additional security services on-site during the 10th Anniversary events and during the office restructuring;
- Additional cleaning services during the office reorganisation.

CHAPTER 21 “DATA PROCESSING”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
410,000	271,003	270,915	99.97%

Chapter 21 encompasses all expenses related to data processing, including standard software applications and for the development of software systems and the licensing, maintenance and support of both computer hardware and software as well as other subscription fees of software.

Major IT Hardware tender has been postponed into January 2005. A transfer to Chapter 20 was therefore affected in November 2004 to support the office restructuring.

One of the major activities in 2004 was the continuation of software development and maintenance for administrative and operational systems (consultant expenses).

Other major developments that were carried out are in the following areas:

- Governing Board Members online system; Public Document Register (PDR2), online Work programme e-Fiche Web Interface (PMEU/ECU);
- Generic Knowledge Base, Publications and promotional material (PPM), Inventory: Software and Bar Codes (ACS);
- Commission Requests Enhancements (PMEU);
- Oscar Lite and Contract Ceiling (Procurement);
- E-Recruitment, determination of rights (PEU);
- “Education and Training for Employment” ETE Meda Website” (MED);
- Web e-Publications (ECU).

CHAPTER 22 “MOVABLE PROPERTY AND ASSOCIATED COSTS”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
70,425	63,383	62,635	98.82%

This appropriation contains the costs pertaining to technical installations, furniture, means of transport and the ETF library. A high percentage of the budget was used for rental and maintenance of photocopiers and acquisition of some technical installation, i.e. Smart boards.

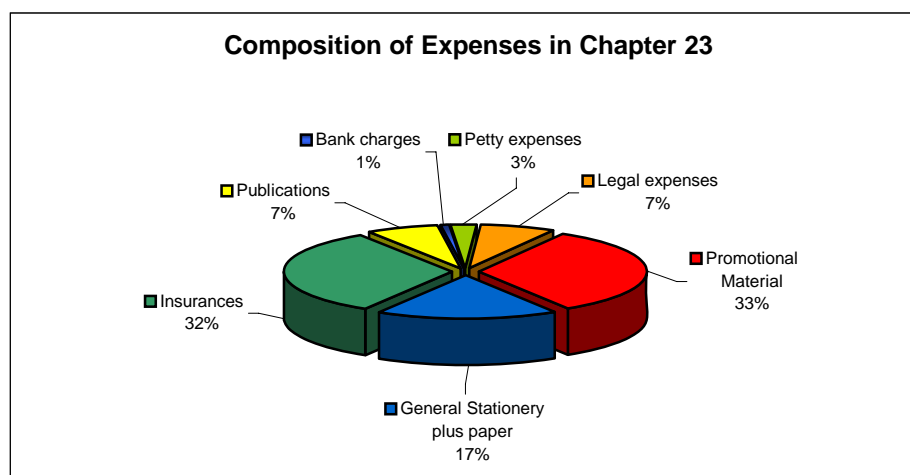
The remaining funds were required for small purchases of office equipment, furniture and the insurance of the ETF VAN.

The expenses were in line with the estimates.

CHAPTER 23 “CURRENT ADMINISTRATIVE EXPENDITURE”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
88,840	119,740	116,816	97.56%

This Chapter covers the costs related principally to promotional material including general stationary and papers, financial charges, other operating costs (notably civil liability, insurance against theft, insurance for computer equipment and cabling; for the safes and contents) and publications (mainly in the Official Journal).



CHAPTER 24 “POST AND TELECOMMUNICATIONS”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
219,000	200,366	200,365	100%

This appropriation is intended to cover the expenses related to mailings and telecommunications (telephone costs and internet fees).

Overall the costs for this chapter were a bit less than estimated.

CHAPTER 25 “EXPENDITURE ON FORMAL AND OTHER MEETINGS”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
125,000	166,500	161,544	97.02%

Funds under this Chapter cover primarily expenses related to the three statutory meetings of the Governing Board, which were held in March, June and November 2004, as well as for regular “all staff” meetings, which took place during the year 2004 at the European Training Foundation premises.

The expenses were higher than foreseen due to the additional Governing Board meeting held in order to select the new director.

TITLE 3 “EXPENDITURE AND RELATING TO PERFORMANCE OF SPECIFIC MISSIONS”

Title 3 is made up of two Chapters, 30 and 31.

CHAPTER 30 “OPERATIONAL EXPENDITURE”

2004 budget (Before transfers)	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure / budget after transfers)
948,000	1,095,351	1,094,120	99.88%

Chapter 30 covers expenses for documentation, general publications, translation and meetings of the Advisory Forum.

Item 3000 “Documentation”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
60,000	40,000	39,769	99.42%

This appropriation covers the establishment and the maintenance of the documentation centre, subscriptions to specialised journals and periodicals, and the purchase of relevant books and electronic media.

In response to a lack of cost effective usage, the subscription to the EIU views wire, an electronic information source, was discontinued. No immediate alternatives proved to be feasible; hence a negative transfer of € 20,000 took place. The remainder of the budget was spent according to the expectations.

Item 3010 “General Publications”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
338,000	601,732	600,811	99.85%

This appropriation was used for all costs associated with general foundation publications and with the promotion of the ETF’s work.

This appropriation is intended to cover the costs associated with the writing, editing, printing and distributing corporate publications including the newsletter, magazine, highlights document etc. It also covers costs related to the upgrading of the website, the organisation of communication related events (such as the Editorial Board meetings, May 9th Schuman’s day and anniversary celebrations) and multimedia-type productions, including the ETF corporate film.

The appropriation was amended by transferring available funds from operational departments in order to cover additional activities taken up to mark the 10-year anniversary of the ETF and the development of the ETF new promotion and exhibition materials, including the promotional panel at Turin airport.

Item 3040 “Translation costs”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
350,000	235,938	235,860	99.97%

The budget was used to cover 2004 translation costs. The appropriation was reduced due to the fact the amount of translation work in 2004 was not as high as it was anticipated.

The trend of producing publications in different target languages from the outside was maintained, and this added to the reduction in the number of publications requiring translation.

Items 3050 “Meetings of the Advisory Forum and related costs”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
195,000	212,200	212,200	100%

The Advisory Forum is a statutory body with over 120 vocational training experts that supports the Governing Board of the Foundation.

The main role of the Advisory Forum is to provide advice to the ETF and its Governing Board on the preparation of the ETF Annual Work Programme for the following year. The Advisory Forum also serves as an exchange network, enabling good practices on vocational training policies and reform to be shared with countries in transition.

In line with modifications to Advisory Forum procedures, in 2004 the Forum produced a list of analysis of progress in VET reform in all regions for presentation to the Governing Board meeting in November.

Members of the Advisory Forum are drawn from Member States, the partner countries, social partners and international organisations as well as the Commission. Advisory Forum members are assigned to three Regional Groups that represent the Candidate Countries and South Eastern Europe, Eastern Europe and Central Asia and the Mediterranean partners.

During 2004 two regional meetings were held namely in Durres, Albania between the 21st and the 22nd of June for South Eastern Europe and in Turin on the 29th and the 30th of November for Eastern Europe and the Mediterranean Region.

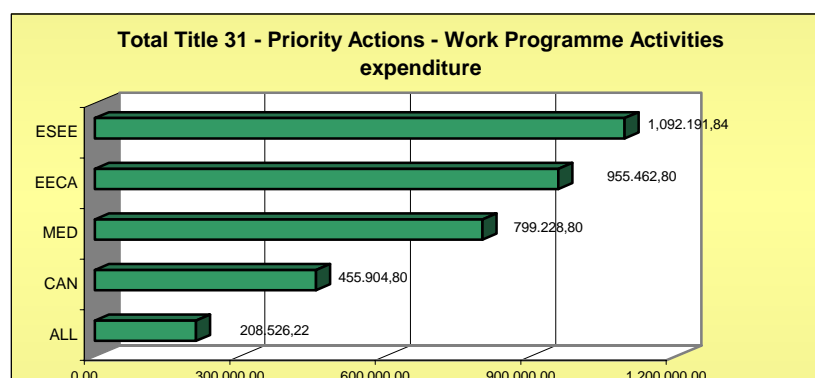
CHAPTER 31 “PRIORITY ACTIONS – WORK PROGRAMME ACTIVITIES”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
3,618,000	3,540,649	3,522,836	99.50%

Chapter 31 includes the three principal operational budget articles: 3100 (Support to the Commission & dissemination of EU policies); 3110 (Provision & analysis of information and data); and 3120 (Development activities). Also included in Chapter 31 is article 313, which covers “Various costs linked to Work programme activities” such as insurance (3130) and representation costs (item 3131).

This Chapter covers the operational activities of the Foundation carried out under the yearly subsidy of the European Commission. The activities are outlined in the Work Programme 2004, approved by the Governing Board in 2003.

In total the expenses are divided among departments as shown in the table below:

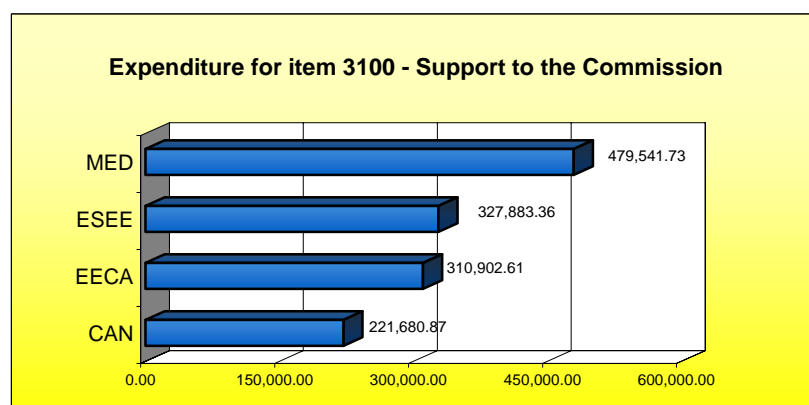


The activities proposed in the 2004 Work Programme are sub-divided in the following categories:

Item 3100 “Support to the Commission”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
1,458,000	1,340,743	1,329,618	99.17%

During year 2004 the Foundation experienced a decrease in the number of requests from the European Commission for support and assistance to programmes. A transfer was made in favour of development activities.



The following activities serve Commission needs to streamline decision-making improve design and implement programmes in more timely fashion.

Mediterranean Regions

In 2004 a significant amount of resources has focused on supporting the European Commission services on the design and/or start up phases of MEDA projects. The most significant achievements are:

- Support to the identification of a MEDA VET Sector Policy Support Programme in Tunisia: mission carried out in July and report completed and submitted to EC and Tunisian authorities in September.

- Support to the identification of a MEDA VET programme in Lebanon (an additional request not foreseen in the WP and to be continued in 2005). Pre-identification workshop, identification missions and report preparation undertaken in October/November 2004.
- Support to the completion of the financing agreement and start-up phase of the MEDA VET Modernisation programme in Syria, including support to the EC Delegation for the project launching (drafting of TORs for Technical Assistance and for equipment).
- Support to the design and start up phases of a MEDA project for Palestinian refugees in Lebanon (identification, feasibility and financing phases, TORs and tender dossier completed).
- An important landmark in 2004 has been the signature of a contract between the European Commission (EuropeAid) and the European Training Foundation for the management of the MEDA Regional project for Education and Training for Employment (ETE). The contract was signed in November 2004 and shortly afterwards the launching event for the project was successfully organised in Turin on 29th November, gathering policy makers, experts and relevant stakeholders in the region.

In parallel to these actions, ETF has supported the European Commission by providing specific analysis and support to partner countries for the better preparation of design and implementation of wide VET reforms. The main achievements in this field are:

- The successful conclusion in December 2004 of the support to Syrian stakeholders for the implementation of a pilot apprenticeship scheme in Syria and its integration with the MEDA programme above mentioned.
- The provision of support to the Yemeni Government, on behalf of the European Commission and in close cooperation with the World Bank, in the design of a strategy for VET reform in this country. This work was preceded by the preparation and joint publication of a country report. The Strategy was approved by the Yemeni government during the summer, accompanied by an Action plan for implementation.
- A regional comparative study on best practice in harvesting vocational training potential as part of active labour market policies was agreed with the EC and launched during 2004, with the preparation of five country reports.
- Finalisation of the sector report on Labour market policies in Egypt, submitted to the EC in September 04 whose publication in preparation.
- Publication and wide dissemination of the e-Learning report on Israel, prepared as part of the support to the implementation of the EU/IL Association agreement.

In the framework of the EU-Mediterranean dialogue, and in support to the dissemination of EU policies, the following activities should be mentioned:

- Provision of input and comments on Neighbourhood Policy relevant documents (Country Reports and Action Plans).
- Support to DGEAC in the dissemination of EU policies in Med countries (Leonardo valorisation), through regular participation in thematic experts' monitoring groups. This concluded with ETF support for the participation of Med experts in the Maastricht conference in December 2004.

Enlargement and South Eastern Europe

ETF provided input to DG External Relations (RELEX) for the National Indicative Programmes (NIP) 2005-2006 and European Partnerships, and contributed to the TOR for CARDS projects on VET and LM in all the countries in the region. ETF also actively participated in the content monitoring of CARDS projects in Bosnia and Herzegovina (BiH), Croatia, FYROM and Serbia. A meeting with HR task managers of the European Commission and its services (EAR and EC Delegations) took place in Turin in December 2004.

Meetings were organised in Tirana and in Podgorica with the national co-ordinators for the Charter for SME Development in the Western Balkans in co-operation with DG Enterprise. ETF supports the annual reporting for the Charter and presented a process for a closer monitoring of developments of pillars 1 and 4 of the Charter that deal directly with training and skills development. ETF also reviewed the questionnaire for FYROM application for EU membership and made a presentation to the European Parliament on HRD in the Western Balkans.

Conference on Outcomes of Peer Reviews of Implementation of VET Policy (D28): The evaluation of the first round of peer reviews that were done in 2002 and 2003 was initiated. The findings will be presented in a conference in February 2005 in Zagreb.

Eastern Europe and Central Asia

In many cases following on from support and co-operation, which began in 2003, the ETF provided expertise at various phases of project preparation e.g. fact finding, project identification, appraisal and draft terms of reference. In addition, we provided targeted advice to national policy makers with a view to further supporting EC programmes and disseminating EU policies. The most significant of these include:

- Kazakhstan: ETF undertook a mid-term review of the Tacis project on VET and SME development. We also provided targeted policy advice through a national seminar on standards.
- Kyrgyzstan: ETF prepared draft terms of reference for a Tacis project for development of an employment policy. We continued the provision of policy advice to the Ministry of Labour and Social Protection through capacity building of both central and regional authorities for the development of a strategic programme and action plan for the implementation of VET reform. Capacity building included a study visit to Lithuania for 11 key Kyrgyz national experts involved in education reform.
- Moldova: in co-operation with the Ministry of Labour and National Agency for Employment, ETF delivered specifically designed training to staff of local employment services, resulting in enhanced capacity to plan and deliver quality services to job seekers and employers using new approaches for "client-oriented" services.
- Russian Federation: upon close consultation with key national experts, ETF prepared terms of reference for a project on "eSkills for SMEs". We also produced the terms of reference for "Management Training Programme (MTP) IV", while continuing content monitoring on "MTP III" and Delphi. We responded to a request from the Ministry of Education to provide expertise on the decentralisation of VET management, through the facilitation of regional assessments and subsequent action plans for implementation of the decentralisation initiative in a number of pilot regions. Discussions with the World Bank and the Finnish Government resulted in the agreement to link ETF activities with those to be financed by the Bank loan in pilot regions and additional financing of € 300,000 from the Finnish Government to the school-restructuring component. We also implemented, in co-operation with the Ministry of Education, a high level awareness-raising workshop on national qualification frameworks.

- Tajikistan: ETF assisted the Ministry of Labour and Social Protection developing a new concept for vocational education and training and provided bridging technical assistance prior to the start of the Tacis VET reform project, while at the same time, supporting the Ministry in establishing a VET Support Foundation for co-ordination of up-coming reform initiatives and donor projects. ETF also provided input to the Delegation in Almaty to finalise the project description and terms of reference for a project on “Enhancing living conditions in the Khatlon region”.
- Ukraine: Directly following on from recommendations of the in-depth study drafted in 2003, and with input from a core group of national experts and representatives of relevant Ministries, ETF provided the EC delegation with terms of reference for Tacis projects on in-company training and decentralisation of VET management. In the course of, and directly linked to, drafting the terms of reference for decentralisation of VET management we implemented targeted capacity-building activities for policy makers which included a review of the current financing system for VET followed by a workshop for key national experts, including the Ministry of Education’s working group involved in its redesign.
- Ukraine: Directly following on from recommendations of the in-depth study drafted in 2003, and with input from a core group of national experts and representatives of relevant Ministries, ETF provided the EC delegation with terms of reference for Tacis projects on in-company training and decentralisation of VET management. In the course of, and directly linked to, drafting the terms of reference for decentralisation of VET management we implemented targeted capacity-building activities for policy makers which included a review of the current financing system for VET followed by a workshop for key national experts, including the Ministry of Education’s working group involved in its redesign.
- ETF drafted a project fiche on HRD and Promotion of Employment. In Romania ETF participated in the VET project tender evaluation and supported the CVT Twinning project. ETF will also support the TVET 2001 Phare project evaluation. In Turkey ETF contributed to monthly management meetings of the four EU Programmes as well as a Regional Advisory Council meeting in Izmir.
- ETF continued to give its contribution to the Joint Assessment Paper (JAP) monitoring process at the request of DG Employment (DGEMPL) and contributions were delivered to JAP-follow-up seminars with DG EMPL organised in Sofia and Bucharest in May 2004. The Romanian Monograph on VET and Employment Services was finalised in February. ETF contributed also to a conference on employment organised in Ankara in March attended by DG EMPL.
- Continued to be involved in the working groups of the Copenhagen process. As a member of the Steering Committee of the Maastricht study, ETF delivered comments on the overall drafts of the report that has been presented at the DGVET and the Maastricht Conference. ETF produced country reports for BG, RO and TR, which have been included in the study. ETF also contributed to the development of the Maastricht Communiqué and actively participated in the Maastricht Conference.
- Peer Review reports were completed in Bulgaria and Romania (on CVT) and Turkey (on the role of social partners in VET and employment policy), national stakeholders consulted on them and dissemination seminars organised.
- Most activities of the 2004 project were completed. The development of a regional HRD strategy for the Konya region has been supported in Turkey, for which skills surveys have been carried out. In Romania sector committees have been set up to work on development of qualifications and a training seminar on impact evaluation of pre-ESF grant schemes was held in December 2004. In Bulgaria regional seminars on CVT were held in two regions.

Item 3110 “Information provision and analysis through the National Observatory Network”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
1,200,000	1,109,066	1,105,807	99.71%

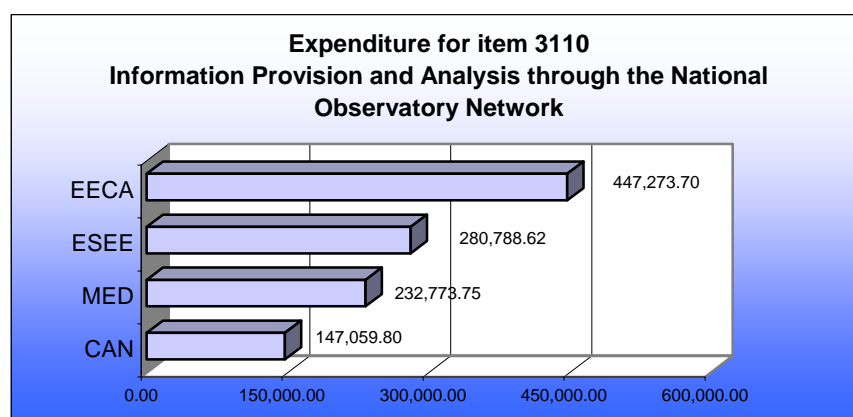
This appropriation is intended to cover the costs associated with the provision and analysis of information and data in support of the Commission and partner countries.

The ETF supports the development of structured and standard international information and analysis on vocational and labour market-related training in partner countries.

In addition, the ETF also uses the Observatory network to disseminate to its partner countries structured information and analysis about EU and Member State approaches and best practice in the field of vocational training.

Financial support from the ETF becomes increasingly project-driven as seen in the studies, stocktaking and analyses in the context of projects outlined in Work Programme 2004. National Observatory infrastructure funding will cover operational support to Observatories in the Acceding and Candidate Countries, Western Balkans, in the Eastern Europe and Central Asia and to the alternative institutional arrangements used in the MED region.

It will also cover: ETF publications, reports, key indicators & analyses; National Observatory meetings and training; IT support and D-base development and external evaluation.



Eastern Europe and Central Asia

The in-depth studies completed in 2003 concerning Vocational Education and Training and its links to the labour market in Ukraine and Moldova were disseminated both through the National Observatories in those countries and through two main events. In Ukraine the study was presented to a core group of national experts invited to discuss the focus of future Tacis projects in these fields while in Moldova, the study was presented by ETF during an international donor event on education reform.

Concerning the in-depth studies worked on in 2004, an extensive pre-study on VET graduates in Azerbaijan began in the second half of the year, to feed directly into a more complete study to be carried out in 2005. On the other hand, in Tajikistan, an ETF expert team completed a number of fact-finding missions for an in-depth study on vocational education and training and its links to the labour market. The study, to be submitted to the European Commission early 2005, includes recommendations for Tacis programming.

The EECA network of National Observatories continued to gather and consolidate local key information to support ETF activities in all areas of its work programme. The Observatories, with the help of local experts, reviewed the progress in development of social partnership in their countries which serves as useful background information in future project and policy design. The North-West Observatory in the Russian Federation worked alongside an international expert to complete a set of five modules for VET management specific to the local situation and which will be extensively disseminated in 2005.

A number of Observatories, for example in Kazakhstan and Ukraine, were instrumental in facilitating VET policy development, sparking discussions with the relevant Ministries and co-ordinating the work of international and local experts in this area. Through their international network they have also assisted in sharing project experience through, for example, organisation of study visits and events in the frame of decentralisation of VET management in the Russian Federation at which key experts from Ukraine, Belarus, Tajikistan and Moldova participated.

To consolidate the work of a research group of six key local experts, ETF experts facilitated a workshop in Tashkent in June at which recommendations were drawn up for updating the classifier of occupations in Uzbekistan.

Enlargement and South Eastern Europe

The ETF established 7 National Observatories in the Western Balkans and the amount provided by the ETF varied depending on the individual agreements and funding arrangements. Three Observatories received an amount of about Euro 25,000 for mandatory activities and special projects. The Observatories of Bosnia and Herzegovina and Croatia received about Euro 30,000. Bosnia and Herzegovina was provided with higher funding because it consists of two entities and Croatia received Euro 30,000 because of higher relative expenses than the other countries.

The mandatory activities for these Observatories were:

- Support to ETF development projects Adult Learning and National Qualification Frameworks;
- Up-date of annual country reports on recent developments in education, training and employment policy;
- Country fact sheets on recent developments in education and training in the context of lifelong learning;
- Quarterly or six monthly country reports on recent developments in education, training and employment policy;
- Dissemination events and/or staff development initiatives;
- Key indicators on vocational education and training 2004.

Mediterranean Regions

In the Meda countries, the Observatory function is carried out through networking of existing national structures. The stocktaking carried out last year in the Mashrek has been completed by a similar study in the Maghreb region. The regional dimension of the observatory function has been put on hold until the beginning of the implementation of the regional MEDA Education and Training project (ETE), to be implemented by the ETF on behalf of the EC. The Observatory project has therefore concentrated in capacity building actions at national level, adapted to the institutional setting of each country. Work has been consolidated in Jordan and Syria. A number of activities have been developed with Morocco, although at the end of the year it was decided to put on hold the project until 2005 in order to further discuss and agree with the authorities the most appropriate framework for the activities in this country (a balance between

the sectoral and the national approaches). All these activities are done in cooperation and co financing with the Italian Trust Fund.

In 2004 Jordan has reached a consolidated phase and has initiated work on the development of indicators that has to be continued in 2005. Several successful study visits have taken place. Jordan continues its exchanges with Syria for the transfer of experience. In Syria the government has formalise the development of the Observatory function at national level. A request from the Syrian authorities to the ETF included the preparation of a Human Resources and employment survey to make an input into the government programming. This is a project that will also be continued in 2005.

Acceding and Candidate Countries

Eight of the original 11 National Observatories in the Acceding and Candidate Countries have become leader of the national consortium for Cedefop Refernet. The Observatories of BG, RO and TR received an average amount of Euro 25,000 for mandatory activities. The mandatory activities for these Observatories were:

- Up-date of short country reports on recent developments in education, training and employment policy;
- Consultation process on the "Review of Progress in VET Reform (only the three Candidate Countries);
- Key indicators on vocational education and training 2004;
- Building a consortium for the Cedefop ReferNet (only the Acceding Countries);
- Piloting participation in the Cedefop ReferNet;
- Preparation of a report on Financing: investment in human resources.

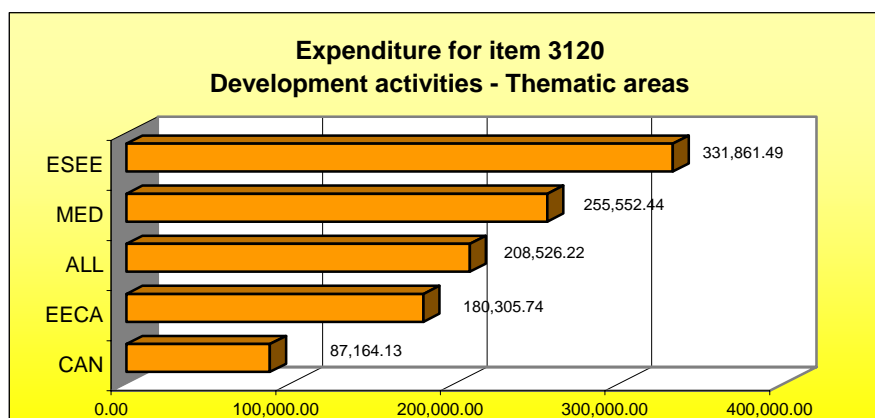
Additional funding was provided for special projects. For Candidate Countries and Western Balkans new tenders have been prepared for the Observatory function, due to the developing infrastructure in the countries and to the new Financial Regulation. These tenders will be launched early 2005.

Item 3120 "Development activities – Thematic areas"

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
960,000	1,065,372	1,062,473	99.73%

The increase in this budget line (3120) reflects the decrease in provision of services to the Commission (item 3100).

As a whole, the expenditure was in line with the Work Programme.



Enlargement and South Eastern Europe

Several meetings and seminars have been organised as follow:

- Three regional meetings were organised: “Adult Learning Strategy Development” in Zagreb in January 2004, “Promoting partnerships in Adult Learning” in Igalo-Montenegro in May 2004 and “Funding Mechanisms and Incentives in Adult Learning” in Budapest in November 2004. Stocktaking reports on adult learning were completed by all countries/entities participating in the project (Croatia, Serbia, Montenegro and Kosovo). Drafts of Adult Learning Strategies for Croatia, Montenegro and Albania were completed.
- Within the framework of the National Qualification Framework project, two regional meetings were organised on "Developing Strategies on National Qualification Frameworks" in Sarajevo in May 2004 and in Turin in December 2004, identifying constraints and challenges for developing a national qualifications framework.
- The third meeting of the SEE Teacher Training Network was held in Dubrovnik in February 2004. A seminar was also organized on the role and effectiveness of TT in Cards VET reform projects in December 2004. A seminar was designed on “Lifelong Learning for vocational teachers” of the Network to take place in January 2005 in Albania.
- Local Employment and Economic Development-project established local partnerships in a number of municipalities in Albania and Kosovo (LEEDAK) and completed their strategies for local development. The results of the partnership building process and the strategies were presented in a seminar in Tirana in April 2004 and in Kamenica in November 2004.

Regarding international cooperation, a conference was organised on “VET Reforms in Western Balkans: how to finance and implement” in March 2004 in Thessaloniki in co-operation with Cedefop and the European Investment Bank. ETF also participated in activities of tables I and II of the Stability Pact and explored future strengthened co-operation through (i) the organisation of conference on employability and skills development in early 2005, (ii) the exchange of experience in the implementation of the labour market reviews in the Western Balkans with a similar activity of ILO and CoE included in the SCI and (iii) activities to disseminate the EU Copenhagen process to the Western Balkans. ETF participated in the identification mission of the World Bank to develop a sector strategy for a possible loan on education in Croatia and exchanged information on the implementation of EU and World Bank education programmes in other countries.

Mediterranean Regions

In 2004, one of the main development activities has been the continuation of the analysis of the impact of continuing training on the performance of Moroccan enterprises, with the pilot phase for testing the methodological framework of this challenging and complex exercise that will be continued in 2005.

The other important development project has been the preparation of a joint regional report with the World Bank analysing five key issues for TVET reform in the MEDA region (governance, financing, quality, participation of the social partners and private sector and skills development in the informal sector).

The regional study was prepared on the basis of four country reports covering Egypt, Lebanon, Jordan and Tunisia. A joint publication ETF/WB is foreseen for 2005. Dissemination actions will go along the lines of fostering discussions with policy makers in the region on the road ahead for the next phase of reforms.

Eastern Europe and Central Asia

Impact assessment of training for company development: in the 2004 component of the ETF project for assessment of the impact of ten years of management training initiatives in the Russian Federation substantial progress was made in preparing for full implementation of the study. The main achievements in 2004 were the completion of an inventory of all donor activities in this field between 1991-2003, reinforced commitment of the European Commission delegation to participate in the stakeholder group of the project and the study approach and methodology refined and agreed between the operational team, the scientific committee and the stakeholder group. The roles of each group have also been clarified and agreed.

Training strategies for local development: The three Central Asian countries involved in the first phase of the project, Kazakhstan, Kyrgyzstan and Uzbekistan, presented the findings and recommendations of the extensive stocktaking exercises carried out in 2003, to local and national stakeholders.

A similar stocktaking exercise was successfully completed in Armenia, Georgia and Moldova through numerous field visits, interviews and questionnaires. These also result in complete reports of the local situation in each country with a view to making recommendations on how to strengthen the role and place of training and skills development initiatives in local development measures.

Co-operation with other donors: ETF co-hosted with the ITC-ILO, the July 2004 meeting of the Working Group on International Skills Development within the Network for Policy Research, Review and Advice on Education and Training (Norrag). This meeting was also a valuable opportunity to further define future co-operation with members of the network. As a result of the e-Learning project managed by ETF and financed by the Italian government, approx. 30 students from Albania, Serbia and Russia were trained on-line on project evaluation. ETF also contributed to a high level international donor event in Chisinau, Moldova, in June aimed at presenting both donor-supported and national reform actions in education in Moldova. ETF presented key findings and recommendations of its in-depth study on VET and its links to the labour market in Moldova.

Candidate Countries

ETF focused on the implementation of the "exit-entry" strategy consisting of transfer of ETF know-how and information resources to Cedefop. ETF prepared 10 country dossiers on main VET legislation, institutions, publications and experts for Cedefop and assisted in the integration of the new member states in Cedefop thematic networks (ReferNet, TTnet, SkillNet, VetNet). Information and knowledge sharing workshop for Cedefop staff was organised in Thessaloniki in January 2004 and Cedefop organised a similar event for ETF staff in September 2004 in Turin. ETF participated in launch seminars for Cedefop's TTnet in six countries.

- ETF and Cedefop prepared jointly the third review of major current developments in VET encompassing both old and new Member States for the meetings of the DGVT held in March and October 2004. A specific dossier on enlargement accompanied the first Cedefop Info issue in 2004 with contributions by ReferNet, Cedefop, ETF and the National Observatories.
- Two seminars were organised in cooperation with DGEAC and Cedefop bringing together all new member states and candidate countries on the themes of validation of non-formal and informal learning and quality assurance in VET. The seminars aimed at raising awareness and reinforcing involvement of new member states and candidate countries in the Copenhagen process.

A joint progress report on the two agencies' cooperation was prepared for the European Parliament in June 2004.

Item 3130-3131 "Various costs linked to Work Programme activities"

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
0,00	25,468	24,938	97.92%

This appropriation covers expenses like insurance costs for participants of meetings and representation costs linked to meetings and workshops.

TITLE 4 “EARMARKED FUNDS”

CHAPTER 43 “CO-OPERATION WITH ITALIAN INSTITUTIONS”

2004 budget	2004 budget (After transfers)	2004 Expenditure	Percentage (Expenditure/ budget after transfers)
0,00	800,000	800,000	100.00%

This Chapter covers two projects during 2004 in which the ETF received financing.

Euro 500.000 was received, although it was not in the original budget. It was agreed that initiatives for the development of human resources should be financed. Priority was given to:

- Meda Observatory function development in Morocco, Syria and Jordan;
- Human resource development in South Eastern Europe through the development of local innovative policies;
- Co-operation with other;
- Distance education by means of E-learning;
- Professional and management training.
- In 2004 the Italian Government allocated an additional € 300.000 to ETF, which was divided in € 150,000 for Labour Market Development in the Western Balkans and € 150,000 for information dissemination in South Eastern Europe.

OVERVIEW FOLLOW-UP OF EARMARKED FUNDS 2004							
	BALANCE: total carry forwards at 31/12/03 a	Payments in 2004 b	Outstanding carry forwards at 31/12/2004 c=a-b	New credits 2004 d	Revenue and expenditure account: Payments 2004 e	Revenue and expenditure account: carry forward 2004 f=d-e	BALANCE: total carry forwards at 31/12/04 g=c+f
Italian Ministry for Foreign Affairs 2004				800,000.00	260,126.31	539,873.69	539,873.69
Total projects 2004				800,000.00	260,126.31	539,873.69	539,873.69
Italian Ministry for Foreign Affairs 2003	284,671.95	173,060.80	111,611.15				111,611.15
Commune di Torino	1,647.28	1,647.28	0.00				0.00
Total projects 2003	286,319.23	174,708.08	111,611.15				111,611.15
TOTAL	286,319.23	174,708.08	111,611.15	800,000.00	260,126.31	539,873.69	651,484.84

APPROPRIATIONS CARRIED FORWARD AUTOMATICALLY FROM 2003 TO 2004

These are appropriations covering the commitments legally contracted at December 31st, 2003 but not yet paid at that date.

Taking all items together, these appropriations were utilised as follows:

Appropriations carried forward	Payments	Percentage (Payments / appropriations carried forward)
1,725,970.97	1,521,561.05	88,16%

The payment rate on carried forward appropriation is in line with the past years (ranging from 87% to 92% for the period 1996-2003).

Carried forward amounts which are not paid result mainly in the following items:

- Item 1300 – Staff mission and travel costs – Actual costs were less than estimated;
- Item 2300 – Office supplies and promotion material – In total these were overestimated;
- Item 3010 – General Publications – Not all publications that were foreseen were produced or completed by the year end;
- Chapter 31 – WP activities.

There are a variety of reasons for the under spending:

- Actual expenditure was less than estimated for a number of Work Programme activities. In particular calculations for reimbursable costs like air travel tickets and hotel costs are based on averages that are subject to high variance;
- Invoices for payment at the year end, which do not reach the ETF in time;
- Refusal to pay the full amount requested due to underperformance of the contractor;
- Projects launched late during the year, and for which (often at EC request) the execution had to be amended to fit with changing realities;
- Limited feedback during the year on effective level of expenditure incurred by contractor.

APPROPRIATIONS CARRIED FORWARD AUTOMATICALLY ON EARMARKED FUNDS FROM 2003 TO 2004

Appropriations carried forward	Payments	Percentage (Payments / appropriations carried forward)
286,319.23	174,708.08	61,02% ²

This Chapter is not subject to annuality and as a result the remaining commitments are automatically carried forward from 2004 to 2005.

The commitments in the appropriations carried forward were related to funds received in 2003 from the Italian Ministry for Foreign Affairs:

- Meda region: Capacity building actions aiming to reinforce national capacity to analyse and anticipate LM skills needs within the Mediterranean region in Jordan, Syria, Algeria, Morocco and Egypt;
- Eastern Europe and Central Asia: Cooperation with other donors;
- Western Balkans: Accession orientation: development of skills for SME's;
- Western Balkans: Dissemination of Tool Kit;

and the financial contribution from the Commune of Turin for the Learning Matters conference in November 2003.

An amount of Euro 1,647.28 was returned to the Commune of Turin as unpaid funds.

² See table page 41

VI. Utilisation of appropriations

1. Appropriations of the current year

Chapter	Description	Initial Budget	Supplementary Budget plus Transfers	Final Budget available	Commitments	Payments	Carry forward
11	Staff in active employment	10,413,973.00	- 82,014.00	10,331,959.00	10,152,922.51	10,088,414.54	64,507.97
13	Mission and travel expenses	710,000.00	10,000.00	720,000.00	688,000.00	659,228.61	28,771.39
14	Socio-medical infrastructure	130,000.00	1,014.00	131,014.00	115,820.24	90,511.09	25,309.15
15	National experts seconded	375,000.00	- 80,000.00	295,000.00	272,599.95	272,599.95	-
17	Entertainment and representation expenses	15,000.00	1,000.00	16,000.00	15,392.49	11,212.91	4,179.58
Sub-Total		11,643,973.00	- 150,000.00	11,493,973.00	11,244,735.19	11,121,967.10	122,768.09
20	Investments in immovable property, rental of buildings and associated costs	476,762.00	172,274.04	649,036.04	647,650.33	599,587.66	48,062.67
21	Data processing	410,000.00	- 138,997.20	271,002.80	270,915.26	206,368.29	64,546.97
22	Movable property and accessory costs	70,425.00	- 7,042.50	63,382.50	62,635.45	49,551.47	13,083.98
23	Current administrative expenditure	88,840.00	30,900.06	119,740.06	116,816.38	86,119.88	30,696.50
24	Post and telecommunication	219,000.00	- 18,634.40	200,365.60	200,364.89	146,107.85	54,257.04
25	Meetings and associated costs	125,000.00	41,500.00	166,500.00	161,544.06	125,060.61	36,483.45
Sub-Total		1,390,027.00	80,000.00	1,470,027.00	1,459,926.37	1,212,795.76	247,130.61
30	Operational expenses	948,000.00	147,350.82	1,095,350.82	1,094,119.82	933,377.71	160,742.11
31	Priority actions: Work programme activities	3,618,000.00	- 77,350.82	3,540,649.18	3,522,835.53	2,515,620.99	1,007,214.54
Sub-Total		4,566,000.00	70,000.00	4,636,000.00	4,616,955.35	3,448,998.70	1,167,956.65
	Total CE subvention:	17,600,000.00	0.00	17,600,000.00	17,321,616.91	15,783,761.56	1,537,855.35
43	Co-operation with national institutions	-	800,000.00	800,000.00	800,000.00	260,126.31	539,873.69
	Total other donors:	0.00	800,000.00	800,000.00	800,000.00	260,126.31	539,873.69
Total	Total budget available:	17,600,000.00	800,000.00	18,400,000.00	18,121,616.91	16,043,887.87	2,077,729.04

2. Appropriations carried forward from 2003 to 2004

Chapter	Description	Commitments carried forward	Payments	Amount cancelled	Carry forward earmarked funds
11	Staff in active employment	129,892.47	125,752.58	4,139.89	-
13	Mission and travel expenses	120,444.88	105,703.33	14,741.55	-
14	Socio-medical infrastructure	74,231.05	71,181.67	3,049.38	-
15	National experts seconded	-	-	-	-
17	Entertainment and representation expenses	4,340.35	4,340.35	-	-
Sub- Total		328,908.75	306,977.93	21,930.82	-
20	Investments in immovable property, rental of buildings and associated costs	94,511.30	94,470.58	40.72	-
21	Data processing	109,973.22	109,973.19	0.03	-
22	Movable property and accessory costs	13,815.50	13,543.61	271.89	-
23	Current administrative expenditure	12,903.66	10,214.06	2,689.60	-
24	Post and telecommunication	47,230.46	46,876.63	353.83	-
25	Meetings and associated costs	31,999.00	25,478.38	6,520.62	-
Sub- Total		310,433.14	300,556.45	9,876.69	-
30	Operational expenses	305,050.68	279,400.97	25,649.71	-
31	Priority actions: Work programme activities	781,578.40	634,625.70	146,952.70	-
Sub- Total		1,086,629.08	914,026.67	172,602.41	-
	Total carry forward CE subvention cancelled:	1,725,970.97	1,521,561.05	204,409.92	0.00
43	Co-operation with national institutions	286,319.23	174,708.08	-	111,611.15
	Total carry forward other donors available for payment:	286,319.23	174,708.08	0.00	111,611.15
Total	Total execution carry forward:	2,012,290.20	1,696,269.13	204,409.92	111,611.15

VII. ETF staff establishment plan 2004

GRADE	NUMBER
A15	1
A14	2
A13	1
A12	7
A11	<u>15</u>
A10	<u>11</u>
A9	<u>4</u>
A8	<u>11</u>
A7	<u>1</u>
Sub total A	<u>53</u>
B10	1
B9	2
B8	<u>6</u>
B7	<u>10</u>
B6	<u>10</u>
B5	<u>8</u>
Sub total B	<u>37</u>
C7	1
C6	2
C5	2
C4	<u>4</u>
C3	<u>3</u>
C2	<u>2</u>
Sub total C	<u>14</u>
Total	104

Annex I: Other funds managed by ETF

This annex contains an overview of the outstanding funds handled by ETF on the basis of conventions with the Commission, including the technical assistance and the projects for the Tempus programme.

All outstanding funds handled under Tempus programme/conventions are included in the “consolidated cash flow statement” included in the financial statements for ETF.

For visibility and transparency, the level of commitment and expenditure as of December 31st, 2004 are listed for information in this annex.

Annex 1: Other funds managed by ETF

Type	Commission Budget line Reference	Total grant + use of interest approved	Accumulated amount received from EC	Bank balance 31/12/03	Amount received from CE 2004	Accumulated bank interest	Bank interest received 2004	Exchange rates / Bank charges	Bank charges 2004	Accumulated reimbursed to the CE	Reimbursed to CE 2004	Accumulated reimbursements received	Reimbursements received 2004	Accumulated commitment	Accumulated disbursements	Disbursements 2004	Amounts still to be paid	Bank balance at 31.12.04
VET Phare	Royaumont Project	484,868.70	436,382.00	17,573.50		9,321.36	315.23	177.27	0.00	-				475,068.76	427,814.63	0.00	17,888.73	17,888.73
VET Phare	* BH-97.02	3,500,000.00	3,458,745.98	136,829.46		71,407.65	252.75	3.00		137,082.21	137,082.21			3,393,321.17	3,393,324.17		-	-
VET Phare	* BH-9904.01.01	570,000.00	561,198.39	33,543.43		61.96	-	-		33,605.39	33,605.39			559,947.00	543,398.00		-	-
VET Phare	* ES-95.02.02	1,700,000.00	1,692,203.00	23,018.74		20,591.82	42.52	27.51		23,061.26	23,061.26			1,697,031.05	1,689,733.56		-	0.00
VET Phare	* ES-96.12.01	1,612,608.48	1,593,760.00	15,566.61		11,112.37	28.76	-		15,595.37	15,595.37			1,599,197.00	1,589,277.00		-	-
VET Phare	* ES-96.12.02	600,000.00	598,535.89	2,693.54		4,162.63	4.98	-		2,698.52	2,698.52			600,000.00	600,000.00		-	-
VET Phare	* ES-96.22.02.01	1,700,000.00	1,647,164.77	252,776.20		73,551.17	466.93	-		253,243.13	253,243.13			1,477,187.81	1,467,472.81		-	-
VET Phare	* ES-96.22.02.02	600,000.00	590,871.93	10,017.76		14,239.60	18.51	-		10,036.27	10,036.27			591,331.26	595,075.26		-	-
VET Phare	* LE-97.03.01.01	1,509,501.00	1,481,463.81	57,605.39		29,502.74	106.41	-		57,711.80	57,711.80			1,470,711.72	1,453,254.75		-	-
VET Phare	* MA-97.03	2,800,000.00	2,764,277.36	619,096.75		121,022.38	1,143.60	-		620,240.35	620,240.35			2,787,409.39	2,265,059.39		-	-
VET Phare	* PL-94.16 (IMPROVE)	4,043,006.00	3,957,271.24	88,194.20		52,958.89	162.91	-		123,610.13	88,357.11			3,797,856.42	3,886,620.00		-	-
VET Phare	* RO-94.05	25,262,330.00	24,332,127.60	274,849.64		778,544.28	507.71	-		423,359.42	275,357.35			24,957,139.03	24,687,312.46		-	0.00
VET Phare	* RO-97.01.04.01	3,000,000.00	2,973,523.90	98,532.07		41,823.22	182.01	-		98,714.08	98,714.08			2,921,276.08	2,916,633.04		-	-
SUB-TOTAL		47,382,314.18	46,087,525.87	1,630,297.29	-	1,243,981.15	3,294.28	207.78	-	1,798,957.93	1,615,702.84	-	-	46,327,476.69	45,514,975.07	-	17,888.73	17,888.73
VET Tacis	BI-98.01	1,250,000.00	1,241,150.18	302,828.04		41,618.21	2,438.36	-		1,883.09	-			1,250,000.00	1,241,572.19	265,953.29	39,313.11	39,313.11
VET Tacis	* DELPHI	6,000,000.00	5,922,300.77	266,247.30		112,496.79	491.82	13.02		269,300.57	266,739.12			5,912,633.00	5,765,496.99		-	-
VET Tacis	* EDUJZ 9803	1,000,000.00	972,873.64	12,505.39		41,852.04	23.10	-		21,142.29	12,528.49			998,832.00	993,583.39		-	-
VET Tacis	* Bistro	99,942.00	92,622.99	4,396.96		14,066.93	8.13	3.05		4,405.09	4,405.09			89,636.01	89,632.96		-	-
VET Tacis	* NOB's 2	350,000.00	336,830.31	14,712.35		17,821.90	56.57	-		15,708.76	14,768.92			349,988.00	338,943.45		-	-
SUB-TOTAL		8,699,942.00	8,565,777.89	600,690.04	-	215,195.87	3,017.98	9.97	-	312,439.80	298,441.62	-	-	8,601,089.01	8,429,228.98	265,953.29	39,313.11	39,313.11
ETE Meda	IMED 2004/083-494	5,000,000.00	-	-		-	0.00	-		-	-			-	-	0.00	-	-
SUB-TOTAL		5,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tempus TA	Tempus TA Cards 2002	700,000.00	700,000.00	266,717.80	0.00	12,974.41	4,882.48	113.57	0.00	-	-			553,344.36	441,260.56	-	271,600.28	271,600.28
Tempus TA	Tempus TA Tacis 2002	840,000.00	840,000.00	311,358.31	0.00	14,884.31	5,680.14	113.56	-	-	-			658,182.04	537,845.86	-	317,038.45	317,038.45
Tempus TA	Tempus TA Cards-Meda-Tacis 2003-04	1,700,000.00	1,698,111.47	680,000.00	1,018,111.47	11,776.87	11,776.87	-	-	-	-		340,000.00	1,235,081.75	831,421.50	831,897.80	1,217,990.54	1,217,990.54
Tempus TA	Tempus TA Cards-Meda-Tacis 2004-05	850,000.00	0.00	0.00	0.00	-	-	-	-	-	-		-	588,554.60	-	-	0.00	0.00
Tempus TA	Tempus TA Meda	182,000.00	182,000.00	5,824.98	0.00	2,207.72	850.80	-	-	-	-		-	152,765.51	135,684.22	41,847.72	48,523.50	48,523.50
SUB-TOTAL		4,272,000.00	3,420,111.47	1,263,901.09	1,018,111.47	41,843.31	23,190.29	227.13	0.00	0.00	0.00	0.00	340,000.00	3,187,928.27	1,946,212.14	790,050.08	1,855,152.77	1,855,152.77
Tempus grants Cards	Tempus II Cards	92,102,648.00	92,088,678.00	9,854,704.65	2,434,416.00	3,238,609.58	186,212.85			21,408,859.57	-	19,141,815.05	580,811.29	92,088,678.00	86,276,478.60	3,029,309.73	10,026,835.06	10,026,835.06
Tempus grants Meda	Tempus II Meda	530,900.00	530,900.00	80,241.77	0.00	2,240.48	1,671.71	-		-	-	48,808.86	47,495.86	530,900.00	481,021.85	28,481.85	100,927.49	100,927.49
Tempus grants Tacis	Tempus II Tacis	81,852,548.00	81,557,162.00	10,804,027.04	3,140,509.00	2,734,689.11	95,133.85			6,437,083.41	-	5,700,368.48	666,428.19	81,557,162.00	74,405,686.05	5,158,886.99	9,547,211.09	9,547,211.09
SUB-TOTAL		174,486,096.00	174,176,740.00	20,738,973.46	5,574,925.00	5,975,539.17	283,018.41	0.00	0.00	27,845,942.98	0.00	24,890,992.39	1,294,735.34	174,176,740.00	161,163,186.50	8,216,678.57	19,674,973.64	19,674,973.64
TOTAL		234,840,352.18	232,250,155.23	24,233,861.88	6,593,036.47	7,476,559.50	312,520.96	444.88	-	29,957,340.71	1,914,144.46	24,890,992.39	1,634,735.34	232,293,233.97	217,053,602.69	9,272,681.94	21,587,328.25	21,587,328.25

Annex II: List of Governing Board Members 2004

European Commission Chairman	Mr Nikolaus VAN DER PAS Director General DG Education and Culture
European Commission Member	Mr Dirk MEGANCK Director DG Enlargement
European Commission Member	Mr David LIPMAN Resource Director DG External Relations
Austria Member	Mr Karl WIECZOREK Bundesministerium für Wirtschaft und Arbeit
Austria Alternate	Mr Reinhard NÖBAUER Bundesministerium für Bildung, Wissenschaft und Kultur
Belgium Member	Ms Micheline SCHEYS Afdelingshoofd Beleidscoördinatie Departement Onderwijs Ministerie van Onderwijs en Vorming van de Vlaamse Regering
Cyprus Member	Mr Charalambos CONSTANTINOU Chief Educational Officer Directorate of Secondary Technical and Vocational Education Ministry of Education and Culture
Cyprus Alternate	Mr Elias MARGADJIS Inspector Directorate of Secondary Technical and Vocational Education Ministry of Education and Culture
Czech Republic Member	Ms Helena Úlovcová Deputy Director National Institute of Technical and Vocational Education (NÚOV)
Czech Republic Alternate	Mr Vojtech SRÁMEK Director Upper secondary and Higher Vocational Department Ministry of Education, Youth and Sport
Denmark Member	Mr Roland Svarrer ØSTERLUND Director National Education Authority Ministry of Education
Denmark Alternate	Ms Merete PEDERSEN Chief Advisor National Education Authority Ministry of Education
Estonia Member	Mr Thor-Sten VERTMANN Head of Adult Education Division Department of Vocational and Adult Education Ministry of Education and Research
Estonia Alternate	Ms Kõlli ALL Advisor Department of Vocational and Adult Education Ministry of Education and Research

Finland Member	Mr Timo LANKINEN Government Counsellor Director for Vocational Education and Training Ministry of Education
Finland Alternate	Mr Ossi V. LINDQVIST Institute of Applied Biotechnology University of Kuopio
France Member	Mr Jean-Francois FITOU Delegate DAEI Ministère de l'emploi, du Travail et de la Cohésion sociale
France Alternate	Mr Jacques MAZERAN CIEP – International Centre of Educational Studies Ministry of Youth, National Education and Research
Germany Member	Mr Dietrich NELLE Ministerialrat Federal Ministry of Education and Research
Germany Alternate	Mr Klaus ILLERHAUS Secretariat Permanent Conference of the Ministers of Education
Greece Member	Mr Margheritis CONSTANTINOS Vice President Organisation for Vocational Education and Training
Ireland Member	Mr Pádraig CULLINANE Principal Officer Labour Force Development Division, Department of Enterprise, Trade and Employment
Hungary Member	Mr Janos JAKAB Deputy State Secretary for VET Ministry of Education
Hungary Alternate	Mr György SZENT-LÉLEKY Ministry of Employment and Labour
Ireland Alternate	Mr Pádraig CULLINANE Principal Officer Labour Market Policy Section Department of Enterprise, Trade and Employment
Ireland Alternate	Ms Deirdre O'HIGGINS Assistant Principal Officer Labour Market Policy Section Department of Enterprise, Trade and Employment
Italy Member	Mr Andrea PERUGINI Director Office I Directorate General for European Integration Sectoral political and economic matters within the EU framework Ministry of Foreign Affairs
Italy Alternate	Mr Luigi GUIDOBONO CAVALCHINI President UniCredit Private Banking
Latvia Member	Ms Lauma SIKĀ Director Department of European Integration and Foreign Assistance Programmes Coordination Ministry of Education and Science

Latvia Alternate	Ms Dita TRAIKAS Director Agency for Vocational Education Development programmes
Lithuania Member	Mr Romualdas PUSVASKIS Director Vocational Education Department Ministry of Education and Science
Lithuania Alternate	Ms Giedre BELECKIENE Head of National Observatory (VET) Methodical Centre for Vocational Education and Training
Luxembourg Member	Mr Gilbert ENGEL Professeur-attaché Ministry of Education, Vocational Training and Sports
Luxembourg Alternate	Ms Edith STEIN Chamber of Commerce of the Grand-Duché of Luxembourg
Malta	Ms Cecilia BORG Director General Education Division Ministry of Education
Netherlands Member	Ms Rinette JULICHER Managing Director Directorate for Vocational and Adult Education Ministry of Education, Culture and Science
Poland Member	Mr Jerzy WISNIEWSKI Director Department for Strategy and Structural Funds Ministry of National Education and Sport
Poland Alternate	Ms Danuta CZARNECKA Deputy Director Department for International Cooperation Ministry of National Education and Sports
Portugal Member	Ms M. Candida MEDIEROS SOARES Director General Department of Studies Prospective and Planning - DEEP Ministry of Social Security and Labour
Portugal Alternate	Ms Teresa MARTINS PAIXAO President of the Management Committee Institute for Innovation in Training
Slovak Republic Member	Mr Juraj VANTUCH Director National Observatory State Institute of Vocational Education and Training
Slovenia Member	Mr Elido BANDELJ State secretary Secondary and Adult Education Ministry of Education, Science and Sport
Slovenia Alternate	Ms Jelka ARH Under-secretary EU affairs and Structural Funds Ministry of Education, Science and Sports
Spain Member	Ms. María José MUNIOZGUREN LAZCANO Technical Advisor Subdirección General de Formación Profesional Ministry of Education, Culture and Sport

Spain Alternate	Dr Francisca María ARBIZU ECHAVARRI Director National Qualification Institute
Sweden Member	Mr Erik HENRIKS Special Adviser Ministry of Education and Science
Sweden Alternate	Ms Hans- Åke ÖSTRÖM Deputy Director Ministry of Education and Science
United Kingdom Member	Ms Franki ORD Head of EU Training Policy European Union Division Department for Education and Skills