

European Training Foundation (ETF)

1. Overview

- Creation / modification (legal base)

| Decision | Date | Mission / Tasks / Functions |
|----------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Council Regulation (EC) No. 1360/90 | 07/05/1990 | <p>Provide assistance in the definition of training needs and priorities</p> <p>Act as a clearing house to provide information on current initiatives and future needs in the training field, and provide a framework through which offers of assistance can be channelled</p> <p>On the basis of (a) and (b) above:</p> <p>Examine the scope for joint ventures of training assistance Fund the design and the preparation of such projects;</p> <p>Implement, at the request of the Commission or of the eligible countries in cooperation with the governing board, vocational training programmes;</p> <p>For activities and projects which are funded by the Foundation: arrange for the appropriate public and/or private bodies with a proven training record and the necessary expertise to design, prepare, implement and/or manage projects on a flexible, decentralized basis;</p> <p>In collaboration with the Commission, assist in the monitoring and evaluation of the overall effectiveness of training assistance to the eligible countries;</p> <p>Disseminate information and encourage exchanges of experience, with a focus on the countries of Central and Eastern Europe designated as eligible for economic aid by the Council in Regulation (EEC) No 3906/89 or in any subsequent relevant legal act.</p> |
| Council Regulation (EC) No.2063/90 | 27/07/1994 | <p>Addition to ETF's geographic scope to include the independent States of the former Soviet Union and Mongolia which are the beneficiaries of the programme to assist economic reform and recovery under Regulation (Euratom, EEC) No 2053/93 or in any subsequent relevant legal act.</p> |
| Council Regulation (EC) No.1572/98 | 17/07/1998 | <p>Addition to ETF's geographic scope to include the Mediterranean non-member countries and territories which are the beneficiaries of the financial and technical measures to accompany the reform of their economic and social structures pursuant to Regulation (EC) No 1488/96 or any subsequent relevant legal act.</p> |
| Council Regulation (EC) No. 2666 /2000 | 05/12/2000 | <p>Addition to ETF's geographic scope to include Albania, Bosnia-Herzegovina; Croatia; the Federal Republic of Yugoslavia, the Former Yugoslav Republic of Macedonia,</p> |

| | | |
|---------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Council Regulation (EC) No. 1648/2003 | 18/06/2003 | Amending Regulation (EEC) No 1360/90 establishing a European Training Foundation, in order to adapt it to the new Financial regulations of ETF. |
| Council Regulation (EC) No 1339/2008 | 16/12/2008 | <p>Recast of Council Regulation (EC) No 1339/2008 establishing a European Training Foundation. Recasting of ETF Regulation in line with external assistance instruments, greater flexibility in geographic scope, and human capital development. The ETF's functions under the recast regulation are to:</p> <p>provide information, policy analyses and advice on human capital development issues in partner countries;</p> <p>promote knowledge and analysis of skills needs in national and local labour markets;</p> <p>support relevant stakeholders in partner countries in building capacity in human capital development;</p> <p>facilitate the exchange of information and experience among donors engaged in human capital development reform in partner countries;</p> <p>support the delivery of EU assistance to partner countries in the field of human capital development;</p> <p>disseminate information and encourage networking and the exchange of experience and good practice between the EU and partner countries and amongst partner countries in human capital development issues;</p> <p>contribute, at the Commission's request, to the analysis of the overall effectiveness of training assistance to the partner countries;</p> |

Seat Torino, Italy

Budget line 15 02 27 — European Training Foundation

- Human Resources

| Human Resources | 2011 | | 2012 | 2013 |
|---------------------------------------|--------------------------------|----------------------------------|--------------------------------|------------|
| | Authorised under the EU Budget | Actually filled as of 31/12/2011 | Authorised under the EU Budget | DB request |
| Establishment plan posts: AD | 61 | 55 | 61 | 62 |
| Establishment plan posts: AST | 35 | 35 | 35 | 34 |
| Total Establishment plan posts | 96 | 90 | 96 | 96 |
| Contract Agents | 34 | 32 | 36 | 35 |
| Seconded National Experts | 2 | 1 | 2 | 2 |
| Local Agents | 3 | 2 | 2 | 2 |
| Total staff | 135 | 125 | 136 | 135 |

- Financial Resources

| Revenues | 2012 | 2013 |
|-----------------------|----------------------------------|-------------------|
| | Revenues estimated by the agency | Budget Forecast |
| EU contribution | 20 144 530 | 20 144 500 |
| Other Revenue | | |
| Total revenues | 20 144 530 | 20 144 500 |

| Expenditure | 2012 | | 2013 | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | CA | PA | CA | PA |
| Title 1 | 13 617 854 | 13 617 854 | 13 585 500 | 13 585 500 |
| Title 2 | 1 496 000 | 1 496 000 | 1 496 000 | 1 496 000 |
| Title 3 | 5 030 676 | 5 030 676 | 5 063 000 | 5 563 000 |
| Total expenditure | 20 144 530 | 20 144 530 | 20 144 500 | 20 644 500 |

2. Human resources

2.1. Establishment plan posts

| Function group and grade | 2011 | | | | 2012 | | 2013 ¹ | | | |
|--------------------------|--------------------------------|-----------------|-------------------------|-----------------|--------------------------------|-----------------|-----------------------|-----------------|-----------------|-----------------|
| | Authorised under the EU Budget | | Filled as of 31/12/2011 | | Authorised under the EU Budget | | Request of the Agency | | DB Request | |
| | Permanent posts | Temporary Posts | Permanent posts | Temporary Posts | Permanent Posts | Temporary Posts | Permanent posts | Temporary Posts | Permanent posts | Temporary Posts |
| AD 16 | | | | | | | | | | |
| AD 15 | | | | | | | | | | |
| AD 14 | | 1 | | 1 | | 1 | | 1 | | 1 |
| AD 13 | | 4 | | | | 4 | | 4 | | 4 |
| AD 12 | | 4 | | 5 | | 8 | | 10 | | 10 |
| AD 11 | | 12 | | 14 | | 10 | | 8 | | 8 |
| AD 10 | | 4 | | 1 | | 3 | | 3 | | 3 |
| AD 9 | | 11 | | 10 | | 11 | | 12 | | 12 |
| AD 8 | | 5 | | 6 | | 9 | | 6 | | 6 |
| AD 7 | | 18 | | 16 | | 12 | | 17 | | 15 |
| AD 6 | | | | 1 | | | | 3 | | 3 |
| AD 5 | | 2 | | 1 | | 3 | | | | |
| AD total | | 61 | | 55 | | 61 | | 64 | | 62 |
| AST 11 | | | | | | | | | | |
| AST 10 | | 4 | | | | 5 | | 7 | | 7 |
| AST 9 | | 6 | | 6 | | 4 | | 3 | | 3 |
| AST 8 | | 1 | | 4 | | 5 | | 5 | | 5 |
| AST 7 | | 6 | | 8 | | 6 | | 7 | | 7 |
| AST 6 | | 7 | | 3 | | 2 | | 1 | | 1 |
| AST 5 | | 1 | | 3 | | 4 | | 6 | | 6 |
| AST 4 | | 5 | | 3 | | 3 | | 1 | | 1 |
| AST 3 | | 2 | | 5 | | 4 | | 4 | | 4 |
| AST 2 | | 3 | | 3 | | 2 | | | | |
| AST 1 | | | | | | | | | | |
| AST total | | 35 | | 35 | | 35 | | 34 | | 34 |
| TOTAL | | 96 | | 90 | | 96 | | 98 | | 96 |
| GRAND TOTAL | 96 | | 90 | | 96 | | 98 | | 96 | |

¹ In line with its strategy for implementing the 5% staff cut over the 2013-2017 period, ETF will reduce the establishment plan in function of voluntary departures of temporary agents in non-core administrative and support functions.

2.2. External personnel

| Contract Agents | Authorised 2011 | Recruited as of 31/12/2011 | 2012 estimate (*) | DB 2013 estimate (*) |
|--------------------|-----------------|-------------------------------|-------------------|----------------------|
| Function Group IV | 4 | 4 | 5 | 4 |
| Function Group III | 17 | 15 | 20 | 20 |
| Function Group II | 13 | 13 | 11 | 11 |
| Function Group I | | | | |
| Total | 34 | 32 | 36 | 35 |

| Seconded National Experts | Authorised 2011 | Recruited as of 31/12/2011 | 2012 estimate (*) | DB 2013 estimate (*) |
|---------------------------|-----------------|-------------------------------|-------------------|----------------------|
| Total | 4 | 1 | 2 | 2 |

| Local Agents | Authorised 2011 | Recruited as of 31/12/2011 | 2012 estimate (*) | DB 2013 estimate (*) |
|--------------|-----------------|-------------------------------|-------------------|----------------------|
| Total | 2 | 2 | 2 | 2 |

(*) Estimate on the basis of average costs

3. Financial Resources

3.1. Revenues

| REVENUES | 2011 | 2012 | 2013 | | VAR 2013/ 2012 |
|----------------------------------------------------------------------------|--------------------|----------------------------------------|-------------------------------|--------------------|-------------------|
| | Executed Budget | Revenues estimated by the agency | As requested by the agency | Budget Forecast | |
| 1 REVENUE FROM FEES AND CHARGES | | | | | |
| 2. EU CONTRIBUTION | 20,350,000 | 20 144 530 | 20 515 900 | 20 144 500 | 0% |
| of which Administrative (Title 1 and Title 2) | 14 328 000 | 15 113 854 | 15 484 000 | 15 081 500 | -0.2% |
| of which Operational (Title 3) | 6,022,000 | 4 930 676 | 4 913 900 | 4 945 000 | 0.3% |
| of which assigned revenues deriving from previous years' surpluses | | 100 000 | 118 000 | 118 000 | 18.00% |
| 3 THIRD COUNTRIES CONTRIBUTION (incl. EFTA and candidate countries) | | | | | |
| Of which EFTA | | | | | |
| Of which Candidate Countries | | | | | |
| 4 OTHER CONTRIBUTIONS | 290 807 | | | | |
| 5 ADMINISTRATIVE OPERATIONS | | | | | |
| 6 REVENUES FROM SERVICES RENDERED AGAINST PAYMENT | | | | | |
| 7 CORRECTION OF BUDGETARY IMBALANCES | | | | | |
| TOTAL REVENUES | 20,640,807 | 20,144,530 | 21,015,900 | 20,144,500 | 0% |

3.2. Expenditure

| EXPENDITURE | Commitment appropriations | | | | |
|--------------------------------------------------------------------------------|---------------------------|-------------------|-------------------|--------------------|-------------------|
| | Executed Budget 2011 | Budget 2012 | Draft Budget 2013 | | VAR 2013/ 2012 |
| | | | Agency request | Budget Forecast | |
| Title 1 | | | | | |
| Staff Expenditure | 12 495 433 | 13 617 854 | 13 988 000 | 13 585 500 | -0.2% |
| 11 Salaries & allowances | 12 108 522 | 13 227 564 | 13 587 400 | 13 098 000 | -1.0% |
| - of which establishment plan posts | 10 245 696 | 11 128 634 | 11 116 348 | 11 080 500 | -0.4% |
| - of which new request (Libya) | | | 360 000 | | |
| - of which external personnel | 1 777 366 | 2 053 200 | 2 053 200 | 1 970 200 | -4.0% |
| - of which other costs (recruitment, consultancy) | 85 460 | 45 730 | 57 852 | 47 300 | 3.4% |
| 13 Mission expenses | 131 000 | 108 000 | 108 000 | 114 000 | 5.6% |
| 14 Socio-medical infrastructure | 148 060 | 202 290 | 209 000 | 218 300 | 7.9% |
| 15 Seconded national experts | 92 351 | 68 000 | 71 600 | 143 200 | 110.6% |
| 17 Receptions and events | 15 500 | 12 000 | 12 000 | 12 000 | 0.0% |
| Title 2 | | | | | |
| Infrastructure and operating expenditure | 1 433 220 | 1 496 000 | 1 496 000 | 1 496 000 | 0.0% |
| 20 Rental of buildings and associated costs | 465 076 | 516 281 | 516 281 | 516 281 | 0.0% |
| 21 Information and communication technology | 672 145 | 705 639 | 705 639 | 705 639 | 0.0% |
| 22 Movable property and associated costs | 54 794 | 25 800 | 25 800 | 25 800 | 0.0% |
| 23 Current administrative expenditure | 104 478 | 90 280 | 90 280 | 90 280 | 0.0% |
| 24 Postage / Telecommunications or Publication, information and surveys | 26 726 | 38 000 | 38 000 | 38 000 | 0.0% |
| 25 Meeting expenses | 110 000 | 120 000 | 120 000 | 120 000 | 0.0% |
| Title 3 | | | | | |
| Operational expenditure | 6 358 398 | 5 030 676 | 5 031 900 | 5 063 000 | 0.6% |
| 30 Operational expenses (communication) | 1 231 981 | 883 500 | 890 000 | 890 000 | 0.7% |
| 31 Priority actions : Work programme activities | 4 110 647 | 3 278 600 | 3 257 000 | 3 273 000 | -0.2% |
| 32 Operational Missions | 1 015 770 | 868 576 | 884 900 | 900 000 | 3.6% |
| Title 4 – Operational expenditure – assigned revenue | 290 807 | | | | |
| TOTAL EXPENDITURE | 20 577 858 | 20 144 530 | 20 515 900 | 20 144 500 | 0.0% |

| EXPENDITURE | Payment appropriations | | | | |
|--------------------------------------------------------------------------------|-------------------------|-------------|-------------------|--------------------|-------------------|
| | Executed Budget 2011 | Budget 2012 | Draft Budget 2013 | | VAR 2013/ 2012 |
| | | | Agency request | Budget Forecast | |
| Title 1 | | | | | |
| Staff Expenditure | 12 495 433 | 13 617 854 | 13 988 000 | 13 585 500 | -0.2% |
| 11 Salaries & allowances | 12 108 522 | 13 227 564 | 13 587 400 | 13 098 000 | -1.0% |
| - of which establishment plan posts | 10 245 696 | 11 128 634 | 11 116 348 | 11 080 500 | -0.4% |
| - of which new request (Libya) | | | 360 000 | | |
| - of which external personnel | 1 777 366 | 2 053 200 | 2 053 200 | 1 970 200 | -4.0% |
| - of which other costs (recruitment, consultancy) | 85 460 | 45 730 | 57 852 | 47 300 | 3.4% |
| 13 Mission expenses | 131 000 | 108 000 | 108 000 | 114 000 | 5.6% |
| 14 Socio-medical infrastructure | 148 060 | 202 290 | 209 000 | 218 300 | 7.9% |
| 15 Seconded national experts | 92 351 | 68 000 | 71 600 | 143 200 | 110.6% |
| 17 Receptions and events | 15 500 | 12 000 | 12 000 | 12 000 | 0.0% |
| Title 2 | | | | | |
| Infrastructure and operating expenditure | 1 433 220 | 1 496 000 | 1 496 000 | 1 496 000 | 0.0% |
| 20 Rental of buildings and associated costs | 465 076 | 516 281 | 516 281 | 516 281 | 0.0% |
| 21 Information and communication technology | 672 145 | 705 639 | 705 639 | 705 639 | 0.0% |
| 22 Movable property and associated costs | 54 794 | 25 800 | 25 800 | 25 800 | 0.0% |
| 23 Current administrative expenditure | 104 478 | 90 280 | 90 280 | 90 280 | 0.0% |
| 24 Postage / Telecommunications or Publication, information and surveys | 26 726 | 38 000 | 38 000 | 38 000 | 0.0% |
| 25 Meeting expenses | 110 000 | 120 000 | 120 000 | 120 000 | 0.0% |
| Title 3 | | | | | |
| Operational expenditure | 5 871 138 | 5 030 676 | 5 531 900 | 5 563 000 | 10.6% |
| 30 Operational expenses (communication) | 1 341 586 | 883 500 | 990 000 | 990 000 | 12.1% |
| 31 Priority actions : Work programme activities | 3 683 707 | 3 278 600 | 3 557 000 | 3 573 000 | 9.0% |
| 32 Operational Missions | 845 845 | 868 576 | 984 900 | 1 000 000 | 15.1% |
| Title 4 – Operational expenditure – assigned revenue | 290 807 | | | | |
| TOTAL EXPENDITURE | 20 090 598 | 20 144 530 | 21 015 900 | 20 644 500 | 2.5% |

3.3. Budget outturn

The first estimate of the 2011 budget outturn shows a surplus that should be reimbursed to the EU budget (as assigned revenue) of EUR 118,265.45.

4 Justification of needs

4.1.Human Resources

4.1.1. Number of staff requested

In addition to the objectives set in ETF's multiannual work programme (Medium Term Perspective) for 2013, ETF has been asked to increase its activities in the Southern and Eastern Mediterranean region in the context of the follow up to the ENP Joint Communication "A new response to a changing Neighbourhood" in the fields of Education Culture and Youth. The new activities will be financed from an additional budget allocation of €2 million in 2012/13 to be implemented via a separate title in the ETF budget. These additional funds represent a 150% increase in ETF's annual budget allocation for the Southern and Eastern Mediterranean region from 0.67m€ to 1.67m€. In addition, ETF has been asked by the Commission to initiate support to Libya in 2012. In 2013, ETF will be fully operation in Libya in a post-conflict situation, similar to that experienced in Kosovo. Moreover, it is expected that by 2013 the situation in Syria will allow ETF to resume operations there, also in a post-conflict situation. ETF calculates that an increase in activity on this scale would require increasing the current HR allocation to this region from 15FTE to 21FTE. However, ETF has acceded to the Commission's request to implement the additional activities through internal redeployment and the possibility to allocate a percentage of the additional operational funding to administrative support. ETF will agree with the Commission services on what activities can be cut in other regions in order to accommodate this significant additional workload.

At the same time, ETF has been asked to align itself with the Commission in reducing staffing by 5% from 2013 as outlined in the Commission Communication on the Multiannual Financial Framework (MFF).ETF views this as an opportunity to make ETF a more efficient organisation and intends to take a strategic approach in further reducing the number of administrative and support staff relative to core-business experts. ETF considers it a matter of vital importance for the Agency to maintain, and if possible to increase, the number of core business experts it deploys. At the same time, it cannot afford to cut back on core management and professional staff essential to the functioning of the Agency. These two categories comprise 78% of ETF's establishment plan. While ETF can commit itself to reducing its overall staffing level by 5% over the 2013-2017 period, its ability to reduce its establishment plan without compromising the efficiency and effectiveness of the organisation and without terminating contracts is dependent on the voluntary departure of non-core administrative and support staff occupying temporary agent posts. No temporary agents in this category will reach retirement age in the next 5 years, and turnover in this staff category is historically low. ETF therefore intends to reduce its overall staffing by 5% in the period to 2017 through the non-replacement of non-core administrative staff leaving the Agency during this period, regardless of contract status. It will reduce its establishment plan according to the voluntary departure of staff in this category, but is not in a position to define a precise quota or calendar for this adaptation.

Bearing this in mind, ETF plans to deploy a maximum of 135 staff in 2013. These shall comprise in principle: 96 TAs, 35 Contract agents, 2 Seconded National Expert and 2 Local Agents. ETF will reduce the number of establishment plan posts in the event of departures in 2012 of temporary agents in non-core administrative and support functions.

These 135 staff will be distributed by area of activity as follows:

| Staffing on | Operational activities | Corporate coordination & Communication* | Administration | Grand total |
|-------------|------------------------|-----------------------------------------|----------------|-------------|
| 31/12/2010 | 70 | 27 | 31 | 128 |
| 31/12/2011 | 70 | 27 | 28 | 125 |
| 31/12/2012 | 76 | 31 | 29 | 136 |
| 31/12/2013 | 76 | 30 | 29 | 135 |

4.1.2. Salary assumption for calculating salary lines (% applied)

The budget is intended to cover the expected fulfilment of the Establishment Plan from the start of 2013. The detailed salary budget assumptions are as follows:

- Temporary agents: Assumption that 96² posts are occupied from January 2013. It is estimated that approximately 5 FTE will not need to be paid owing to part time, parental and other unpaid leave and staff turnover.
- Promotion cost accounted for, affecting 10% of staff (increase in grade)
- 4% increase in salary cost (salary adaptation in 2012/13) accounted for
- The following are not accounted for: salary increase linked to automatic change in step, annual leave not taken to be paid at the end of contracts, possible re-establishment of 2011 salary adaptation not adopted by the Council;
- Contract agents include 35 posts and 34.5 FTE (0.5 FTE not paid for part time). No new staff to cover maternity leaves/extra workload is foreseen, promotion cost accounted for.
- Local agents: no new. Current number (2) remains for the whole year;
- Seconded National Experts: 2;
- Trainees: 2 in 2013.

4.1.3. Vacancy rate as of end 2011

Of the 6 vacant posts in the Establishment plan at the end of 2011, 3 will be filled in the first quarter of 2012 from selection procedure concluded in 2011. The remaining 3 will be filled in the course of 2012 from selection procedures launched in 2011 and currently ongoing.

4.1.4. Standard abatement ("*abatement forfaitaire*") applied

Budgetary estimations for staffing are considering a 95% fulfilment of the establishment plan, taking into account regular turnover.

4.2. Financial Resources

4.2.1. Title 1

As a Centre of Expertise the main services and advice provided by the ETF to the European Commission and Partner Countries is through its own experts and professional staff funded through the Title 1.

In addition to the objectives foreseen in the Medium Term Perspective for 2013, ETF has been asked to increase its activities in the Southern and Eastern Mediterranean region in the context of the follow up to the ENP Joint Communication "A new response to a changing Neighbourhood" in the fields of Education Culture and Youth, which represents a 150% increase in its operational budget for this region, which it will implement through internal redeployment of expert staff from other regions and administrative support funded directly from the additional resources. At the same time, ETF will be fully operational in its 31st partner country, Libya, which will be in a post conflict situation. The situation in Syria should also allow ETF to resume activities there, also in a post-conflict situation. The estimated additional workload of 6 FTE relating to these additional activities will be met by redeploying resources from activities in other regions in agreement with the Commission.

In order to achieve these increased objectives while complying with the request to reduce staffing by 5% over the 2013-2017 period, the 2013 budget represents a nominal 0.2% reduction in administrative expenditure compared to 2012. ETF will absorb the real reduction in resources by reducing overall staffing by 1 position. increasing efficiency and keeping expenditure under tight monitoring and control through the deployment of performance and quality management, reinforcement of monitoring and evaluation processes to draw lessons from past activities, consolidation of knowledge management and sharing and continuing implementation of actions resulting from the functional analyses of the ETF Administration and Operations Departments conducted in 2010 and 2011.

ETF's Title 1 will decrease by 0.2% compared to 2012 staff expenditure, equivalent to a decrease of approximately 2.2% in real terms.

The additional workload in the Southern and Eastern Mediterranean Region will be met by redeploying expert and support staff from other regions, which will imply continuing working in the different partner countries in a limited number of core activities,

² In line with its strategy for implementing the 5% staff cut over the 2013-2017 period, ETF will reduce the establishment plan in function of voluntary departures of temporary agents in non-core administrative and support functions.

while focussing the available human resources on priority countries, designated in agreement with the European Commission services. In order to minimise the negative effect of high expectations generated by the new mandate and the broad scope of the Torino Process analyses, in the countries receiving limited support by the ETF an additional effort in communication will have to be made to explain the scope of ETF's activities in the countries concerned.

Explanation of other significant changes in Title 1:

- Recruitment and consultancy costs: 3.4% increase to account for bi-annual staff satisfaction survey to be launched in 2013
- Mission expenses: budget for administrative missions adjusted upwards by 5.6%, representing a more realistic estimate in view of actual expenditure in 2011.
- Socio-medical infrastructure: increase of 7.9% to account for expected higher cost of medical services under new framework contract and increased investment in staff training to accompany internal redeployment efforts
- Seconded national experts: increase of 110.6% to account for 2 SNEs in post in 2013. Recruitment difficulties prevented filling SNE post in 2011. ETF will relaunch the recruitment procedure in 2012 with a view to filling the second SNE position by 2013.
-

4.2.2. Title 2

In Title 2, ETF aims at maintaining the subsistence level (1.49m€ in 2012 and 2013). This would allow ETF to perform the upgrades that have been postponed over years (training and meeting rooms, computer equipment, building restructuring, office space, central IT infrastructure). The current working assumption is that ETF will not have to change premises in 2013, but the situation is highly uncertain.

4.2.3. Title 3

The 2013 budget also takes into account the evolving nature of the political context in the ETF partner countries, notably but not exclusively in the Southern and Eastern Mediterranean region with whom the European Union establishes a partnership for democracy and shared prosperity, as well as the Education and Training 2020 objectives in the overall framework of the Europe 2020 strategy. In 2013, ETF will also provide increased support in the area of new skills for new jobs. This will ensure that partner countries are able to better understand emerging labour market trends in the EU following the recession. The ETF also expects to have additional requests from the EC for support in the dissemination of EU experiences related to the development of the European Qualifications Framework. The appropriation will ensure that the ETF is fully able to support the European Commission in its actions related to the EU as a global player.

These resources will be directed to the achievement of its Mid-term objectives for 2013, through the delivery of 144 outputs identified by the European Commission for 2013; the implementation of the actions identified through the second round of the Torino Process country analyses undertaken in 2012; the lessons learnt in the Interim Evaluation of the progress in the achievement of the mid-term perspective objectives (undertaken in 2012) and the recommendations agreed by the European Commission from the External Evaluation of the ETF during the period 2006-2010.

The indicative amount of 5.06 M€ Commitment Appropriations (CA) for Title 3 maintains the same level as in 2012 (+0.6%) and is necessary to support the main inputs provided by the ETF experts through the Title 1. The ETF will focus its operational resources on achieving its expected mission through the designated functions and fulfilling its requirements in the countries eligible for the Pre-accession and Neighbourhood Instruments, as well the Central Asian countries. In particular, the ETF plans to continue investing in the provision of policy support and institutional capacity building actions to the partner countries and the delivery of programming and project cycle support in response to the increased scope of the new generation of EU external relations policies and instruments and related requests by the Commission and External Action Service for support, as agreed in the ETF mid-term perspective for the period 2010-2013.

In addition to the implementation of activities related to Title 3, the ETF will also dedicate expert staff to the implementation of activities financed by the additional operational funding ETF will receive in support of the Southern and Eastern Mediterranean region. This funding will comprise total allocations of 2 m € in 2012/13, and will more than double the annual operational budget for the region from 0.67m€ to 1.67m€. The activities will focus on youth, VET and employment; women, VET and employment as well as on skills and migration. Also, the ETF will initiate support to Libya in 2012. Operational funding for activities in Libya will have to be found within the overall envelope for the region.

In order to match the additional Commitment appropriations of year 2011 (0.5m€) compared to the year's Payment Appropriations, the corresponding amount will be needed in Payment Appropriations during 2013, allowing ETF to finish the 2010-2013 mid-term perspective in balance and to pay for previous engagements. In addition, any earmarked expenditure will be added to the budget at

a later stage to integrate other funds managed by the ETF (such as the Italian Trust Fund, and other projects that the ETF could implement in the name of the Commission or Member States).

The operational activities under Title 3, Chapter 31 will follow the trend initiated in the mid-term perspective, and notably in the 2011 and 12 budgets: 30% for the Enlargement region, 22% for the Southern Partnership region, 18% for the Eastern Partnership region, 10% for Central Asia, 14% for the Thematic Expertise Development in support of the partner countries and 6% for Evidence Policy Making and Knowledge Management. The ETF will continue to develop a comprehensive and structured risk and performance management processes to support management decision making, including proportional and cost effective choices, and provide relevant information for establishing appropriate and proportionate risk control measures. As in previous years the investment in performance and quality management, monitoring and evaluation and audit and risk management at corporate level will represent 10% of the Chapter 31.

5 Other information

5.1. Buildings

| City | Building | Surface Area (square metres) | Annual Rental in euros | Host country grant or support | Agency = owner ? | If yes: present value ? | Other Comment |
|-----------|---------------|------------------------------|------------------------|-------------------------------|------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Torino | Villa Gualino | 6 000 | 1 | | No | | The building is provided by the host government for a symbolic rent of 1€ for the next 30 years. The costs of the renovation were provided partly by the host government and by the European Union. The ETF contributed 5,000,000€ to its original restructuring |
| Bruxelles | Tour Madou | 16 | 5500 | No | no | | |

5.2. Privileges and immunities

| Agency privileges | Privileges granted to staff | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| | Protocol of privileges and immunities / diplomatic status | Education / day care |
| <p>* Local premises have been provided by local authorities on the basis of a convention that provides for the following main essential points: ETF to participate in the costs of refurbishing the premises to be used, ETF to pay a symbolic rent, ETF to participate in the costs of maintenance of the building</p> <p>* General support is provided by Italy against unauthorised access or other forms of disturbances to the premises.</p> <p>*ETF is authorised to install and operate communications systems.</p> <p>* ETF official communication is not subject to any restrictions or to</p> | <p>Staff immune from legal proceedings for acts performed in the exercise of their official duties.</p> <p>* Staff exempted from taxes on salaries and emoluments paid by ETF.</p> <p>* Staff, spouses and dependent members of family not subject to immigration restrictions or registration formalities for foreigners.</p> <p>* For currency exchange staff has the same privileges as officials of equal rank in the diplomatic missions.</p> <p>* Staff, spouses and dependent members of family receive assistance for repatriation in</p> | <p>No provision in Seat agreement</p> |

| Agency privileges | Privileges granted to staff | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <p>confidentiality breaches.</p> <p>*The Protocol of privileges and immunities is applicable to ETF.</p> <p>* ETF, its assets and funds may not be subject to administrative or legal measures of constraints.</p> <p>*Premises (including temporary premises) and buildings are inviolable, except in case of emergencies/ fire.</p> <p>* ETF, its assets and funds are exempt from taxes or direct duties, except for taxes on public services.</p> <p>* ETF is exempt from the payment of VAT for all purchases of goods or services or for imports above 259 Euros.</p> <p>* ETF imports and exports are exempted from customs duties, taxes, prohibitions or restrictions.</p> <p>* Goods transported as hand baggage are treated as diplomatic luggage.</p> <p>* ETF vehicles are exempted from any taxes, duties or fees or from any import prohibitions/ restrictions.</p> <p>* ETF exempted from payment social security and health insurance contributions on salaries paid to staff, except for local agents</p> | <p>the event of international crises.</p> <p>* Staff may, duty-free and without prohibitions and restrictions, import from the country of their last residence or the country of which they are nationals, when they first take up their post, for a period of one year from their appointment for a maximum of two shipments, their own furniture and personal effects, including a vehicle bought at the conditions of that country, which will be registered in special series.</p> <p>* Staff may export, in the year following the date of cessation of their duties, without prohibitions and restrictions, their own furniture and personal effects, including vehicles.</p> <p>* The ETF Director, spouse and dependent members of family, is granted privileges and immunities, facilities and concessions granted by the Italy to members of equivalent rank in the diplomatic corps in Italy.</p> <p>* Staff, who is not permanently resident in Italy at the time of their appointment, may purchase a motor vehicle free from taxes and charges for the period of their residence in Italy.</p> <p>* Italy issues a special identity card to staff, spouses and dependent members of family to prove that the holder is ETF staff and enjoys privileges and immunities.</p> | |

5.3. Evaluation

Following article 24 of its Regulation [EC 1339/2008] the ETF has been externally evaluated by the European Commission in 2011.

As part of its monitoring and evaluation policy, the ETF will evaluate with external consultants but with its title 3 funds two projects in 2013: one of a multi-beneficiary nature (School Development in Central Asia) and a Country Implementation Plan, focussing on the activities implemented by the ETF between 2010 and 2013 compared with the need identified through the country analyses undertaken in 2010 and 2012 in the Torino Process.

6 Budget Outturn

6.1 Calculation

| Budget outturn | 2009 | 2010 | 2011 |
|-------------------------------------------------|----------------|----------------|----------------|
| Revenue actually received (+) | 19,119,303.00 | 19,321,692.00 | 19,941,359.61 |
| Payments made (-) | -19,924,239.00 | -19,511,685.00 | -19,805,163.46 |
| Carry-over of appropriations (-) | -1,107,865.00 | -646,482.00 | -619,238.34 |
| Cancellation of appropriations carried over (+) | 213,061.00 | 55,597.00 | 66,549.28 |
| Negative balance from prev year (-) | | -70,326.00 | |

| | | | |
|--------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Adjustment for CF from prev years from assigned revenue (+) | 1,627,951.00 | 953,972.00 | 534,751.74 |
| Exchange rate differences (+/-) | 1,462.00 | -1,786.00 | 6.62 |
| Total | -70,326.00 | 100,981.00 | 118,265.45 |

6.2 *Justification*

During 2011, ETF has paid particular attention to the budget execution. As such, ETF has made full use of its subvention (19.85m€) and received marginal additional income (€4,522.81 as accumulated interest for the funds managed for the Italian Ministry of Foreign Affairs Trust fund) and by recovering approximately €86,836.

The 99.7% commitment rate obtained by ETF made so that the uncommitted appropriations remained at a very low level (62,949€, representing 0.3%)

Particular attention has been given to Carry forward consumption and as a result only 66 549€ have not been used out of a total of 646 483€ non-differentiated appropriations carried forward from 2010.

Also, the differentiated payment appropriations (Title 3) have been consumed almost completely, a minor 16 413.21 (0.3%) being advanced.

Consequently, the amount to be returned to the commission for 2011 amounts to €118,265.45, a very good result in line with performance in previous years.