



COVER NOTE FOR ETF DRAFT BUDGET 2005

In line with the Mid Term Perspective 2004-2006 approved in November 2003 by ETF Governing Board, ETF Draft Budget 2005 is based on an overall subvention of 18.5 M€.

This subvention represents an overall increase of 5.1% over the 2004 figure. It should be noted that the subvention includes an exceptional increase of 434,000 € in Title III (operational expenses) to compensate for the relative reduction in this Budget Title in previous years resulting in particular from compulsory increases in Title I staff costs affecting the agency. This increase in Title III is invested primarily in supporting projects and initiatives resulting from the 2002-2003 External Evaluation of ETF.

Since the ETF Governing Board adopted the 2005 Pre-Draft Budget back in November 2003, a number of key issues have arisen:

- **Accession:** In May 2004, ten new Member States have joined the EU. Although this has reduced the number of partner countries that benefit from ETF services, the demand for ETF services by the Commission has continued to rise due to the high priority for HRD in external relations programmes. The accession of the ten New Member States has also led to an increase in the volume of applications for support under the Tempus programme, with a corresponding increase in demand for ETF technical assistance services.
- **Staff Regulations:** A revised set of staff regulations with new categories of agents and changes to staff benefits is gradually being introduced over 2005 and 2006 as part of the reform in EU institutions. The new Staff Regulations also have an impact on the format of the Establishment Plan. The new regulations should give ETF more flexibility in defining the composition of its staff to respond to stakeholder requests. However, it is difficult at present to estimate the precise financial impact of the reform as many provisions are still under preparation.
- **Financial Regulation:** The overall reform of financial management practices and regulations among EU institutions (and which led to the adoption of a revised financial regulation by ETF in 2003) requires the adoption of Activity Based Budgeting within the constraints of the current budget structure. In addition, the accounting rules to be followed by ETF together with the financial flow management software used by all EU Agencies will be changed over 2005. ETF will need to make some investments to ensure these changes are properly introduced in 2005.
- **Internal Control Standards:** In June 2004, ETF Governing Board adopted the Internal Control Standards in line with all EU bodies. The implementation of these standards entails continuous monitoring and improving agency performance. This in turn will call for investment in the monitoring of internal policies and processes in co-operation with the Commission IAS.
- **Upkeep of ETF facilities:** After ten years, ETF premises and technical facilities have now reached an age when increased maintenance and renovation procedures have to be put in place. This will (and has already started to) require more financial resources especially out of Title II.
- **Content Management:** ETF's leadership as a centre of expertise requires the development and continuous maintenance of systems to record and consolidate our institutional knowledge. ETF will need to make investments to ensure that its content management systems are state of art.
- **Implementing External Evaluation action plan:** Draft Budget 2005 also provides resources to continue the improvements identified in the action plan resulting from ETF 2002-3 external

evaluation. In particular, the draft budget allocates increased resources to initiatives aiming at raising ETF visibility and impact.

ETF proposes a Draft Budget 2005 that is slightly modified in comparison with the Pre-Draft Budget 2005 presented a year ago. ETF proposes to transfer 53,000.00 € from Title I to Title II (0.44 % of Title 1) to cover the increasing investment needs to maintain its infrastructure and prepare them (in particular its IT infrastructure) for future challenges due to the changing regulatory environment. It is proposed to maintain the level of investment foreseen in Title III.

Comparison with Budget 2004

■ Title I (principally staff costs, missions and training)

Most of the 3.46 % increase in Title I results from the estimated obligatory increases in salary and related costs for the year. This estimate is more difficult this year due to the transition toward the new staff regulations mentioned above.

Beyond that compulsory increase, ETF proposes to:

- Increase its mission budget by 7.04% due to the increase in international travel costs and the fact that services required from ETF by the Commission and its Delegations in partner countries require a high level of presence on the ground. The proposed increase takes into account the accession of ten new Member States that were previously beneficiaries of ETF's work.
- Account for the flexibility that should be brought by the revised staff regulations and progress toward the application of the Activity Based Budgeting principles by
 - Limiting Title I categories of costs used in some instances up to now to deal with periods of exceptional workload (Article 111 – Auxiliary staff - and 152 - Detached National Expert).
 - Using Title III for the procurement of specific competencies when required by larger scale projects.

■ Title II (principally infrastructure and maintenance costs)

Title II has decreased in real terms over past years. As a consequence, the estimated Pre-Draft Budget proposed for 2005 is insufficient to cope with both the maintenance and renewal of ETF infrastructures and a number of specific costs that arise from the specific operating environment of ETF – such as increased security costs.

ETF proposes to reinforce Title II by 4.53% above the level estimated in the Pre-draft Budget. This will help to take forward the application of Activity Based Budgeting enabling the ETF to invest in:

- Maintenance costs of ETF infrastructure.
- The expected costs to be generated by the adoption of new financial management software to comply with the new financial regulations and changing accounting methods.
- Document and knowledge management software made necessary by the need to comply with the document management internal control standard. This investment will also provide a knowledge management platform for the ETF which is essential for the agency's work as a centre of expertise.

■ Title III (principally operational activities and external communication)

The Title 3 draft budget 2005 increases by 9.51 % compared to 2004, amounting to 434,000.00 € as a result of the compensation mentioned above.

Chapter 30 is increased by 9.01% in particular to cover actions to raise the visibility of ETF products and results. This will include costs for initial redesign of ETF Web site. This investment is proposed following recommendations from the Commission in the Communication on ETF External Evaluation (COM 2003/287)

Work Programme activities (Chapter 31) increase by 9.63 %. This stems from the increase in expertise development activities, the need to procure specific competences and the investment in monitoring and evaluation recommended by the Commission in the above-mentioned Communication.

EUROPEAN TRAINING FOUNDATION
2003/2004/2005 BUDGETS
COMPARED BUDGETS - ESTIMATE OF EXPENDITURE

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
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TITLE 1

EXPENDITURE RELATING TO PERSONS WORKING WITH THE FOUNDATION

	Chap. 11	Staff in active employment				
<i>110</i>		<i>Agents included in the workforce</i>				
	1100	Basic salaries	5,855,173	6,640,973	6,830,000	6,989,000
	1101	Family allowances	470,000	510,000	530,000	535,000
	1102	Transfer and expatriation allowance	792,000	870,000	900,000	900,000
	1103	Secretarial allowance	20,500	27,000	27,000	-
<i>110</i>		<i>Total article</i>	<i>7,137,673</i>	<i>8,047,973</i>	<i>8,287,000</i>	<i>8,424,000</i>
<i>111</i>		<i>Other staff</i>				
	1110	Auxiliary and Contract Agents	526,500	275,000	580,000	500,000
	1112	Local staff	381,000	400,000	100,000	100,000
<i>111</i>		<i>Total article</i>	<i>907,500</i>	<i>675,000</i>	<i>680,000</i>	<i>600,000</i>
<i>113</i>		<i>Insurance against sickness, accidents and occupational disease-, ease, unemployment insurance and maintenance of pension rights</i>				
	1130	Insurance against sickness	202,789	230,000	239,000	239,000
	1131	Insurance against accidents and occupational disease	52,000	53,000	55,000	55,000
	1132	Unemployment insurance for temporary staff	51,000	54,000	56,000	76,000
	1133	Pension	pm	pm	pm	
<i>113</i>		<i>Total article</i>	<i>305,789</i>	<i>337,000</i>	<i>350,000</i>	<i>370,000</i>
<i>114</i>		<i>Sundry allowances</i>				
	1140	Birth and death allowance	795	2,000	2,000	2,000
	1141	Annual travel costs from the place of employment to the place of origin	122,385	133,000	147,000	127,000
	1142	Accommodation and transport allowances	pm	pm	pm	pm
	1143	Fixed entertainment allowances	pm	pm	pm	pm
	1144	Fixed local travel allowances	pm	pm	pm	pm
	1147	Allowances for shiftwork or standby duty at the official's place of work and/or at home	17,000	18,000	19,000	19,000
<i>114</i>		<i>Total article</i>	<i>140,180</i>	<i>153,000</i>	<i>168,000</i>	<i>148,000</i>

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
<i>115</i>	1150	<i>Overtime</i> Overtime	pm	pm	pm	pm
<i>115</i>		<i>Total article</i>	-	-	-	-
<i>117</i>		<i>Supplementary services</i>				
	1170	Freelance interpreters and conference. personnel	pm	pm	pm	pm
	1172	Cost of organizing traineeships with the Foundation	42,000	29,000	30,000	30,000
	1175	Other translation and typing services and work to be contracted out	pm	pm	pm	
	1177	Other services rendered	280,916	180,000	185,000	185,000
<i>117</i>		<i>Total article</i>	322,916	209,000	215,000	215,000
<i>118</i>		<i>Recruitment and transformation costs</i>				
	1180	Sundry recruitment expenses	185,000	30,000	30,000	40,000
	1181	Travelling expenses	12,000	12,000	15,000	15,000
	1182	Installation allowance	131,000	100,000	100,000	150,000
	1183	Moving expenses	103,500	100,000	100,000	90,000
	1184	Temporary daily allowance	67,215	40,000	40,000	50,000
<i>118</i>		<i>Total article</i>	498,715	282,000	285,000	345,000
<i>119</i>		<i>Weightings (Correction coefficients)</i>				
	1190	Weightings (Correction coefficients)	477,900	550,000	590,000	570,000
	1191	Salarial adaptation	133,500	160,000	170,000	170,000
<i>119</i>		<i>Total article</i>	611,400	710,000	760,000	740,000
	Chap. 11	Total chapter	9,924,173	10,413,973	10,745,000	10,842,000
	Chap.13	Missions and travel				
<i>130</i>		<i>Mission and travel expenses</i>				
	1300	Mission and travel expenses	750,000	710,000	810,000	760,000
<i>130</i>		<i>Total article</i>	750,000	710,000	810,000	760,000
	Chap.13	Total chapter	750,000	710,000	810,000	760,000

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
	Chap. 14	Socio-medical infrastructure				
<i>140</i>	1400	<i>Running costs of restaurants and canteens</i> Running costs of restaurants and canteens	pm	pm	pm	pm
<i>140</i>		<i>Total article</i>	-	-	-	-
<i>142</i>	1420	<i>Restaurants, meals and canteens</i> Restaurants, meals and canteens	pm	pm	pm	pm
<i>142</i>		<i>Total article</i>	-	-	-	-
<i>143</i>	1430	<i>Medical service</i> Medical service	28,082	30,000	30,000	30,000
<i>143</i>		<i>Total article</i>	28,082	30,000	30,000	30,000
<i>144</i>	1440	<i>Internal training</i> Internal training	134,745	100,000	110,000	110,000
<i>144</i>		<i>Total article</i>	134,745	100,000	110,000	110,000
<i>149</i>	1490	<i>Other interventions</i> Other interventions	pm	pm	pm	pm
<i>149</i>		<i>Total article</i>	-	-	-	-
	Chap. 14	Total chapter	162,827	130,000	140,000	140,000
	Chap. 15	Staff exchanges between the Foundation and the public sector				
<i>152</i>	1520	<i>Staff exchanges between the Foundation and the public sector</i> National experts seconded	390,000	375,000	390,000	290,000
<i>152</i>		<i>Total article</i>	390,000	375,000	390,000	290,000
	Chap. 15	Total chapter	390,000	375,000	390,000	290,000
	Chap. 17	Entertainment and representation expenses				
<i>170</i>	1700	<i>Entertainment and representation expenses</i> Entertainment and representation expenses	12,000	15,000	15,000	15,000
<i>170</i>		<i>Total article</i>	12,000	15,000	15,000	15,000
	Chap. 17	Total chapter	12,000	15,000	15,000	15,000
	Chap. 19	Pensions and pension subsidies				
<i>190</i>	1900	<i>Pensions and pension subsidies</i> Pensions and pension subsidies	pm	pm	pm	pm
<i>190</i>		<i>Total article</i>	-	-	-	-
	Chap. 19	Total chapter	-	-	-	-
	TITLE 1	TOTAL TITLE 1	11,239,000	11,643,973	12,100,000	12,047,000

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
TITLE 2 BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATIONG EXPENDITURE						
	Chap. 20	Investments in immovable property, rental of buildings and associated cost				
<i>200</i>	2000	Rentals	33,134	33,962	34,641	34,815
	2001	Guarantees	pm	pm	pm	pm
	2002	Contributions	pm	pm	pm	pm
<i>200</i>		<i>Total article</i>	<i>33,134</i>	<i>33,962</i>	<i>34,641</i>	<i>34,815</i>
<i>201</i>	2010	<i>Insurance</i>				
		Insurance	9,314	8,800	8,976	pm
<i>201</i>		<i>Total article</i>	<i>9,314</i>	<i>8,800</i>	<i>8,976</i>	<i>pm</i>
<i>202</i>	2020	<i>Water, gas, electricity and heating</i>				
		Water, gas, electricity and heating	85,000	110,000	112,200	105,000
<i>202</i>		<i>Total article</i>	<i>85,000</i>	<i>110,000</i>	<i>112,200</i>	<i>105,000</i>
<i>203</i>	2030	<i>Cleaning and maintenance</i>				
		Cleaning and maintenance	181,016	150,000	153,000	200,000
<i>203</i>		<i>Total article</i>	<i>181,016</i>	<i>150,000</i>	<i>153,000</i>	<i>200,000</i>
<i>204</i>	2040	<i>Furnishing of premises</i>				
		Furnishing of premises	447	5,000	5,100	15,000
<i>204</i>		<i>Total article</i>	<i>447</i>	<i>5,000</i>	<i>5,100</i>	<i>15,000</i>
<i>205</i>	2050	<i>Security and surveillance</i>				
		Security and surveillance	124,602	105,000	107,100	120,000
<i>205</i>		<i>Total article</i>	<i>124,602</i>	<i>105,000</i>	<i>107,100</i>	<i>120,000</i>
<i>209</i>	2090	<i>Other expenditure on buildings</i>				
		Other expenditure on buildings	64,786	64,000	65,280	70,000
<i>209</i>		<i>Total article</i>	<i>64,786</i>	<i>64,000</i>	<i>65,280</i>	<i>70,000</i>
	Chap. 20	Total chapter	498,300	476,762	486,297	544,815
	Chap. 21	Data processing				
<i>210</i>		<i>Equipment, data processing equipment and operating costs</i>				
	2100	Data-processing equipment	128,849	115,000	115,000	100,000
	2101	Software development and purchase	133,930	165,000	165,000	246,087
	2102	Other expenses	147,221	130,000	130,000	120,000
<i>210</i>		<i>Total article</i>	<i>410,000</i>	<i>410,000</i>	<i>410,000</i>	<i>466,087</i>
	Chap. 21	Total chapter	410,000	410,000	410,000	466,087

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
	Chap. 22	Movable property and associated costs				
<i>220</i>		<i>Technical installations and office equipment</i>				
	2200	Purchase	3,159	4,525	4,615	7,500
	2202	Rentals	55,478	40,000	40,800	32,420
	2203	Maintenance, utilisation and repairs	6,917	10,000	10,200	3,500
	2204	Office equipment		pm	pm	pm
<i>220</i>		<i>Total article</i>	<i>65,555</i>	<i>54,525</i>	<i>55,615</i>	<i>43,420</i>
<i>221</i>		<i>Furniture</i>				
	2210	Purchase	7,278	7,700	7,854	10,000
	2212	Rentals	pm	pm	pm	pm
	2213	Maintenance, utilisation and repairs	-	pm	pm	pm
<i>221</i>		<i>Total article</i>	<i>7,278</i>	<i>7,700</i>	<i>7,854</i>	<i>10,000</i>
<i>223</i>		<i>Transport</i>				
	2230	Purchase	pm	pm	pm	pm
	2232	Rentals	pm	pm	pm	pm
	2233	Maintenance, utilisation and repairs	2,668	3,200	3,264	2,500
<i>223</i>		<i>Total article</i>	<i>2,668</i>	<i>3,200</i>	<i>3,264</i>	<i>2,500</i>
<i>225</i>		<i>Documentation and library</i>				
	2250	Library stocks, purchase of books	pm	pm	pm	pm
	2251	Special library material	-	pm	pm	pm
	2252	Subscriptions to newspapers and magazines	5,000	5,000	5,100	5,100
	2254	Binding expenses and conservation of works	pm	pm	pm	pm
<i>225</i>		<i>Total article</i>	<i>5,000</i>	<i>5,000</i>	<i>5,100</i>	<i>5,100</i>
	Chap. 22	Total chapter	80,500	70,425	71,833	61,020
	Chap. 23	Current administrative expenditure				
<i>230</i>		<i>Stationery and office supplies</i>				
	2300	Stationery and office supplies	49,000	57,000	58,140	33,116
<i>230</i>		<i>Total article</i>	<i>49,000</i>	<i>57,000</i>	<i>58,140</i>	<i>33,116</i>
<i>232</i>		<i>Financial charges</i>				
	2320	Bank charges	1,500	2,140	2,182	2,182
	2321	Exchange rate losses	pm	pm	pm	
	2322	Other financial charges	pm	pm	pm	
<i>232</i>		<i>Total article</i>	<i>1,500</i>	<i>2,140</i>	<i>2,182</i>	<i>2,182</i>

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
<i>233</i>	2330	<i>Legal expenses</i> Legal expenses	4,821	10,000	10,000	10,000
<i>233</i>		<i>Total article</i>	<i>4,821</i>	<i>10,000</i>	<i>10,000</i>	<i>10,000</i>
<i>234</i>	2340	<i>Damages and interest</i> Damages and interest	pm	pm	pm	pm
<i>234</i>		<i>Total article</i>	<i>-</i>	<i>-</i>	<i>-</i>	
<i>235</i>	2350	<i>Other operating expenditure</i> Miscellaneous insurance	10,179	10,000	13,000	30,000
	2351	Working clothes and uniforms	pm	pm	pm	pm
	2352	Miscellaneous expenditure on internal meetings	-	pm	pm	pm
	2354	Departmental removals and associated handling	-	pm	pm	pm
	2355	Petty expenses	8,000	8,000	8,160	8,500
<i>235</i>		<i>Total article</i>	<i>18,179</i>	<i>18,000</i>	<i>21,160</i>	<i>38,500</i>
<i>236</i>	2360	<i>Publications</i> Publications	3,500	1,700	1,708	4,000
<i>236</i>		<i>Total article</i>	<i>3,500</i>	<i>1,700</i>	<i>1,708</i>	<i>4,000</i>
	Chap. 23	Total chapter	77,000	88,840	93,190	87,798
	Chap. 24	Post and telecommunications				
<i>240</i>	2400	<i>Correspondence and courier expenses</i> Correspondence and courier expenses	105,000	89,000	90,780	50,780
<i>240</i>		<i>Total article</i>	<i>105,000</i>	<i>89,000</i>	<i>90,780</i>	<i>50,780</i>
<i>241</i>	2410	<i>Telecommunications</i> Subscriptions and fees	97,282	110,000	100,000	95,000
	2411	Equipment	32,918	20,000	20,400	20,000
<i>241</i>		<i>Total article</i>	<i>130,200</i>	<i>130,000</i>	<i>120,400</i>	<i>115,000</i>
	Chap. 24	Total chapter	235,200	219,000	211,180	165,780
	Chap. 25	Meetings and associated costs				
<i>250</i>	2500	<i>Meetings and associated costs</i> Meetings expenses in general	120,000	125,000	127,500	127,500
<i>250</i>		<i>Total article</i>	<i>120,000</i>	<i>125,000</i>	<i>127,500</i>	<i>127,500</i>
	Chap. 25	Total chapter	120,000	125,000	127,500	127,500
	TITLE 2	TOTAL TITLE 2	1,421,000	1,390,027	1,400,000	1,453,000

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
TITLE 3			EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS			
	Chap. 30	Operational expenses				
<i>300</i>		<i>Operational documentation</i>				
	3000	Documentation	59,000	60,000	61,200	61,200
<i>300</i>		<i>Total article</i>	<i>59,000</i>	<i>60,000</i>	<i>61,200</i>	<i>61,200</i>
<i>301</i>		<i>Publicising of information</i>				
	3010	General publications	474,751	338,000	309,700	409,700
<i>301</i>		<i>Total article</i>	<i>474,751</i>	<i>338,000</i>	<i>309,700</i>	<i>409,700</i>
<i>303</i>		<i>Professional memberships and fees</i>				
	3030	Professional memberships and fees	3,695	5,000	5,100	5,500
<i>303</i>		<i>Total article</i>	<i>3,695</i>	<i>5,000</i>	<i>5,100</i>	<i>5,500</i>
<i>304</i>		<i>Translation costs</i>				
	3040	Translation costs	182,348	350,000	357,000	357,000
<i>304</i>		<i>Total article</i>	<i>182,348</i>	<i>350,000</i>	<i>357,000</i>	<i>357,000</i>
<i>305</i>		<i>Meetings of the Advisory Forum</i>				
	3050	Meetings of the Advisory Forum	393,002	195,000	200,000	200,000
	3051	Insurance costs related to Advisory Forum meetings	2,979	pm	pm	pm
	3052	Representation costs related to Advisory Forum meetings	20,650	pm	pm	pm
<i>305</i>		<i>Total article</i>	<i>416,631</i>	<i>195,000</i>	<i>200,000</i>	<i>200,000</i>
<i>306</i>		<i>Consultants</i>				
	3060	Consultants	pm	pm	pm	pm
<i>306</i>		<i>Total article</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>307</i>		<i>Seminars and study meetings</i>				
	3070	Seminars and study meetings	-	-	-	-
<i>307</i>		<i>Total article</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>308</i>		<i>Expenses related to programme management and accession meetings</i>				
	3080	Expenses related to programme management and accession meetings	-	-	-	-
<i>308</i>		<i>Total article</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>309</i>		<i>National Observatory network</i>				
	3090	National Observatory network	-	-	-	-
<i>309</i>		<i>Total article</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	Chap. 30	Total chapter	1,136,426	948,000	933,000	1,033,400

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
	Chap. 31	Priority actions : Work programme activities				
310		Priority actions : Work programme activities				
	3100	Support to Commision : Input to the project cycle PHARE, CARDS, TACIS, MEDA.	1,583,861	1,458,000	1,610,000	1,577,000
310		Total article	1,583,861	1,458,000	1,610,000	1,577,000
311		Information Provision and Analysis through the National Observatory Network	899,577	1,200,000	1,347,000	1,314,000
311		Total article	899,577	1,200,000	1,347,000	1,314,000
312		Development Activities - thematic areas	898,285	960,000	1,110,000	1,051,600
312		Total article	898,285	960,000	1,110,000	1,051,600
313		Various costs linked to Work programme activities	4,750	pm	pm	24,000
	3130	Insurance costs related to Work programme activities	17,100	pm	pm	
313		Total article	21,850	-	-	24,000
	Chap 31	Total chapter	3,403,574	3,618,000	4,067,000	3,966,600
	TITLE 3	TOTAL TITLE 3	4,540,000	4,566,000	5,000,000	5,000,000

TITLE 9	EXPENSES NOT SPECIFICALLY PROVIDED FOR
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	Chap.99	Expenses not specifically provided for				
<i>990</i>		<i>Reserve</i>				
990	9900	Reserve	-	-	-	
<i>990</i>		<i>Total article</i>	-	-	-	
	Chap. 99	Total chapter	-	-	-	
	TITLE 9	TOTAL TITLE 9	-	-	-	
		GRAND TOTAL	17,200,000	17,600,000	18,500,000	18,500,000

Art.	Item	Title	2003 Budget After transfert	2004 Budget	2005 Pre-draft Budget	2005 Draft Budget
TITLE 4		EARMARKED EXPENDITURE				
	Chap. 41	Co-operation with other international institutions				
410	4100	<i>Co-operation with other international institutions</i> World bank	pm	pm	pm	pm
410		<i>Total article</i>	pm	pm	pm	pm
411	4110	<i>Co-operation with other international institutions</i> Swiss Agency for Development and Cooperation	pm	pm	pm	pm
411		<i>Total article</i>	-	-	-	-
	Chap 41	Total chapter	pm	pm	pm	pm
	Chap. 42	Co-operation with other European agencies				
420	4200	<i>SI2 support service</i> Funds relating to the participation of other European agencies into the SI2 support service	pm	pm	pm	pm
420		<i>Total article</i>	-	-	-	-
	Chap 42	Total chapter	pm	pm	pm	pm
	Chap. 43	Co-operation with national institutions				
430	4300	<i>Co-operation with Italian institutions</i> Cooperation with Italian institutions (1)	500,000	800,000	pm	pm
430		<i>Total article</i>	500,000	800,000	pm	pm
	Chap 43	Total chapter	500,000	800,000	pm	pm
	Chap.44	Implementations of EU Member States projects				
440	4400	<i>Implementations of EU Member States projects</i> Funds relating to the participation of other European agencies	pm	pm	pm	pm
440		<i>Total article</i>	-	-	-	-
	TITLE 4	TOTAL TITLE 4	500,000	800,000	pm	pm

(1) In budget 2003 an amount of Euro 500,000 and in 2004 an amount of Euro 800,000 have been registered as revenue under the 'Italian Trust fund'.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	110	Agents included in the workforce
Item:	1100	Basic salaries

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
6,640,973.00	6,254,973.00	6,989,000.00	5.24%

Details:

This appropriation is intended to cover the salary cost of the agents of the ETF as indicated in the Staff regulations applicable to the Officials and other servants of the European Commission.

Strategic considerations:

A revised set of staff regulations with new categories of agents and changes to staff benefits is gradually being introduced over 2005 and 2006 as part of the reform in EU institutions. It is difficult to estimate the precise financial impact of the reform as many provisions are still at a definition stage.

Comments:

The appropriations of item 1100 require an estimated 5% increase in respect of the 2004 figures.

* pending GB approval

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	110	Agents included in the workforce
Item:	1101	Family allowances

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
510,000.00	498,500.00	535,000.00	4.90%

Details:

This appropriation is intended to cover the family allowances of the agents of the ETF as indicated in the Staff regulations applicable to the Officials and other servants of the European Commission.

Strategic considerations:

This item evolution is highly dependant from the family situation of ETF staff members.

Comments:

This item's evolution is usually proportional to the evolution of Budgetary Item 1100. ETF anticipates a slightly lower growth at 4.9% than the basic salary item.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	110	Agents included in the workforce
Item:	1102	Transfer and expatriation allowance

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
870,000.00	805,000.00	900,000.00	3.45%

Details:

This appropriation is intended to cover the transfer and expatriation allowances of the agents of the ETF as indicated in the Staff regulations applicable to the Officials and other servants of the European Commission.

Strategic considerations:

This budgetary item is dependant from the distribution of staff by nationality, as the expatriation allowance is paid to agents whose nationality is not the one of the country where their place of service is based.

Comments:

The estimate on this item is based on the average expenditure of previous years, as the overall distribution of staff by nationality is not expected to change significantly.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	110	Agents included in the workforce
Item:	1103	Secretarial allowance

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
27,000.00	17,000.00	-	-100.00%

Details:

This appropriation was intended to cover the secretarial allowance as foreseen in the old Staff Regulations in force until 30th April 2004. The secretarial allowance has been abolished in the new Staff Regulations which entered into force on 1st May 2004.

Strategic considerations:

According to the transitional provisions included in the new Staff Regulations, staff employed before 1st May 2004 and who was entitled to the secretarial allowance under the old Staff Regulations, keep receiving the corresponding amount as ad personam.

Comments:

The appropriations needed to cover the above mentioned ad personam have been included in the appropriations under budget item 1100 – Basic Salary.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	111	Other staff
Item:	1110	Auxiliary and Contract Agents

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
275,000.00	524,000.00	500,000.00	81.82%

Details:

These appropriations cover salaries and the employer' share of the social security payments for auxiliary staff.

Following the new Staff regulations introduced on 1st May 2004, the appropriations shall cover a new category of staff, the 'contract agents' and provide means to phase out staff employed by ETF under the local agents status.

Strategic considerations:

The number of auxiliary agents will be strictly limited to respect the context in which ETF should use their services:

- 1) To replace those temporary agents on long absence due to diverse reasons (sickness, maternity leaves, leave on personal grounds and temporary vacancies); and,
- 2) To cover extraordinary workload when no interim solution can be found with other ETF members of staff.

The description of this budgetary item has been modified from 'Auxiliary staff' to 'Auxiliary staff and Contract Agents' to allow covering costs of the new category of staff introduced in the revised staff regulation introduced in May 2004.

Comments:

The increase in the appropriation proposed for this item is matched by a decrease in the appropriations of Item 1112 (Local Staff). This is resulting from the provision in the new staff regulation that are foreseeing that, during 2005, all local agents will be offered the possibility to be hired as 'contract agents'.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	111	Other staff
Item:	1112	Local staff

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
400,000.00	400,000.00	100,000.00	-75.00%

Details:

This appropriation is intended to cover the salary cost of the local agents of the Foundation.

Strategic considerations:

As referred in item 1110, the revised staff regulation introduced in May 2004, foresee that, during 2005, all staff hired as local staff will be offered the possibility to be hired as contract agent.

Comments:

Appropriations of 100 000 € are estimated necessary to cover local staff costs before the date they can be offered a contract agent contract (date to be defined by the European Commission, and in any case by 30th April 2005 at the latest).

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	113	Insurance against sickness, accidents and occupational disease, unemployment insurance and maintenance of pension rights
Item:	1130	Insurance against sickness

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
230,000.00	215,000.00	239,000.00	3.91%

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	113	Insurance against sickness, accidents and occupational disease, unemployment insurance and maintenance of pension rights
Item:	1131	Insurance against accidents and occupational disease

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
53,000.00	53,000.00	55,000.00	3.77%

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	113	Insurance against sickness, accidents and occupational disease, unemployment insurance and maintenance of pension rights
Item:	1132	Unemployment insurance for temporary staff

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
54,000.00	71,000.00	76,000.00	40.74%

Details:

The appropriation is intended to cover the compulsory contributions paid by the ETF into the unemployment insurance fund for temporary and contract agents, as foreseen in the Staff Regulations.

Comments:

The new Staff Regulations that entered into force on 1st May 2004 included an increase to the contribution rate for the unemployment insurance. The proposed increase to the budgetary appropriations is estimated to cover the resulting additional costs.

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	113	Insurance against sickness, accidents and occupational disease, unemployment insurance and maintenance of pension rights
Item:	1133	Pension

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	-

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	114	Sundry allowances
Item:	1140	Birth and death allowance

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
2,000.00	500.00	2,000.00	0.00%

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	114	Sundry allowances
Item:	1141	Annual travel costs from the place of employment to the place of origin

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
133,000.00	115,986.00	127,000.00	-4.51%

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	114	Sundry allowances
Item:	1142	Accommodation and transport allowances

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	-

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	114	Sundry allowances
Item:	1143	Fixed entertainment allowances

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	-

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	114	Sundry allowances
Item:	1144	Fixed local travel allowances

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	-

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	114	Sundry allowances
Item:	1147	Allowances for shift work or standby duty at the official's place of work and/or at home

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
18,000.00	16,000.00	19,000.00	5.56%

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	117	Supplementary services
Item:	1170	Freelance interpreters and conference personnel

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	-

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	117	Supplementary services
Item:	1172	Cost of organizing traineeships with the ETF

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
29,000.00	56,000.00	30,000.00	3.45%

Details:

These appropriations are meant to cover costs of traineeship to ETF (typically for a 6 months duration) for young professional from EU and ETF partner countries in order to give them an opportunity to familiarize themselves with practises of an EU agency.

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	117	Supplementary services
Item:	1175	Other translation and typing services and work to be contracted out

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	-

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	117	Supplementary services
Item:	1177	Other services rendered

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
180,000.00	205,000.00	185,000.00	2.78%

Details:

This appropriation is intended to cover recourse to other suppliers of services, consultants and experts, for limited services under the general administration of the ETF when such services cannot be provided by the ETF staff (for reasons of expertise or availability).

These include the services in the area of personnel administration which the ETF outsourced to the Paymaster Office of the European Commission.

Strategic considerations:

The introduction of Internal Control Standards and required monitoring and improvement of ETF compliance with them is likely to generate specific costs no previously covered.

Comments:

A limited increase of 2.78 % is proposed on this line. This will ask for careful management to be able to cover the eventual extra costs generated by the Internal Control Standards compliance monitoring.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	118	Recruitment and transformation costs
Item:	1180	Sundry recruitment expenses

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
30,000.00	83,000.00	40,000.00	33.33%

Details:

This appropriation is intended to cover recruitment expenses

Strategic considerations:

This budgetary item is dependant on the level of staff turnover, and in particular to the number of recruitment procedures that will be launched during the year to fill positions that became vacant.

In addition to the average level of turnover, which is estimated on the basis of last years, the commitment of ETF to recruit highly qualified staff is reflected in a relative increase in the number of candidates that are invited for interview and tests in each selection procedure.

Comments:

The appropriations for recruitment expenses are estimated on the basis of the following factors:

- Average level of staff turnover (slightly increasing in the last years)
- Average number of candidates invited for interview in each selection procedure (increased in the last year)
- Average travel costs to be reimbursed to candidates invited for interview (increased in line with the current trend of travel costs, and due to the enlargement of the EU).

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	118	Recruitment and transformation costs
Item:	1181	Travelling expenses

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
12,000.00	12,000.00	15,000.00	25.00%

Details:

This appropriation is intended to cover travelling expenses for newly recruited staff and their family upon their taking up a position within ETF, as foreseen in the Staff Regulations.

Strategic considerations:

The number of new staff members that are expected to be recruited during 2005 is in line with the average level of turnover estimated on the basis of previous years. In addition, the average travel costs for new staff members from their place of origin to the ETF is increasing due to the current trend in travel costs and to the enlargement of the EU.

Comments:

A 25% increase of appropriations level on that line is expected to be able to face the 2 factors mentioned above.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	118	Recruitment and transformation costs
Item:	1182	Installation allowance

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
100,000.00	195,000.00	150,000.00	50.00%

Details:

This appropriation is intended to cover the installation and re-installation allowances foreseen in the Staff Regulations for staff members who join and who leave ETF.

Strategic considerations:

The considerations mentioned under budget items 1180 and 1181 are valid also for this item.

The slightly increasing staff turnover rate, and the statutory increase of the basic salaries, are the factors calling for a reassessment of the appropriations after some years when the initial budget had been kept stable but resulted to be insufficient, and needed to be re-adjusted during the budgetary execution.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	118	Recruitment and transformation costs
Item:	1183	Moving expenses

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
100,000.00	100,000.00	90,000.00	-10.00%

Details:

This appropriation is intended to cover the reimbursement of moving expenses for staff members who join and who leave ETF, as foreseen in the Staff Regulations.

Comments:

A relative decrease of moving expenses is expected in 2005 to account for an expected reduction in the average cost of removals.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	118	Recruitment and transformation costs
Item:	1184	Temporary daily allowance

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
40,000.00	40,000.00	50,000.00	25.00%

Details:

The appropriation is intended to cover the daily allowances, to which new staff members are entitled under the Staff Regulations, during their first months of service in ETF.

Strategic considerations:

The new Staff Regulations include a limited increase to the amount of temporary daily allowances. This factor, together with the estimated number of new staff members to be recruited in 2005, is the basis for the estimation of this appropriation.

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	119	Weightings (Correction coefficients)
Item:	1190	Weightings (Correction coefficients)

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
550,000.00	520,000.00	570,000.00	3.64%

Details:

The salaries of the agents of the ETF are weighted at a rate (called "correction coefficient") depending on living conditions in Italy against a constant of 100% for Officials working in Brussels.

The weightings are adopted by the Council on a proposal from the Commission.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	11	Staff in active employment
Article:	119	Weightings (Correction coefficients)
Item:	1191	Salarial adaptation

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
160,000.00	150,000.00	170,000.00	6.25%

Details:

The appropriation is intended to cover the annual review of basic salaries, which is approved by a Council Regulation at the end of each year and is applicable backdated as of 1st July of the same year.

In addition, the appropriation is intended to cover the annual review of the weighting factor applied to salaries paid to agents in Italy, which is also approved by a Council Regulation at the end of each year and is applicable backdated as of 1st July of the same year.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	13	Missions and travel
Article:	130	Mission and travel expenses
Item:	1300	Mission and travel expenses

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
710,000.00	720,000.00	760,000.00	7.04%

Details:

This appropriation is intended to cover: transport expenses; payments of daily mission allowances and the necessary or extraordinary costs incurred in the performance of a mission by the staff covered by the Staff Regulations applicable to Officials of the European Communities.

Strategic considerations:

During 2004 as the European Union welcomed 10 new Member States; ETF stepped down its active direct support to VET reform in these 10 States which in 2005 will be fully taking part in the regular CEDEFOP networks and activities.

This reduction in the number of ETF partner countries has lead since a few years to a gradual redistribution of activities stepping up ETF support to and presence in the other partner countries it is active in.

The EU policy of decentralisation of Aid management to EC delegations has in particular resulted from a stronger demand for local presence and long-term mission from ETF staff.

Comments:

Indications of significantly increasing transport costs call for appropriations on this chapter able to match a level higher than the inflation rate.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	14	Socio-medical infrastructure
Article:	143	Medical service
Item:	1430	Medical service

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
30,000.00	30,000.00	30,000.00	0.00%

Details:

This appropriation is intended to cover the costs of external health service acting for the ETF (in particular carrying out regular medical examinations of ETF staff and the cost of a medical officer).

Strategic considerations:

The need for a medical officer within ETF arises from both the EU Staff Regulations, and from the Italian law on health and safety at work (L. 626), to which ETF is committed to abide.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	14	Socio-medical infrastructure
Article:	144	Internal training
Item:	1440	Internal training

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
100,000.00	100,000.00	110,000.00	10.00%

Details:

This appropriation is intended to cover the costs of training of the ETF staff.

Strategic considerations:

The upgrade and update of staff competences is a vital process for an expertise organisation such as ETF.

In addition to this, a number of recent changes in the regulatory frameworks within which ETF operates (new Financial Regulation, new Staff Regulations, implementation of the Internal Control Standards, etc), call for specific training to staff to support the effective introduction of new rules and processes.

European Training Foundation BUDGET 2005

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	15	Staff exchanges between the ETF and the public sector
Article:	152	Staff exchanges between the ETF and the public sector
Item:	1520	National experts seconded

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
375,000.00	295,000.00	290,000.00	-22.67%

Details:

This appropriation is intended to cover the costs of national or international officials and of private sector experts temporarily seconded to the ETF to provide knowledge of matters in which they have in-depth experience and allow their institution to benefit upon their return of a deeper understanding of EU issues.

Strategic considerations:

Looking at its recent experience with seconded experts (END) in the context of its centre of expertise identity, ETF would adopt a strategy able to give guarantee on 2 specific points in particular:

- The effective return of the individual detached to his/her institution of origin in conditions allowing an optimum use of the experience acquired during the period spent in ETF.
- A more systematic use of END possibility as part of the capacity building objectives ETF pursues.

Comments:

The strategic considerations outlined above are likely to lead to a reduction in the length of END placements at the ETF from the four-year maximum period foreseen in the END regulation.

To account for such a revision, appropriations for 2005 on this Item have been reduced to be able to cover only five Full Time Equivalent END positions in 2005 (7 in 2004).

**European Training Foundation
BUDGET 2005**

Title:	1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF
Chapter:	17	Entertainment and representation expenses
Article:	170	Entertainment and representation expenses
Item:	1700	Entertainment and representation expenses

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
15,000.00	16,000.00	15,000.00	0.00%

Details:

This chapter covers expenses linked to hospitality costs for guests (e.g. lunches, dinners, etc.).

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	20	Investments in immovable property, rental of buildings and associated costs
Article:	200	Rentals
Item:	2000	Rentals

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
33,962.00	33,963.00	34,815.00	2.51%

Details:

This appropriation is intended to reimburse part of the investment made by the Villa Gualino Consortium for the construction of the ETF's archive space, since the original agreement with the Villa Gualino did not provide for archives in the plans of the building. These costs are paid annually by the ETF.

Comments:

Since mid-1997 internal archive space has been made available to the ETF by the Villa Gualino Consortium for the annual sum of approx. EUR 29,955 subject to annual inflation adaptation. The convention CON/03/ETF/0071 (previous ETF/97/PAD/0020) with Villa Gualino Consortium foresees such a reimbursement for 10 years (i.e. 2007), after which the archive space will be at the disposal of the ETF free of charge.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	20	Investments in immovable property, rental of buildings and associated costs
Article:	201	Insurance
Item:	2010	Insurance

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
8,800.00	6,450.00	5,000.00	-43.18%

Details:

This appropriation is intended to cover the reimbursement to Villa Gualino of building insurance costs.

Strategic considerations:

Insurances covering general ETF functions are grouped in this article while insurances required by operational activities are financed out of Title 3 (item 3130). A review of insurances included in this article will be done to optimise the coverage, eliminate eventual overlap and reduce costs.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	20	Investments in immovable property, rental of buildings and associated costs
Article:	202	Water, gas, electricity and heating
Item:	2020	Water, gas, electricity and heating

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
110,000.00	95,864.00	105,000.00	-4.55%

Details:

This appropriation is intended to cover utilities (water, gas, electricity and heating).

Comments:

The necessary appropriations have been estimated on the basis of data from previous years in relation to the total amount of space available to the ETF. For the record, the ETF had a total amount of space of 3,935 m² in 1996 and 6,309 m² since mid-1997 (including the Archive). The total m³ mounts at 22,100

The costs of water, gas, electricity and heating are related to the actual consumption. The consumption is highly dependent on the weather conditions. Due to efforts in saving on heating and air conditioning, a limited decrease of the electricity costs is to be expected in the hypothesis of stable energy costs.

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	20	Investments in immovable property, rental of buildings and associated costs
Article:	203	Cleaning and maintenance
Item:	2030	Cleaning and maintenance

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
150,000.00	282,189.00	200,000.00	33.33%

Details:

This appropriation is intended to cover the costs of the maintenance (parts, lifts, heating, air-conditioning, pipes) and cleaning of the common spaces as foreseen by the Convention CON/03/ETF/0071 (previous ETF/97/PAD/0020) as well as for the cleaning of the ETF building.

Comments:

The total cost for maintenance and cleaning of the shared parts of the building varies according to the number of unforeseen repairs and interventions during the year.

It should be noted though, that after ten years, some of the building systems and infrastructure need replacement or extra-ordinary maintenance. An increase of the maintenance costs of the building and its sub-systems is therefore appropriate. This is estimated at around 30%.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	20	Investments in immovable property, rental of buildings and associated costs
Article:	204	Furnishing of premises
Item:	2040	Furnishing of premises

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
5,000.00	27,370.00	15,000.00	200.00%

Details:

This appropriation is intended to cover the performance of small-scale jobs for fitting out the building (such as changes to partitions, nameplates and signs, painting, etc.).

Comments:

In 2004 ETF has started with the internal painting of offices. Due to the complex logistics and to the limited budget only a small part of the building has been decorated. The amount of 15.000 Euro on this budget line will be used for the painting of the next parts of the building (internal decoration).

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	20	Investments in immovable property, rental of buildings and associated costs
Article:	205	Security and surveillance
Item:	2050	Security and surveillance

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
105,000.00	110,000.00	120,000.00	14.29%

Details:

This appropriation is intended to cover the various expenses relating to the security and safety of the building. The following activities are gathered under this budget item: surveillance, maintenance of anti-intrusion system, purchase and maintenance of fire equipment and costs of inspections required by law (626).

Strategic considerations:

The costs will be limited marginally by restricting the presence of guards to essential work and maintenance periods only.

Comments:

For 2005 the budget is estimated at an increased value of Euro 120.000 in order to cover the additional presence of the security guards during the internal decoration and a first investment in upgrading the anti-intrusion system.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	20	Investments in immovable property, rental of buildings and associated costs
Article:	209	Other expenditure on buildings
Item:	2090	Other expenditure on buildings

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
64,000.00	72,780.00	70,000.00	9.38%

Details:

This appropriation is intended to cover the other current expenses relating to buildings not specifically provided for, notably taxes and roads, drainage, refuse collection, as well as 18% of the general cost, payable to the Villa Gualino Consortium as provided for in the agreement CON/03/ETF/0071 (previous ETF/97/PAD/0020).

Comments:

The necessary appropriations have been estimated in accordance with expenditure of the previous year taking into account a slight inflation adaptation.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	21	Data processing
Article:	210	Equipment, data processing equipment and operating costs
Item:	2100	Data-processing equipment

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
115,000.00	15,000.00	100,000.00	-13.04%

Details:

This item has been allocated to cover the purchase of computer hardware including network servers, personal computers, printers and networking / communications equipment.

Comments:

Information and communication technologies (ICT) Infrastructure: due to continuing and accelerating change in ICTs, it will be necessary to continue to maintain a technical infrastructure which allows systems to work together and to support expanding needs.

Support for functional system changes: like the renewal and upgrade of hardware in order to support increased document management, mobile computing and connectivity needs.

The planned decrease in budget is due to the increase in required funds of the budget line 2101, against which the Content Management (Document and Knowledge management system) Costs should be posted. To alleviate the impact of this reduction 2004 and 2006 budgets will attempt to compensate with increased hardware replacement.

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	21	Data processing
Article:	210	Equipment, data processing equipment and operating costs
Item:	2101	Software development and purchase

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
165,000.00	136,220.00	246,087.00	49.14%

Details:

This item has been allocated to cover the purchase of standard software applications and for the development of software systems.

Strategic considerations:

This item has to absorb the initial costs for the development required by the change of financial management software (especially resulting from the discontinuation of Sincom2 by the Commission) and the gradual deployment of Document and Knowledge Management software.

To enable this to happen, other developments financed through the same line will focus on tools required for ETF's proper administration, which can clearly justify a sufficient return on investment, while developments linked to operational activities will be financed through Title 3.

Comments:

Infrastructure Support: buying new software to ensure the continued interoperability and security of the ETF's Information and Communication Technologies infrastructure.

Current ETF Process Operations: consultancy support for the current Information and Communication Technologies systems in the ETF.

Support for functional system changes: e.g. maintenance ETF and Tempus Web-site.

Pursuing new opportunities for ETF: Content and knowledge management and dissemination. In 2004 an analysis on the Information Architecting has taken place. Based upon this analysis, further actions are to be planned. The increase in this budget line is to cover for the partial costs of Content and Knowledge Management development which will spread over 3 years (2005-2007)

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	21	Data processing
Article:	210	Equipment, data processing equipment and operating costs
Item:	2102	Other expenses

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
130,000.00	130,000.00	120,000.00	-7.69%

Details:

This item has been allocated to cover the costs associated with the maintenance and support of both computer hardware and software including the purchase of occasional computer durables, interventions, audits & reviews as well as specialist training.

Comments:

Infrastructure Support: the major cost in this item is that of currently running maintenance and support contracts for hardware (for both servers and network infrastructure) and software systems e.g. Microsoft Office, Oracle and IBM/LotusNotes and others.

Client Support: e.g. specialist IT administrator training and workshops, purchase of IT durables and consumables such as toner, transparencies etc.

The ETF participation into the Commission Tender for Microsoft Products has allowed the ETF to save 10,000 Euro on yearly license and maintenance fees.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	220	Technical installations and office equipment
Item:	2200	Purchase

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
4,525.00	12,105.00	7,500.00	65.75%

Details:

This appropriation is intended to cover the purchase of technical and office equipment, especially audiovisual, copying, archiving and interpretation equipment.

Comments:

This appropriation is also used for general replacement of old office equipment like faxes, binding machines etc. In 2005, a review of the equipment in the major meeting room "Sala Europa" and ancillary meeting facilities should take place, as those tools should normally be up-graded every 7 years.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	220	Technical installations and office equipment
Item:	2202	Rentals

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
40,000.00	32,420.00	32,420.00	-18.95%

Details:

This appropriation is intended to cover the costs of hiring materials and equipment, which it is uneconomic or difficult to purchase on account of limited available budgetary resources (e.g. copy machines).

Comments:

This appropriation covers the rental costs of the ETF copiers, which amounts to 32.420 Euro per annum under revised contractual conditions.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	220	Technical installations and office equipment
Item:	2203	Maintenance, utilization and repairs

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
10,000.00	4,076.00	3,500.00	-65.00%

Details:

This appropriation is intended to cover the costs of maintenance and repair of the materials and equipment listed under items 2200 to 2202 and the cost of additional copies in excess of the number stipulated in the ETF's supplier framework contract.

Comments:

The costs in 2005 have decreased considerably due to the trade-in of three old ETF copiers for which a yearly assistance was paid.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	220	Technical installations and office equipment
Item:	2204	Office equipment

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	

Details:

This appropriation covers the costs of purchase, hire, installation, maintenance and repair of office equipment, such as typewriters and calculating machines.

Comments:

This appropriation has been cancelled, as it has been decided last year to merge items 2200 and 2204.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	221	Furniture
Item:	2210	Purchase

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
7,700.00	17,700.00	10,000.00	29.87%

Details:

This appropriation is intended to cover the purchase of new furniture.

Comments:

In 2005 a start should be made with the replacement of old furniture that is approaching 10 years of age.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	221	Furniture
Item:	2213	Maintenance, utilization and repairs

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	

Details:

This appropriation is intended to cover the costs of repair and maintenance of the furniture.

Comments:

No repair or maintenance of furniture is foreseen for 2005.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	223	Transport
Item:	2233	Maintenance, utilization and repairs

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
3,200.00	2,200.00	2,500.00	-21.88%

Details:

This appropriation is intended to cover the operating, maintenance, fuel and related costs of the ETF's vehicle.

Comments:

Of the estimated budget, approx. 1200 Euro will be spent for the insurance. The remaining 1300 Euro will be used for repairs and fuel.

Please note that the ETF is currently looking into other means of transport, as the ETF vehicle, due to a new contract on post services, is no longer required for transporting the regular post to/from the post office.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	22	Movable property and associated costs
Article:	225	Documentation and library
Item:	2252	Subscriptions to newspapers and magazines

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
5,000.00	4,950.00	5,100.00	2.00%

Details:

This appropriation is intended for the purchase of subscriptions to daily and weekly newspapers, current affairs journals and magazines. It is also intended to cover the acquisition of books and other electronic forms of information, which are intended for the use of the non-operational departments (e.g. Computer manuals, legal books, etc.).

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	23	Current administrative expenditure
Article:	230	Stationery and office supplies
Item:	2300	Stationery and office supplies

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
57,000.00	1,201.00	28,116.00	-50.67%

Details:

This appropriation is intended to cover the purchase of paper, envelopes, compliment slips, business cards, office supplies and promotional material.

Strategic considerations:

In order to limit costs, only limited stocks of office supplies will be held, so specific needs will have to be anticipated in advance through a combination of tighter planning and just-in-time supply chain logistics.

This change is made possible by a revised contract for stationery and office supplies signed in 2004.

Basic stationery as described above covers only 18,000 Euro of this item . The remainder being allocated to External Communication's ETF "branded" items and promotional material.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	23	Current administrative expenditure
Article:	232	Financial charges
Item:	2320	Bank charges

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
2,140.00	2,140.00	2,182.00	1.96%

Details:

This item is intended to cover bank charges.

Comments:

We expect a slight increase in 2005 in bank charge resulting from a change of pricing approach by Italian Banks. A tender is actually running to renew the banking services ETF uses and final conditions will be known only early 2005.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	23	Current administrative expenditure
Article:	233	Legal expenses
Item:	2330	Legal expenses

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
10,000.00	6,800.00	10,000.00	0.00%

Details:

This item is intended to cover general legal expenses, trial expenses, legal training and seminar attendance expenses, purchase of legal books, newspapers and law collections, expenses for the organisation of legal/procurement related events, external lawyers' expenses and legal consultancy expenses.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	23	Current administrative expenditure
Article:	235	Other operating expenditure
Item:	2350	Miscellaneous insurance

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
10,000.00	36,550.00	30,000.00	200.00%

Details:

This appropriation is intended to cover sundry insurance expenses (notably civil liability, insurance against theft, fire, electronic all risks, injuries and fully comprehensive insurance.)

The ETF insurance package has been revised. Existing coverage has been extended to adapt them to the ETF changing environment. The cost increase is the result of a wider coverage following an open tender procedure.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	23	Current administrative expenditure
Article:	235	Other operating expenditure
Item:	2354	Departmental removals and associated handling

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
pm	-	pm	

Details:

This item is intended to cover the costs of removals within the building.

Comments:

No activities are foreseen on this budget item.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	23	Current administrative expenditure
Article:	235	Other operating expenditure
Item:	2355	Petty expenses

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
8,000.00	8,000.00	8,500.00	6.25%

Details:

This item is intended to cover other operating expenditure for which no special provision is made (e.g. broken windows/doors, flooding, plumber, change of locks, etc.).

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	23	Current administrative expenditure
Article:	236	Publications
Item:	2360	Publications

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
1,700.00	8,049.00	4,000.00	135.29%

Details:

This appropriation is intended to cover the cost of legal documents, which the ETF is obliged to publish (budget, invitations to tender, etc.).

Comments:

The increase in 2005 is due to the rise in requests to publish calls for tender and other ETF documents in the Official Journal as well as that the budget will have to be published in the OJ in 20 languages next year.

Budget amendment should also be published under the revised Financial Regulation.

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	24	Post and telecommunications
Article:	240	Correspondence and courier expenses
Item:	2400	Correspondence and courier expenses

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
89,000.00	111,500.00	50,780.00	-42.94%

Details:

This appropriation is intended to cover correspondence and courier expenses, including the dispatching of parcels by post.

Strategic considerations:

In coherence with the ABB principles, this item will focus on general mailing and courier services of the ETF. Mailings and dispatches generated by a specific operation will be covered by the relevant Title III line. This should lead to a saving of about 40% on this line in Title II

Comments:

The necessary appropriations have been estimated on the basis of expenditure in previous years.

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	24	Post and telecommunications
Article:	241	Telecommunications
Item:	2410	Subscriptions and fees

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
110,000.00	69,000.00	95,000.00	-13.64%

Details:

This appropriation is intended to cover the fixed costs of subscriptions, communication costs and Internet fees.

Strategic considerations:

Reduced telephone costs are expected to result from increased market competition, assuming no changes in utilisation levels

**European Training Foundation
BUDGET 2005**

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	24	Post and telecommunications
Article:	241	Telecommunications
Item:	2411	Equipment

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
20,000.00	20,000.00	20,000.00	0.00%

Details:

This appropriation is intended to cover expenses relating to the telecommunications equipment, including the cables: purchase, rental, installation, servicing, documentation, and to pay the maintenance contract of the internal telephone system.

Comments:

The maintenance costs of the ETF internal telephone exchange and the videoconference system are a yearly fixed fee. Now that the telephone handsets are entering the age of 10 years, investment will be needed in replacement.

European Training Foundation BUDGET 2005

Title:	2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE
Chapter:	25	Meetings and associated costs
Article:	250	Meetings and associated costs
Item:	2500	Meetings expenses in general

Budget 2004	Budget 2004 <i>amended*</i>	Appropriations 2005	Change 2004/5
125,000.00	163,500.00	127,500.00	2.00%

Details:

This appropriation is intended to cover the costs relating to the meetings of the Governing Board and other internal meetings organised by the ETF.

Strategic considerations:

Governing Board Meetings are held normally twice a year. The costs impact of holding one of these meeting in Brussels is to be assessed and a stability is assumed in appropriations needed.

Comments:

The costs are divided as follow:

	Unit cost	Number	cost inTotal EUR
2 x Governing board meetings	60,000	2	120,000
Internal meetings	7,500	1	7,500
Total			127,500

European Training Foundation BUDGET 2005

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	30	Operational expenses
Article:	300	Operational documentation
Item:	3000	Documentation

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
60,000.00	40,000.00	61,200.00	2.00%

Details:

This appropriation is intended to cover subscriptions to specialist journals and periodicals, and the purchase of relevant books and electronic media.

Comments:

The necessary appropriations have been estimated on the basis of expenditure in previous years. The subscription to EIU Viewswire will be replaced in 2004 with alternative electronic information sources.

European Training Foundation BUDGET 2005

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	30	Operational expenses
Article:	301	Publishing of information
Item:	3010	General publications

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
338,000.00	592,320.00	409,700.00	21.21%

Details:

This appropriation is intended to cover the costs associated with writing, editing, printing and distributing publications of a general nature (e.g. information leaflet, Work Programme, Annual Report, website). This includes for example, the cost of paper, typing, layout, graphic design and other freelance services including editors and journalists related to these publications.

Strategic considerations:

In line with the recommendations by the External Evaluation 2002, ETF has recently redefined its strategic orientation. An important part of the reorientation has been the recognition that the external communication function in the ETF should be realigned with its role as a Centre of Expertise. In particular, the following strategic lines of development for the communication function have been agreed:

- The need for communication to support the developing Centre of Expertise
- The need to develop relations with key publics and stakeholders as well as general public and local/national authorities in Italy
- The need for a strategic and professional approach to communication
- The need for a systemic integration of external communication in the ETF.

To meet these objectives a new External Communication Unit was established during 2003.

Comments:

The 2005 figure shows an increase over 2004 given the growth in activities of the External Communication function at the ETF (in line with recommendations of the External Evaluation). Activities that will take place in 2005, and that will require funding include the ongoing development of the ETF's web presence, newsletters and magazines, photographic services and the costs related to the editorial board.

Furthermore, this amount should cover costs related to the development of contacts with the European Parliament, partner from the European Union and partner countries. Also the media network should be build-up further and be extended.

**European Training Foundation
BUDGET 2005**

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	30	Operational expenses
Article:	303	Professional memberships and fees
Item:	3030	Professional memberships and fees

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
5,000.00	5,480.00	5,500.00	10.00%

Details:

This appropriation is intended to cover the costs associated with professional memberships and fees (e.g. IPSET, i.e. the International Pole for the Support of Education and Training in Turin, of which ETF has been a founding member since 1997).

As a Centre of Expertise the ETF may need to pay other professional membership fees and subscriptions.

Comments:

The 2005 figure is composed of the amount foreseen for the IPSET, NORRAG and Torino Internazionale memberships, as well as a reserve amount.

**European Training Foundation
BUDGET 2005**

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	30	Operational expenses
Article:	304	Translation costs
Item:	3040	Translation costs

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
350,000.00	225,000.00	357,000.00	2.00%

Details:

This appropriation is intended to cover translation costs.

Comments:

The increase with respect to the 2004 figures can be attributed to the increase of EU languages. Also the change of role of the External Communication Unit requested an increase of translations of media releases and publications.

Furthermore, the Translation Centre in Luxembourg is increasing its translation costs yearly.

European Training Foundation BUDGET 2005

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	30	Operational expenses
Article:	305	Meetings of the Advisory forum
Item:	3050	Meetings of the Advisory forum

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
195,000.00	210,000.00	200,000.00	2.56%

Details:

The Advisory Forum is a statutory body of the ETF with a formal role to provide an opinion to the ETF's Governing Board on the annual work programme.

The Advisory Forum is comprised of two experts in vocational training and education from each of the member states as well as the partner countries (53 countries in total), together with representatives of social partner and international organisations active in the field.

Each Advisory Forum has a three-year life. During the first two years members meet in four regionally based groups (North Africa & Middle East; Western Balkans; Eastern Europe & Central Asia; and future Member States). During the third and final year of life of a Forum, it meets in plenary in Turin within the context of a major conference.

European Training Foundation BUDGET 2005

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	31	Priority actions: Work programme activities
		Introductory note

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
3,618,000.00	3,563,200.00	3,966,600.00	9.64%

Details:

Chapter 31 includes the three principal operational budget articles: 3100 (Support to the Commission: input to project cycle); 3110 (Information provision & analysis through the National Observatory network); and 3120 (Development activities – thematic areas). 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).

Strategic considerations:

A detailed presentation of ETF Strategy and Objectives for each region is given in the ETF Work Programme 2005 Document.

Comments:

Activities planned for 2005 will support the Commission within the project cycle of EU programmes and provide expertise to specific Commission programmes where this is requested (item 3100). ETF will also continue to make available data and analyses on the impact of economic transition on vocational training needs and development in partner countries for use by Commission desk officers and policymakers (item 3110).

European Training Foundation BUDGET 2005

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	31	Priority actions: Work programme activities
Article:	310	Priority actions: Work programme activities
Item:	3100	Support to Commission: Input to the project cycle PHARE, CARDS, TACIS, MEDA

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
1,458,000.00	1,289,020.00	1,577,000.00	8.16%

Details:

As a centre of expertise, the principal role of the ETF is to respond to requests for support from the European Commission. This assistance can be delivered at the programming, identification, monitoring, evaluation or dissemination stages within the context of project cycle management. Such services are provided to five Directorates General within the European Commission (External Relations; Enlargement; Employment and Social Affairs; EuropeAid; and Education and Culture, the ETF's DG 'de tutelle'). ETF also works closely with the European Agency for Reconstruction. Due to the changing role of the ETF as a 'centre of expertise', the focus of activity has shifted away from the funding and management of initiatives towards the provision of know-how.

ETF support to the Commission will also involve more specific activities such as: providing expertise and services to EC Delegations in the monitoring of programmes; and support to system reform in partner countries when requested by the Commission.

Strategic considerations:

A detailed presentation of ETF Strategy and Objectives for each region is given in the ETF Work Programme 2005 Document.

Comments:

The provision of direct support to the Commission remains the highest priority for ETF in terms of investment of resources.

European Training Foundation BUDGET 2005

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	31	Priority actions: Work programme activities
Article:	311	Information Provision and Analysis through the National Observatory Network
Item:	3110	Information Provision and Analysis through the National Observatory Network

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
1,200,000.00	1,174,720.00	1,314,000.00	9.50%

Details:

This appropriation is intended to cover the costs associated with the provision and analysis of information and data in support of the European Commission and partner countries. In future Member States, the Western Balkans and Eastern Europe & Central Asia (EECA), this function is undertaken by the network of National Observatories. In the Med region other arrangements are in hand.

Strategic considerations:

A detailed presentation of ETF Strategy and Objectives for each region is given in the ETF Work Programme 2005 Document.

Comments:

ETF supports the development of structured and standard international information and analysis on vocational and labour market-related training in partner countries. According to the needs and capacities within each region, ETF also reinforces international-level information gathering and analysis as a long-term sustainable national function within partner countries. This is achieved by strengthening the capacities and outputs of national institutions to provide information gathering services such as assessment of vocational training and its links to the labour market and co-ordination of national stakeholder networks.

In addition, the ETF also uses the Observatory network to disseminate to its partner countries structured information about EU and Member State approaches and best practice in the field of vocational training. This project will be reviewed in 2005 in the Enlargement and Neighbourhood countries to bring it in line with changing needs of the ETF and its regulatory framework.

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 Candidate countries, Western Balkan, EECA regions 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.

European Training Foundation BUDGET 2005

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	31	Priority actions: Work programme activities
Article:	312	Development Activities - thematic areas
Item:	3120	Development Activities - thematic areas

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
960,000.00	1,072,226.00	1,051,600.00	9.54%

Details:

As the point of reference for the Commission and Member States on vocational training in the context of EU external aid, ETF must combine and up-date three different types of expertise. Taken together these constitute the ETF's added value: knowledge of the context and main processes of social and economic transition in the partner countries; of the key issues in the labour market and their impact on the development of skills and training, including best practice in the Member States; and of the Commission's external relations project cycle.

Strategic considerations:

A detailed presentation of ETF Strategy and Objectives for each region is given in the ETF Work Programme 2005 Document.

Comments:

A key priority for the ETF in 2005 will be to ensure the coherence between its investment in development activities which build up capacity in the partner countries and ETF over the medium term, and the provision of direct input into the Commission project cycle foreseen under Item 3100

**European Training Foundation
BUDGET 2005**

Title:	3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS
Chapter:	31	Priority actions: Work programme activities
Article:	313	Various costs linked to Work programme activities
Item:	3130	Insurance costs related to Work programme activities

Budget 2004	Budget 2004 <i>amended</i> *	Appropriations 2005	Change 2004/5
-	24,000.00	24,000.00	New

Details:

This appropriation covers insurance costs related to Work programme activities.

Strategic considerations:

Same as for article 2010.

Insurances covering general ETF functions are grouped in article 2010 of Title 2 while insurances required by operational activities are financed out of Title 3 (item 3130).

Establishment Plan

Categories and Grades	Posts	
	2004	
	Authorised (until 30 April 2004)	
	Perm.	Temp.
A1		-
A2		1
A3		2
A4		8
A5		15
A6		11
A7		16
A8		-
Total A	0	53
B1		1
B2		6
B3		10
B4		10
B5		10
Total B	0	37
C1		2
C2		2
C3		4
C4		4
C5		2
Total C	0	14
D1		
D2		
D3		
D4		
Total D	0	0
TOTAL	0	104
Total Posts	104	

Categories and Grades	Posts			
	2004		2005	
	Authorised (from 1 May 2004)		Draft Budget	
	Perm.	Temp.	Perm.	Temp.
A*16		-		-
A*15		1		1
A*14		2		2
A*13		-		1
A*12		8		7
A*11		15		15
A*10		11		11
A*9		-		4
A*8		15		11
A*7		1		1
A*6		-		-
A*5		-		-
Total A*	0	53	0	53
B*11		-		-
B*10		1		1
B*9		-		2
B*8		6		6
B*7		10		10
B*6		10		10
B*5		10		8
B*4		-		-
B*3		-		-
Total B*	0	37	0	37
C*7		-		1
C*6		2		2
C*5		2		2
C*4		4		4
C*3		4		3
C*2		2		2
C*1		-		-
Total C*	0	14	0	14
Total D*	0	0	0	0
TOTAL	0	104	0	104
Total Posts	104		104	