

1. SET UP OF THE AGENCY OR THE JOINT UNDERTAKING
European Training Foundation (ETF)

1.1. Creation of the Agency or Joint Undertaking

Decisions	Date	Missions / Tasks / Functions
Council Regulation (EC) No. 1360/90	7 May 1990	<p>(a) Provide assistance in the definition of training needs and priorities</p> <p>(b) 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>(c) On the basis of (a) and (b) above:</p> <ul style="list-style-type: none"> - Examine the scope for joint ventures of training assistance - Fund the design and the preparation of such projects - Implement, at the request of the Commission or of the eligible countries in cooperation with the governing board, vocational training programmes; <p>(d) For activities and projects which are funded by the Foundation: arrange for the appropriate public and/or private bodies with a proven training record and the necessary expertise to design, prepare, implement and/or manage projects on a flexible, decentralized basis;</p> <p>(e) In collaboration with the Commission, assist in the monitoring and evaluation of the overall effectiveness of training assistance to the eligible countries</p> <p>(f) 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>

1.2. Modification of the Agency or Joint Undertaking

Decisions	Date	Missions / Tasks / Functions
Council Regulation (EC) No.2063/90	27 July 1994	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.
Council Regulation (EC) No.1572/98	17 July 1998	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.
Council Regulation (EC) No. 2666 /2000	5 December 2000	Addition to ETF's geographic scope to include Albania, Bosnia-Herzegovina; Croatia; the Federal Republic of Yugoslavia, the Former Yugoslav Republic of Macedonia,

Council Regulation (EC) No. 1648/2003	18 June 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 December 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 development¹. The ETF's functions² under the recast regulation are to:</p> <ul style="list-style-type: none"> a) provide information, policy analyses and advice on human capital development issues in partner countries; b) promote knowledge and analysis of skills needs in national and local labour markets; c) support relevant stakeholders in partner countries in building capacity in human capital development; d) facilitate the exchange of information and experience among donors engaged in human capital development reform in partner countries; e) support the delivery of Community assistance to partner countries in the field of human capital development; f) 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; g) contribute, at the Commission's request, to the analysis of the overall effectiveness of training assistance to the partner countries;

1.3. Seat of the Agency or Joint Undertaking

Torino, Italy

1.4. Budget line(s) of the Agency or Joint Undertaking

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¹ Human Capital Development - Refers to the expertise field of ETF core business as per Article 1, paragraph 2 of Recast regulation

² Article 2 of Recast - The article also states that the ETF may also undertake such other tasks as may be agreed between the Governing Board and the Commission, within the general framework of its Regulation

2. STAFFING OF THE AGENCY OR JOINT UNDERTAKING

2.1. Staffing overview

	2008		2009	2010	
	Authorised under the Community Budget	Actually filled as at 31/12/2008	Authorised under the Community Budget	Agency request	PDB request
Establishment Plan posts: AD category	54	50	54	59	59
Establishment Plan posts: AST category	42	36	42	37	37
Total Establishment Plan posts	96	86	96	96	96
Contract Agents		31	34	33	33
Seconded National Experts		4	6	6	6
Total staff of the Agency	96	121	136	135	135

2.2. Staffing - Detailed situation

2.2.1. Detailed situation – Establishment Plan

Category	2008		2009		2010		2010	
	Filled as at 31/12/2008		Authorised under the Community Budget *		Request of the Agency		PDB request	
	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
AD 13				3		3		3
AD 12		7		8		5		5
AD 11		12		10		13		13
AD 10		3		5		4		4
AD 9		11		12		18		18
AD 8		7		10		4		4
AD 7		8		5		10		10
AD 6		1				1		1
AD 5								
Total AD category	0	50	0	54	0	59	0	59
AST 11								
AST 10				3		3		3
AST 9		5		8		6		6
AST 8		2		4		2		2
AST 7		7		7		7		7
AST 6		8		10		10		10
AST 5		2		4		4		4
AST 4		3		6		5		5
AST 3		3						
AST 2		6						
AST 1								
Total AST category	0	36	0	42	0	37	0	37
TOTAL	0	86	0	96	0	96	0	96

* As per Art. 32 of ETF financial regulation, the Governing Board has approved a shift of five posts from AST category to AD category in November 2008 resulting to a total of 59 AD category and 37 AST category.

2.2.2. Detailed situation – Contract Agents

Contract Agents	Recruited as of 31/12/2008	2009 estimate (*)	PDB 2010 estimate (*)
Function Group IV	3	3	3
Function Group III	16	17	18
Function Group II	12	14	12
Function Group I			
Total	31	34	33

(*) Number of contract agents in 2009 and 2010: estimate on the basis of average costs

2.2.3. Detailed situation – Seconded National Experts

Seconded National Experts	Recruited as of 31/12/2008	2009 estimate	PDB 2010 estimate
Total	4	6	6

3. OPERATING BUDGET OF THE AGENCY OR JOINT UNDERTAKING

3.1. Operating budget: revenues

REVENUES	2008	2009	2010		VAR 2010 / 2009
	Executed Budget	Estimated revenues of the agency	As requested by the agency	Budget Forecast	
1 REVENUE FROM FEES AND CHARGES					100.00%
2. EUROPEAN COMMUNITY SUBSIDY	17,984,000.00	19,872,000.00	19,460,000.00	19,460,000.00	-2.07%
<i>of which PDB</i>	17,984,000.00	14,772,000.00	18,282,000.00	18,282,000.00	23.76%
<i>of which assigned revenues deriving from previous years' surpluses</i>		5,100,000.00	1,178,000.00	1,178,000.00	-76.90%
3 THIRD COUNTRIES CONTRIBUTION (incl. EFTA and candidate countries)					100.00%
4 OTHER CONTRIBUTIONS	1,198,483.24				100.00%
5 ADMINISTRATIVE OPERATIONS					100.00%
6 REVENUES FROM SERVICES RENDERED AGAINST PAYMENT					100.00%
7 CORRECTION OF BUDGETARY IMBALANCES					100.00%
TOTAL REVENUES	19,182,483.24	19,872,000.00	19,460,000.00	19,460,000.00	-2.07%

3.2. Operating budget: expenditure

3.2.1. Commitment appropriations

EXPENDITURE	Executed Budget 2008	Budget 2009	Budget Forecast 2010	VAR 2009 / 2010
Title 1 Staff Expenditure				
11 Salaries & allowances (incl Staff Recruitement)	11,393,695.95	12,243,000.00	12,340,000.00	0.79%
13 Mission expenses	937,000.00	1,056,000.00	1,100,000.00	4.17%
14 Socio-medical infrastructure	172,943.48	210,000.00	210,000.00	0.00%
15 Staff Exchanges with public sector	197,273.91	300,000.00	300,000.00	0.00%
17 Receptions and events	10,871.98	10,000.00	10,000.00	0.00%
Title 1 - Total	12,711,785.32	13,819,000.00	13,960,000.00	1.02%
Title 2 Infrastructure and operating expenditure				
20 Rental of buildings and associated costs	612,937.48	700,000.00	645,000.00	-7.86%
21 Information and communication technology	527,183.46	600,000.00	550,000.00	-8.33%
22 Movable property and associated costs	35,420.39	65,000.00	32,000.00	-50.77%
23 Current administrative expenditure	120,489.46	200,000.00	159,000.00	-20.50%
24 Postage / Telecommunications	53,152.13	50,000.00	50,000.00	0.00%
25 Meeting expenses	136,802.12	135,000.00	135,000.00	0.00%
Title 2 - Total	1,485,985.04	1,750,000.00	1,571,000.00	-10.23%
Title 3 Operating expenditure				
30 Operational Expenses	823,358.42	735,000.00	659,000.00	-10.34%
31 Priority Actions: Work programme activities	2,703,102.38	3,568,000.00	3,270,000.00	-8.35%
Title 3 - Total	3,526,460.80	4,303,000.00	3,929,000.00	-8.69%
ETF - Total Subvention	17,724,231.16	19,872,000.00	19,460,000.00	-2.07%
Title 4 Revenue from other sources (Earmarked revenue)				
43 Cooperation with Italian institutions	691,564.47	pm	pm	-
Title 4 - Total	691,564.47	pm	pm	-
Title 5 MEDA-ETE (Earmarked revenue)				
5 MEDA-ETE	529,527.34	-	-	-
Title 5 - Total	529,527.34	-	-	-
Title 6 TEMPUS (Earmarked revenue)				
6 TEMPUS	163,239.06	-	-	-
Title 6 - Total	163,239.06	-	-	-
TOTAL EXPENDITURE	19,108,562.03	19,872,000.00	19,460,000.00	-2.07%

3.2.2. Payment Appropriations

EXPENDITURE	Executed Budget 2008	Budget 2009	Budget Forecast 2010	VAR 2009 / 2010
Title 1 Staff Expenditure				
11 Salaries & allowances (incl Staff Recruitement)	11,393,695.95	12,243,000.00	12,340,000.00	0.79%
13 Mission expenses	937,000.00	1,056,000.00	1,100,000.00	4.17%
14 Socio-medical infrastructure	172,943.48	210,000.00	210,000.00	0.00%
15 Staff Exchanges with public sector	197,273.91	300,000.00	300,000.00	0.00%
17 Receptions and events	10,871.98	10,000.00	10,000.00	0.00%
Title 1 - Total	12,711,785.32	13,819,000.00	13,960,000.00	1.02%
Title 2 Infrastructure and operating expenditure				
20 Rental of buildings and associated costs	612,937.48	700,000.00	645,000.00	-7.86%
21 Information and communication technology	527,183.46	600,000.00	550,000.00	-8.33%
22 Movable property and associated costs	35,420.39	65,000.00	32,000.00	-50.77%
23 Current administrative expenditure	120,489.46	200,000.00	159,000.00	-20.50%
24 Postage / Telecommunications	53,152.13	50,000.00	50,000.00	0.00%
25 Meeting expenses	136,802.12	135,000.00	135,000.00	0.00%
Title 2 - Total	1,485,985.04	1,750,000.00	1,571,000.00	-10.23%
Title 3 Operating expenditure				
30 Operational Expenses	581,512.04	735,000.00	659,000.00	-10.34%
31 Priority Actions: Work programme activities	2,443,710.19	3,568,000.00	3,270,000.00	-8.35%
Title 3 - Total	3,025,222.23	4,303,000.00	3,929,000.00	-8.69%
ETF - Total Subvention	17,222,992.59	19,872,000.00	19,460,000.00	-2.07%
Title 4 Revenue from other sources (Earmarked revenue)				
43 Cooperation with Italian institutions	996,379.64	pm	pm	-
Title 4 - Total	996,379.64	pm	pm	-
Title 5 MEDA-ETE (Earmarked revenue)				
5 MEDA-ETE	2,524,463.90	-	-	0.00%
Title 5 - Total	2,524,463.90	-	-	0.00%
Title 6 TEMPUS Technical Assistance (Earmarked revenue)				
6 TEMPUS Technical Assistance	890,616.29	-	-	0.00%
Title 6 - Total	890,616.29	-	-	0.00%
TOTAL EXPENDITURE	21,634,452.42	19,872,000.00	19,460,000.00	-2.07%

3.3. Budget outturn that should be reimbursed to the EU Budget

Entry of the amount of a first estimate of the budget outturn of 2008 that should be reimbursed to the EU Budget (as assigned revenue):

1,178,714.32

Calculation of the outturn

BUDGET OUTTURN ACCOUNT FOR THE FINANCIAL YEAR 2008

	2008	2007
REVENUE		
TOTAL REVENUE (a)	19,182,483.24	20,547,409.86
TOTAL EXPENDITURE (b)	21,634,452.42	23,348,961.35
OUTTURN FOR THE FINANCIAL YEAR (a-b)	-2,451,969.18	-2,801,551.49
Cancellation of unused payment appropriations carried over from previous year	+ 399,018.75	200,030.54
Adjustment for carry-over from the previous year from assigned revenue	+ 3,230,609.92	4,474,312.58
Correction adjustments to previous years for carry forward from assigned revenue	0.00	6,077.79
Exchange differences for the year (gain +/loss -)	+/- 1,054.83	-1,057.25
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	1,178,714.32	1,877,812.17

Justification of the 2008 outturn

There are two main justifications:

1. An amount of approximately €0.8m in appropriations that have been carried forward from previous year and not executed in 2008. This was due mainly to actual costs being less than originally estimated (eg, seminar and event organisation, missions, consultancy), and to a lesser extent due to services not received according to specifications and therefore not paid.
2. The carry forward of commitments of €2.7m from 2008 to 2009 results mainly in the decision to take advantage of dissociated credits for operational expenditure and allow cross-annual projects. A secondary reason is represented by commitments that had to be anticipated during 2008 for activities early in 2009 (for some projects, events as well as anticipation of software development costs in preparation for ABAC adoption). The figure of €2.7 is down from €3.3m in 2007-08 and when taken with a 98% commitment rate in 2008 reflects improved practices in planning and project execution.

4. JUSTIFICATION OF NEEDS OF THE AGENCY OR JOINT UNDERTAKING

Staffing The preliminary draft budget has been prepared to fulfil ETF's obligations under its recast regulation and the completion of its Mid Term Perspective for 2007-2010.

The subvention levels for the ETF in 2010 correspond to and are consistent with the summary of resources contained in the Commission's financial perspective for the ETF contained in the recast regulation and the ETF Mid Term perspective for 2007-2010³.

Financial Perspectives for the ETF 2008-10 (million) ⁴				
2007	2008	2009	2010	2010 Budget
19.7	17.984	19.872	20.271	19.460

Appropriations for 2010 would represent a decrease of 2% in Foundation's subvention compared to 2009, reflecting the development of activities following the adoption of the recast regulation. However the 2009 subsidy was partially covered by an amount of €5.1 m from previously returned funds⁵ cumulated over the period 2005-2007. As a direct consequence of the improved budgetary control of ETF and the removal of uncertainty factors, the execution of 2008 budget is considerably improved. Thus a larger part of the 2010 subsidy must be covered by the voted budget. Even if the ETF subsidy does not increase more than the inflation rate, a higher increase is observed in the amount requested to the Budget Authority as part of the general budget of the Community.

Maintaining a level close to the one stated in the mid-term perspective is particularly **necessary** in the current social and economic context in the partner countries, as it would mean that ETF would be able to perform more and higher quality activities in a moment when the tendency should be an increment of resources dedicated to the improvement of human capital development as a means for reducing the social impact of the crisis in employment in the short-term and preparing for an increase of competitiveness in the longer term, as highlighted by the European Commission in **European Economic Recovery Plan**.⁶

The ETF intends to maintain the overall 2009 staffing levels defined as adequate to support the implementation of its new mandate. A total of 135 posts for temporary, contract and local agents and seconded national experts would be deployed, corresponding to an estimated 128 FTE.

The reasons for having 10 posts out of 96 not filled on 31/12/2008 are as follows:

- I. TEMPUS related posts were to be filled only until June and while they represent posts in the establishment plan valid for the whole year in 2008, they logically could not be occupied after the end of TEMPUS technical assistance provision.
- II. On the basis of article 32 of the Financial Regulation, the ETF Governing Board, validated for 2009 a reduction in the Establishment Plan (given in §2.2.1) in the number of Temporary Agents Function Group AST (from 42 in 2008 to 37 in 2009) in favour of an increase in the number of Function Group AD (from 54 in 2008 to 59 in 2009). We had therefore to have those 5 AST posts vacant.
- III. In the light of the non approval in May 08 by the European Parliament in first reading of the proposed recast regulation, the Budgetary Authority envisaged to put in reserve close to Euro 2 Millions and 17 Temporary Agents on ETF's budget in 2009. The new Regulation (recast) was only published in the OJ on 31 December 2008.

All the above mentioned explains that, on 31 December 2008, ETF deployed 10 less Temporary Agents than its establishment plan would have allowed.

³ ETF Mid Term Perspective 2007-10. ETF GB-07-012, Annex 1

⁴ COM (2007) 443 final, 4.1.1 Summary of Resources.

⁵ C5 funds corresponding to appropriations returned by ETF during 2005-2007, mainly related to existence of a reserve in 2007 (released relatively late during the year), incertitude of the TEMPUS programme and of approval of recast regulation

⁶The second pillar (of EERP) rests on the need to direct short-term action to reinforce Europe's competitiveness in the long term(...It...) means investing in the **right skills for tomorrow's needs**;...(among other areas).pg. 2 COM(2008) 800 final. See also the ILO forecast considering the potential impact of the financial crisis on the employment in the partner countries.

In December 2008, the European Parliament cleared ETF's recast regulation and consequently the 2009 possible budget reserve was not implemented. Therefore in 2009 vacant positions could finally be gradually filled. This process started already with 1 new colleague starting early 2009 and 2 to start in April (3 HCD specialists posts AD level). This process of filling in the establishment plan is still currently ongoing and additional job offers at AD level in particular for HCD specialists/senior specialists will be made up to the available budgetary appropriations as approved.

The subvention enables the ETF to achieve the deliverables for the partner countries and the Commission required by the recast regulation. Outcomes for the ETF in 2010 represent a 25% increase in deliverables over the corresponding number for 2008 and a 2% increase over 2009. Achieving these deliverables involves assisting countries for longer and more closely than under the previous assistance programmes and regulation - as well as the improved development and dissemination of lessons to the Commission and engagements in national and international networks.

The impact on the ETF staffing was highlighted by the Commission in its proposal for the recasting of ETF's regulation, that 'the wider thematic scope as well as the focus on information and policy analysis tasks (with a parallel reduction of project management as from 2008) should represent a more labour intensive work that is expected to require an important investment on behalf of the ETF in terms of staff training and qualification'⁷. The preliminary draft budget reflects this investment by consolidating the expertise available to ETF's operations at AD 11 and AD 9 levels and while reducing the numbers at AD 8, 10 and 12 levels.

This redistribution focuses ETF's expertise more clearly on the broader thematic mandate of lifelong learning and its links with the labour market with a stronger emphasis to capacity building and policy analysis than in the past. This includes more specialised assistance to the Commission and to partner countries in the definition and implementation of strategies aligned with national policy priorities. This ensures ETF actions correspond to the shift of EU external assistance from project assistance to policy support within the Instrument for Pre-Accession, the European Neighbourhood Partnership Instrument, Development and Co-operation Instrument and a sector programme based approach to international aid in general.

The emergence of a stronger external dimension of internal EU policies⁸ in the area of human capital development, particularly as a result of the external impact of the EU's education and training 2010 programme for member states, eg, the external dimension of the European Qualification Framework is anticipated to have a stronger impact on ETF activities during the mid –term perspective 2010-2013.

In term of Human Resources, the breakdown of staff necessary for the implementation of the recast is 96 Temporary Agents, 34 Contract and Local Agents and 6 Seconded National Experts would be deployed. These would be based in Turin with one liaison officer in Brussels. The equivalent 128 FTEs are expected to be distributed as follow:

Jobs in category	Total
Experts	44
Professionals	32
Managers	11
Coordinators	2
Administrative Supports	39
Total	128

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- These categories can be described as follows:
- **Service functions**
 - **Administrative support** functions are occupied by people who facilitate the efficient and effective functioning of ETF activities by carrying out a large number and variety of administrative and organisational tasks.
 - **Professional** functions are occupied by people who act autonomously in implementing the processes they are involved in and add value by their specific technical competences.
 - **Coordinator** functions are occupied by people who manage projects or processes of a similar nature and contribute to staff management by giving input for objective setting and appraisal to managers.
- **Management functions**

⁷ Brussels, 25.7.2007 COM(2007) 443 final

⁸ "Europe in the World" COM(2006) 278 final

- **Middle manager** functions are occupied by people who control multiple processes and manage the associated risks as well as related resources. They are the main people managers and can have sub-delegated financial authorisation for specific activities.
- **Senior manager** functions are occupied by people who supervise sets of projects, processes and middle managers. They define strategy, anticipate and mitigate the associated risks. They communicate at strategic level with stakeholders and politically sensitive counterparts. They are people managers and have financial authorisation responsibilities and assume the associated risks.
- **Core business expertise functions**
These functions relate directly to the ETF's mission as a centre of expertise on human resources development and cover all related expert jobs.
 - **Expert** functions are occupied by people who contribute to the continuing development and recognition of the ETF as a centre of expertise by developing, applying, promoting and sharing technical knowledge and competence recognised by peer organisations.

Title 1

The 2010 establishment plan reflects the consolidation (underway since 2006) of the expertise profile of ETF staff. The recast regulation reduces the emphasis on project management functions in vocational training and introduces the need for stronger policy and capacity development expertise in human resource development in a lifelong learning perspective. The shift is part of a series of adjustments arising from the Commission's Communication on the ETF following its external evaluation in 2006⁹ and will be fully deployed during the Mid-term Perspective 2010-2013.

Title 1 will be slightly increased (1.02% - €13.96m compared to €13.82m in 2009) due to expected higher filling of posts (estimated FTE of 93 compared to expected 91 in 2009 for TA and 30 compared to 28 for CA). This higher rate is likely to be achieved because with its new mandate ETF enters a more stable state, allowing longer term investment in staff. The increase of approx 4% in mission budget has a double cause, the main one being the higher occupation rate expected in 2010 (which will correspond in an increased number of expert/operational staff) and the other being the teamwork approach, promoted due to the benefits observed during current activities. In line with the broader thematic scope and the enhanced policy-driven interventions promoted in the new Regulation, ETF work requires now a more continued dialogue type of interventions compared with capacity-building and dissemination events that characterized ETF work under the previous regulation.

Title 2

In Title 2, based on the actual amounts spent in 2008, a revision of planned expenditure has been conducted, resulting in a decrease of 10% compared to 2009. It is estimated that the contracts that will expire will be replaced by contracts with similar conditions, (mainly site contract, while technology contracts could be expected to decrease in cost); Introduction of new telephone technology (VOIP) would be balanced by a reduction in the communication costs. The introduction of ABAC (which will take place during 2009) might generate some additional need for local system re-alignment, should it not be completely dealt with during 2009.

⁹ COM(2006) 832 final of 19.12.2006

Title 3

Title 3 operationalises the ETF expertise supported by title 1. While title 3 reflects the external projection of ETF's activity, there should always be considered that a considerable part of Title 1 (corresponding to expert profiles) has a direct impact on the operations of ETF.

In 2010, ETF will serve three strategic actions that will support the conclusion of the current the Mid-term perspective and provide a basis for work under the recast regulation during the period 2010-13¹⁰. These are:

1. providing support to partner countries to place vocational education in a lifelong learning context more closely linked to the labour market;
2. preparatory actions to enable ETF to respond to requests from the Commission to provide support, when agreed by the Governing Board, to countries outside its present group of partner countries covered by a Community Instrument or international agreement.
3. providing support to the Commission when requested on issues related to the external dimension of internal policies of the EU, including activities following on from the Lisbon Strategy, in particular the Bordeaux Communiqué of 2008¹¹ and other policies with a human capital dimension.

ETF Activities in 2010 will focus on three main external assistance instruments: IPA, ENPI, and DCI (Central Asia) regions and the development of evidence based policy lessons.

Distribution of resources in 2010

The distribution of resources under title 3 is as follows:

- Support to activities under the Instrument for Pre-accession 32.5%
- Support to activities under the European Neighbourhood Partnership Instrument 32.5%
- Support to the Development and Co-operation Instrument 15%
- Support to Innovation and Learning 20%

Based on the external evaluation report, ETF experience and the planning and experience of the MTP, the ETF's main functions are the provision of policy analysis and advice, capacity building and input to Community assistance. These account for approximately 83% of resources and 86% of ETF outcomes. Dissemination, information exchange and evaluation of training assistance contribute to these. The ETF's distribution of resources is as follows:

- 20% education policy analysis and support
- 24% partner country policy capacity building;
- 39% input to Commission sector programming and project cycle;
- 10% dissemination and networking;
- 3.5% information exchange among donors and international organisations;
- 3.5% evaluation of training assistance.

¹⁰ ETF Recast regulation. Article 1 (a-c); article 14.

¹¹ The Bordeaux Communiqué of November supports greater co-operation on the Copenhagen process with non member states.

In 2010, the outputs for the ETF will be as follows¹²:

ETF Function	Outputs			
	2008 ¹³	2009	2010	
Policy reviews and analysis	55	€2.875m	10	€3.815 m
Capacity Building	67	€2.875m	91	€3.814 m
Support to programme cycle	36	€4.672m	23	€6.201 m
Dissemination and Networking	10	€1.198m	20	€1.590 m
Effectiveness ¹⁴ analyses	9	€0.359m	2	€0.477 m
Innovation and Learning	14	€2.995m	9	€3.975 m
TOTAL Core business	191	€14,974 m	155	€19,872 m
Technical Assistance Tempus III		€1.6 m		
Repatriation		€1.15 m		
Total Budget		€17.724m		€19.460

The number and type of units corresponding to each category varies from country to country, and from year to year. Most of the activities are responses to direct requests made by the Commission services or to projects approved by the GB in the annual WPs. The expected number and type of outputs for the period 2008-2013 were defined in 2007, before the drafting of the WP and in 2008 have been used as a tool to measure the interventions in the different functions. Despite there is a discrepancy in the number of some outputs produced in 2008 (a higher number of smaller activities) we assume that the trend (2009-2013) is towards the number and size of outputs as they were defined in 2007. In 2009 we will have a second year of evidences allowing to decide if the perspective for the period 2011-2013 needs to be adjusted or remains as planned in 2007. Effectiveness analyses also respond to a specific request, usually from Delegations, based on assessing the impact a specific EC funded project has had into the reform of a specific country. Due to the fact that most of the projects finalised before 2008 corresponded still to the previous EC Relex instruments, their size was still small and project-based. However, with the new instruments, it is expected that these types of analyses will be bigger and therefore fewer (instruments move from project to sector-wide type of interventions). Since 2008 Innovation and Learning projects tend to be planned for several years and therefore also size and unit cost will be bigger (most of them will be completed in 2010 or 2011). Results for 2008 still reflect outputs for smaller one-year projects and therefore this fact affects size and unit cost.

Article 2 of the ETF regulation (recast)¹⁵ defines the functions ETF shall have for the purpose of achieving the objective of the Foundation (as set in art.1). In the Mid-Term perspective 2007-2010, ETF already anticipated these functions and defined standard **outputs** corresponding to each type of function. These outputs demonstrate how the functions are undertaken in ETF's partner countries. In particular, they demonstrate the types of policy analysis, advice and information ETF develops for partner countries in order to achieve its goals; the types of support activities it provides to partner country stakeholders to achieve these goals; how information exchanges and dissemination of experiences are undertaken to achieve the goals; as well as how the ETF co-operates with other donors, and the support it provides to Commission services in the area of human capital development.

¹² Outputs as projected for the ETF under its Recast regulation. Brussels 25.7.2007 COM 443 final: annex 1

¹³ In 2008 there are presented the **actual** number of outputs, higher than the planned, given the increased number of lower labour intensive and budget services requested by the Commission during the year. In 2008 we have started to count the number of outputs with the categories corresponding to the new functions included in the regulation (recast), and the result is what appears in the table. Since DG ELARG and DG EMPL requested a number of analyses (Country Analyses) and policy notes (input into Progress Reports), more and smaller than the comprehensive Human Capital Reviews foreseen in the mentioned Annex to the recast proposal, the total figures differ from what was initially planned in 2007. Similarly, in what concerns to support to the Commission project cycle. However, in qualitative terms, the increase is focused on the policy driven intervention and less on the capacity building and dissemination activities. For 2010 we keep the initial figures assuming that the medium-term trend will gradually confirm the figures presented in the financial perspective until 2013. The results in terms of outputs in 2009 will confirm whether this assumption is correct or it needs to be corrected according to 2008 and 2009 actual figures.

¹⁴ Provided on request to Commission Services

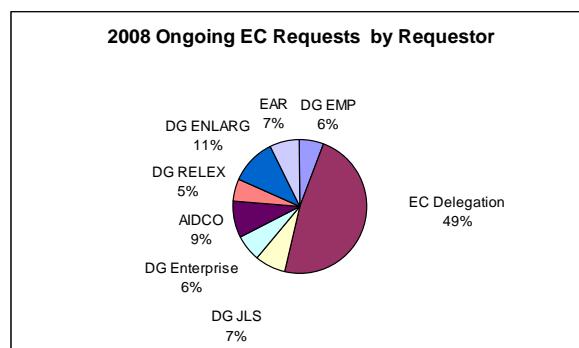
¹⁵ Regulation (EC) 1339/2008

Examples of Means of undertaking functions

HRD policy review	Data collection and analysis	<ul style="list-style-type: none"> ▪ Surveys and questionnaires, ▪ Review and Analysis of country data, ▪ Comparative analysis of education and labour market and social data
	Analysis and review of HCD options and priorities in context of specific policy problems	<ul style="list-style-type: none"> ▪ Identification of human capital related problems requiring policy, ▪ Presentation or analyses of evidence relating to problems ▪ Identification of alternative courses of action appropriate to the country to address the problems ▪ Identification and agreement of criteria for the selection of approaches to addressing problems ▪ Identification of outcomes arising from approaches and trade offs associated with different approaches
	Implementation assessment	<ul style="list-style-type: none"> ▪ Review of progress of implementation of reforms
Capacity Building actions	Peer learning	<ul style="list-style-type: none"> ▪ Peer learning activities
	Peer reviews,	<ul style="list-style-type: none"> ▪ Peer reviews,
	Training Seminars,	<ul style="list-style-type: none"> ▪ Training related to specific methodologies or themes associated with developing the skills of institutions, groups of institutions, stakeholders and individuals
	Action research projects,	<ul style="list-style-type: none"> ▪ Action research project – aimed at either a specific area, problem or at system level
	Case studies	<ul style="list-style-type: none"> ▪ Development of examples of policies and their implementation in relevant human capital areas – usually involving publications
	Focus groups	<ul style="list-style-type: none"> ▪ Short duration discussion groups related to specific issue – usually leading to a report aimed at providing insight to a problem that can be included in a policy response or action
	Thematic groups,	<ul style="list-style-type: none"> ▪ Establishment of group in country or at multi-country or regional level – possibly supported by international experts or linked to assistance project to deal with a specific technical theme, eg, teacher training or statistics or labour market.
	Structured dialogues with partner country stakeholders	<ul style="list-style-type: none"> ▪ Establishment of group in country to follow an issue or problem over a period of time with a view to generating an appropriate approach to the issue in the country– possibly supported by international experts or linked to assistance project to deal with the development or implementation of a policy issue
	Training networks	<ul style="list-style-type: none"> ▪ Linking up groups of individuals and

		stakeholders that have participated in ETF capacity development actions and maintenance of connections between them through the distribution of information and meetings
Support to programming cycle	Contributions to development of sector programmes, and contributions to Commission project management cycle, eg, project identification; monitoring and evaluation	<ul style="list-style-type: none"> ▪ SWAP support and preparations ▪ Project identification ▪ Logframe analysis ▪ Analysis of needs ▪ Project Fiches and terms of reference
Dissemination and Networking	Activities promoting collaborations between partner countries or partner countries or between donors or combinations of these	<ul style="list-style-type: none"> ▪ Study tours ▪ Regional meetings ▪ Donor meetings ▪ Communities of practice ▪ Social Networking actions to create communities of interest, eg, through the use of internet – such as Facebook/You Tube and similar/wikipedia ▪ Collaboration with related international agencies ▪ Conferences ▪ International working groups
	Publications,	<ul style="list-style-type: none"> ▪ Publications,
	Conferences	<ul style="list-style-type: none"> ▪ Conferences
	Audio-visual content development and distribution	<ul style="list-style-type: none"> ▪ Audio-visual content development and distribution through the web
	Workshops	<ul style="list-style-type: none"> ▪ Workshops at national or regional level related to a specific topic
Effectiveness analysis	Evaluation, contributions to specific analyses and evaluations requested by the EC	<ul style="list-style-type: none"> ▪ Evaluations ▪ Contributions to impact assessments ▪ Participation in missions on behalf of the Commission in support of the Commission ▪ Preparing specific reports on behalf of the Commission

For example, the 39% input to the Commission sector programming and project cycle mentioned above refers to the direct request that the Commission Services (at Headquarters or at Delegation level) request once the WP is already being implemented. Sometimes the requests are already anticipated before the approval of the WP and then they are concretised during the implementation, sometimes they are requested during the year without previous anticipation. The following table shows the aggregated data of direct requests in 2008:



	2008	2007	2006
Programming	12.5	37	40
Identification	11.5	10	10
Formulation	23	16	4
Financing	0	1	0
Implementation	5	8	4
Monitoring	12	9	10
Evaluation	4	3	2
Content Review	4	2	0
Policy Advice	36	29	6
Dissemination	3	0	0
Other	0	0	21
Total	111	115	97

	ENPI	DCI	IPA	
DG EMP	2		4.5	6.5
EC Delegation	16	8	29	53
DG JLS	8			8
DG Enterprise	4		3	7
AIDCO	1	9		10
DG RELEX	4	1	1	6
DG ENLARG			12.5	12.5
EAR			8	8
Total	35	18	58	111

In respect to external evaluations, DG EAC commissioned an evaluation in 2006, which was followed by a Communication by the Commission validating the results. In 2009 DG ADMIN is currently implementing a cross-agency evaluation. DG EAC plans to contract a new external evaluation in 2010. In addition, ETF undertakes annually a number of evaluations on projects or county plans, which are also contracted to independent evaluators, as well as results-oriented monitoring.

5. BUILDING RENT BY THE AGENCY OR JOINT UNDERTAKING

City	Building	Surface area (square metres)	Annual rental in euros	Host country grant or support	Agency owner ?	if yes present value	Other comments
Torino	Villa Gualino	6.000	1		No		The building is provided by the host government. The costs of the renovation were provided partly by the host government and by the European Union. The EU contributed 5,000,000 euros
Brussels	Tour Madou	16	5500 + annual indexation	NO	No		

6. PRIVILEGES AND IMMUNITIES

Agency Privileges	Privileges granted to Staff	
	Protocol of Privileges and Immunities / Diplomatic Status	Education Day Care
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 restructuring the premises to be used, ETF to pay a symbolic rent, ETF to part	Staff immune from legal proceedings for acts performed in the exercise of their official duties.	No provision in Site Agreement.
General support is provided by Italy against unauthorised access or other forms of disturbances to the premises.	Staff exempted from taxes on salaries and emoluments paid by ETF.	
ETF is authorised to install and operate communications systems.	Staff, spouses and dependent members of family not subject to immigration restrictions or registration formalities for foreigners.	
ETF official communication are not subject to any restrictions or to confidentiality breaches.	For currency exchange staff have the same privileges as officials of equal rank in the diplomatic missions.	
The Protocol of privileges and immunities is applicable to ETF.	Staff, spouses and dependent members of family receive assistance for repatriation in the event of international crises.	
ETF, its assets and funds may not be subject to administrative or legal measures of constraints.	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	
Premises (including temporary premises) and buildings are inviolable, except in case of emergencies/ fire.	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.	
ETF, its assets and funds are exempt from taxes or direct duties, except for taxes on public services.	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.	
ETF is exempt from the payment of VAT for all purchases of goods or services or for imports above 259 Euros.	Staff, who are 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.	
ETF imports and exports are exempted from customs duties, taxes, prohibitions or restrictions.	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.	
Goods transported as hand baggage are treated as diplomatic luggage.		
ETF vehicles are exempted from any taxes, duties or fees or from any import prohibitions/ restrictions.		
ETF exempted from payment social security and health insurance contributions on salaries paid to staff, except for local agents		