

ETF Policy

Towards an ETF efficient and flexible response to requests for assistance

Background

To fulfil its mandate¹ the ETF provides policy advice and expertise to support EU investments in the Human Capital Development (HCD) domain.

The ETF Strategy 2027 strengthens and ensures the agency relevance and impact through its renewed strategic goals:

- Human Capital development Hub
- Asset for the EU Member States
- Long-term reference and support to partner countries
- A reference EU Agency

Realising that the above Strategy requires a nuanced balance of expertise, flexibility and focus, leveraging EU investments for transformative impact in human capital development across neighbouring regions, the ETF is timely and flexibly responsive to *ad-hoc* requests for assistance.

Additionally, to engage with EU and external partners, the Strategy 2027 provides ETF with a landscape of opportunities and challenges. Tailoring projects to these opportunities, while maximising ETF's expertise, ensures swift delivery within its mandate, fostering partnerships and enhancing project results/outcomes.

In accordance with the Internal Audit Service's recommendations², the ETF and the EC shall continue investing in joint prioritisation thus enabling anticipation of policy direction while contributing in the most efficient and timely manner to the EU external policies.

The ETF and EC collaboration, indeed, magnifies reach, efficiency and EU influence, showcasing a strategic model of leveraging technical expertise and networking for substantial reforms in human capital development transformation and policy dialogue.

The punctual information to EC services, namely DG EMPL being the ETF's Partner DG³, and their ex-ante endorsement is a fundamental pre-requisite for the ETF involvement in all requests for assistance the Agency may receive. Follow up on ad-hoc requests providing for an extra subsidy will be duly justified by the special nature of the action and the specific expertise of the ETF.

Scope of the Policy

The scope of this Policy is to request the Governing Board adoption of the ETF outlined approach to respond to requests for assistance to be managed in compliance with its regulatory framework and relevant contractual instruments.

¹ Regulation (EC) No 1339/2008 of the European Parliament and of the council of 16 December 2008 establishing a European Training Foundation (recast)

² Final audit report on cooperation and coordination mechanisms between the European Training Foundation (ETF) and the European Commission (EC) services - (IAS.B3-2021-Y ENT-001)

³ DG EMPL maintains the responsibility to disseminate the information to other relevant DGs and coordinate response(s) among EC services - Ref note (ARES(2022)8156827 – 22/11/2022)

The ETF regulatory framework aligned to requests for assistance

The ETF regulatory framework including financial regulation, underpins the operational work, ensuring compliance with the ETF mandate whilst providing for diverse assistance to specific requests and activities.

Requests may range from policy advice requests to EU institutions, EC services and departments, EU Delegations, EU bodies and/or other entities active in the Human Capital Development (HCD) domain, to the input in project's cycle phases, sharing of services till other ad hoc specific requests.

The ETF has capitalised on the experience gained by managing, over the last years, diverse requests for assistance which will be embedded in the present Policy in terms of proposing a fully structured approach for the management of incoming future requests whilst ensuring completion of the activities still ongoing.

In structuring response to incoming future request the ETF has also considered the exception granted to the agency as result of the pillar assessment.

In accordance with its regulatory framework, the ETF may receive and process the following types of requests for assistance:

1. Request for assistance to the EU via the EU requests

In accordance with the ETF mandate article 2(e), Functions, the ETF supports, *inter alia*, the delivery of Community assistance to partner countries in the field of human capital development.

The EC opinion on the ETF Single Programming Document (SPD) and annual Work Programme in the last years confirms and highlights the importance for ETF to maintain its responsiveness in terms of support and advice to the EU, as well as encourages the Agency to keep the current level of flexibility in the response.

In the framework of its support to the EU, the ETF has developed the notion of **EU requests**⁴ which may be defined as any type of request received in a written form by EU institutions, EC services and departments, EU bodies and Delegations.

Two requests may be identified therein:

1.1 EU requests within the ETF subsidy

These requests are addressed and implemented within the limit of the ETF subsidy and are dealt with by the ETF human and financial resources.

1.2 EU requests providing for an extra-subsidy

1.2.1 Requests for assistance by the European Commission including an extra subsidy

These requests emphasize the strategic use of external funds, ensuring compatibility with the ETF mandate and enhancing ETF's ability to undertake additional tasks.

In accordance with Article 7 and article 20.2(e) of the Framework Financial regulations (FFR), the Commission may address extra subsidy requests for support to ETF when:

- justified by the special nature of the action and the specific expertise of the ETF;
- when the tasks to be implemented fall within the scope of the ETF's objectives and are compatible with its mandate;
- and if the tasks to be performed do not form part of the those assigned to the ETF in the mandate and financed by the annual subsidy granted by the Union.

⁴ The notion was developed in *Toolkit EU requests*.

Provided that the above specific conditions are met, the Commission and the ETF may conclude relevant agreements,

An ex-ante interservice consultation will be conducted in line with the EC note (ARES(2022)8156827 – 22/11/2022) outlining the coordination role of ETF's Partner DG.

The ETF Director shall inform the Governing Board members before signing any agreement referred to above.

1.2.2 Requests for assistance by (departments) of Union institutions and/or Union bodies including transfer of appropriations (extra subsidy) or recovery of costs

These requests outline a structured and streamlined approach to transfer of appropriations or the recovery of costs from Union institutions and/or Union bodies, enhancing the ETF service provision capabilities and financial flexibility.

In accordance with Article 43 of the ETF Financial Regulation as well as of the FFR⁵, the ETF may receive requests and conclude relevant agreements, laying down the conditions governing the provision of services, supply of products, execution of works or of building contracts, from (departments) of other Union institutions and/or Union bodies who are acting in order to facilitate the implementation of their appropriations.

These agreements shall enable the transfer of appropriations (extra subsidy) towards the ETF or the recovery of costs, which result from their implementation.

2. Other requests

In accordance with the ETF regulatory framework, the ETF may receive requests for assistance involving external revenues to be used to finance specific items of expenditure.

These requests open avenues for financial contributions from various external partners, enhancing the ETF and EU global influence in HCD through strategic project funding.

Such requests have a potential for innovation and growth through collaborative projects. The requests must be implemented considering the capacity of the Agency and the core priorities of its strategy and its mandate.

The Global Europe instruments the Global Europe strategy and Team Europe approach further reinforce the ETF's internationalisation capacity and potentially its thematic scope, by funding new actions.

In particular, the ETF may receive:

2.1 Request from Member States and third countries

In accordance with article 20.2 (a) of the FFR, the ETF may conclude Agreements to receive external revenues which can be constituted by *financial contributions from Member States and third countries, including in both cases their public agencies, entities, or natural persons, to certain activities of the ETF insofar as this is provided for in the agreement concluded between the ETF and the Member States, third countries or the public agencies, entities or natural persons in question.*

2.2 Requests from international organisations

The same provisions referred to in article 20.2 (b) of the FFR also applies to international organisation in accordance with letter (b). Hence the ETF may conclude relevant agreements with such organisations.

3. Main principles and requisites of the ETF responsiveness

⁵ Also in accordance with art 59 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

The ETF capacity to respond promptly and smoothly to received request for assistance and provide related services, shall be aligned to the following:

3.1 Principles

- Sharing among the partners, EU values, mutual focus, trust, equity and equality, integrity and transparency
- Aiming, among the partners, to cost-effectiveness, concreteness, and measurability of the actions
- Be duly justified by the special nature of the action and specific expertise of the ETF.

3.1.1 Pre-requisites for the opportunity analysis of the requests

- Accordance with EU priorities;
- Coherence with the ETF regulatory framework;
- Thematic and geographic coverage as per the ETF mandate and compliance with the 4 goals under the ETF 2027 strategy⁶;
- Relevance, positive impact and alignment with priorities set in the ETF SPD (e.g. advance the HCD related reforms in the ETF Partner Countries; opportunity to further increase the wider influence of EU in the HCD agenda; implementation challenges);
- Continuous communication, coordination, information and reporting with/to the Commission through liaison with its partner DG (DG EMPL);
- Accomplishment of a risk analysis to assess potential reputational impact, conflicts of interest, drain on resources and implementation challenges;

3.1.2 Requisites of the requests for the negotiation

- Adequate allocation of human resources. Whether the ETF support relates to request for assistance going beyond the Work Programme activities and involving extra subsidy, the outline of the request shall also include provisions for additional and relevant human resources⁷ to carry on the given duties;
- Adequate allocation of financial resources;
- Comprehensive approach to procuring services. Specific provisions shall allow the ETF to make use of its existing framework contracts when applicable vis a vis ceilings and contract purposes. Alternatively specific procurement and contractual instruments shall be identified;
- Overall communication plan to be developed in order to differentiate between communication for the project implementation (to be funded by the project budget) and ETF strategic communication promoting the ETF and its expertise (to be funded from the subsidy);
- Monitoring, reporting evaluation and audits⁸ on the implemented activities, it shall be carried on in order to provide the ETF partner's DGs as well as the Governing Board with the assurance

⁶ As for the geographic coverage, the regular check is conducted for countries falling under art. 1c of the mandate, either via Annex 15 of the Single Programming Document or in case of urgency, through a GB written consultation.

⁷ For example, additional resources may be required for managing procurement, financial and administrative tasks as well as for communication (CAs). Expertise from service providers may also be needed.

⁸ Auditing may result from the ad hoc requests of the ETF partner proving the funds in accordance with contractual provisions. In any case the Court of Auditors will audit ETF activities financed by the annual subsidy as well as those financed by extra subsidy funds.

of full compliance with the regulatory framework and in accordance with the specific contractual instruments;

- Establishment of criteria ensuring sustainability, transferability and ownership of products and results of the activities performed under the projects;
- Compliance with intellectual property rights and copyright issues;
- Compliance with Data Protection Regulation to be ensured during the implementation of the activities.

Conclusions

This Policy is aligned to the ETF strategy 2027. Afterwards a revision will be needed unless an earlier revision is requested by the further experience gained in the course of the implementation.

The ETF will complete and enhance the existing procedural documents by establishing a renewed Procedure tailored to the implementation of the present Policy. Roles of the different actors, steps and stages of their actions will be described in the narrative part of the Procedure and accompanied by the relevant flowcharts.