

PROVISIONAL DRAFT ESTIMATE OF REVENUE AND EXPENDITURE AND UNDERLYING GENERAL GUIDELINES 2012

Background

This provisional draft estimate of revenue and expenditure sets out the financial framework for ETF's activities in 2012. It has been drawn up with reference to the human and financial resources foreseen for 2012 in the Legislative Financial Statement that accompanied the 2008 recast of the ETF's founding regulation¹. It is tailored to achievement of the objectives set out in the ETF's Medium-Term Perspective 2010-2013 presented to the Governing Board at its November 2009 meeting.

Once approved by the Governing Board, this provisional draft estimate of revenue and expenditure will be sent to the European Commission with no additional written procedure by 10 February 2011. It will then be used by the Commission services as a starting point for the 2012 budgetary procedure. The final Draft Estimate will be forwarded to the Commission by 31 March 2011 in accordance with Article 16.1 of the ETF's founding Regulation².

Underlying guidelines for the provisional draft estimate of revenue and expenditure 2012

In 2012, the ETF will continue to implement its Mid Term objectives for the 2010-2013 period.

As foreshadowed in the Mid Term Perspective, the ETF will continue to adapt its organisational processes to the broader mandate of human capital development and the external assistance instruments. Key features of the ETF's activities will include:

- the ongoing refinement of its human and financial resource allocations through the implementation of the performance management framework introduced in 2011,
- Reinforcement of its monitoring and evaluation process to draw lessons from its activities during the Mid Term Perspective.
- Consolidation of the ETF's Knowledge Management Strategy and the policy evidence base created through the Torino Process;
- Continuing adaptation of the ETF organisational structure, processes and support systems through the implementation of action plans resulting from the functional analyses of the ETF's Administratiatiion and Operations Departments conducted in 2010;
- Continued updating of ETF's physical and IT infrastructure.

² REGULATION (EC) No 1339/2008 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 December 2008 establishing a European Training Foundation (recast) (OJ L354 of 31/12/2008, p. 82)

ETF's resources will be directed to the achievement of its Mid Term Objectives for 2012, in particular,

- The provision of expertise to the Commission and Partner countries through the delivery of 144 outputs identified by the European commission for 2012;
- The implementation of the 2nd round of the Torino Process, including a mid term review of the process to identify areas for possible improvements;
- The organisation of Corporate Events related to the Commission's priorities, including the European Year of Active Ageing;
- Preparatory work for the implementation of recommendations identified by the external evaluation of the ETF scheduled for 2011;

Implications for the 2012 estimate of provisional draft estimate of revenue and expenditure

The provisional draft estimate of revenue and expenditure for 2012 builds on the experience of budgetary execution in 2010 and on the 2011 budget assumptions and follows the MTP for the period 2010-13.

In line with the overall Financial Perspective 2007-13³, the overall request for commitment and payment appropriations under the EU subvention in 2012 amounts to €20.3 million. The financial resources foreseen in the legislative financial statement for the period 2008-2012 and those actually received by ETF in 2008-2010 and requested for 2011 and 2012 are shown in the following table:

Year	2008	2009	2010	2011	2012	Total 2008-2012
Legislative Financial Statement	17.984	19.872	20.271	19.528	19.918	97.573
Actual/requested subsidy	17.984	19.872	18.99	19.85	20.3	96.996

This provisional draft estimate is based on the following:

- The indicative amount of €20.3 million represents an increase of 2.27% compared to 2011 and is the amount necessary to allow the ETF to accomplish its fourth full year of activity within the broader human capital development mandate and more challenging functions foreseen in the recast regulation.
- The ETF will focus its operational resources above all on achieving its expected mission and fulfilling its requirements in the countries eligible for the Pre-accession and Neighbourhood Instruments. In particular, the ETF plans to increase its investment in the provision of policy support and capacity building actions to partner countries and the delivery of programming and project cycle support in response to the increased scope of the new generation of EU external relations policies and instruments and related requests by Commission services for support, as agreed in the ETF mid-term perspective for the period 2010-13.
- In terms of human resources, for 2012 the ETF intends to maintain overall the 2012 staffing levels while striving to reduce the time jobs remain vacant and therefore increase the occupancy of jobs in terms of full-time equivalents. However, this contradicts the tight budget allocation for Title 1: ETF will therefore aim to deploy 134 temporary, contract and local agents and seconded national experts with an estimated full-time equivalent staff members of only 129.5. The difference between FTE and the number of staff members under contract is explained by part-time working, parental leave, unpaid leave and vacancies resulting from unplanned staff departures as well as voluntary delaying start of service of new staff due to the budgetary restrictions. These are expected to be distributed as follows:

³ See Annex – Point 8.1. Objectives of the proposal in terms of their financial cost in Proposal for a Regulation of the European Parliament and of the Council, establishing a European Training Foundation (recast) COM(2007) 443 final, Brussels, 27.07.2007

Contract types	Planned occupancy	Forecast FTE
Temporary Agents	96	92
Contract Agents	34	33.5
SNEs	2	2
Local Agents	2	2
Total	134	129.5

- As regards the direct support to operational activities under Title 3, Chapter 31, the ETF would follow the trend outlined in the MTP 2010-2013. This means an investment of some 32.5% for the IPA (candidate and potential candidate countries), a slight increase in Neighbourhood regions (20.3% for ENPI-South and 15.8% for ENPI-East, totalling 36.1% compared to 32.5% in the previous years), and 11% for activities in the Central Asian republics covered by the Development Cooperation Instrument. As in previous years, 20% of Chapter 31 will be invested in innovation and learning projects and activities.
- The ETF would also continue its investment in evaluation, monitoring and audit to the level of 10% of Chapter 31 as established.
- The broadening of the ETF's mandate set out in the recast regulation will also require investment in capacity development, both in terms of knowledge management and human resource systems. This will be addressed through a combination of the consolidation of the human resources strategy reinforced in 2011, the implementation of lessons learned from the innovation and learning project cycle, and the use of evaluations and feedback from Commission services and ETF stakeholder networks.
- The ETF will continue to develop a comprehensive and structured risk management process to support management decision making, including proportional and cost effective choices, and provide relevant information for establishing appropriate and proportionate risk control measures.
- The proposed distribution of expenditure across the three main budget titles (staff, infrastructure and direct project costs) can be found in annex. In addition, the earmarked expenditure will be added to the budget at a later stage to integrate other funds managed by the ETF (such as the Italian Trust Fund, and other projects that the ETF implements in the name of the Commission or Member States).

Revenue	2010	2011		2012	
		Amended Budget	Estimated revenues of the agency	Of which	
				Community contribution (Budget 2009)	Community Contribution (Assigned revenue)
1 Revenue from fees and charges					
2. European Community subsidy including contribution in kind	18,994,178	19,850,000	19,850,000		20,300,000 2.27%
3 Contribution from third countries - Italian trust fund	509,301				
4 Other contributions					
5 Administrative operations - MEDA-ETE	278,740				
6 Revenue from services rendered against payment					
7 Correction of budgetary imbalances					
Total revenue	19,782,219	19,850,000	19,850,000		20,300,000 2.27%

Expenditure - Commitment Appropriation		Amending budget 2010	Draft 2011 Budget	Orientations for 2012 subvention
TITLE 1	EXPENDITURE RELATING TO PERSONS WORKING WITH THE ETF			
Chap. 1 1	Staff in active employment	12,156,598	12,529,100	12,923,000
Chap. 1 3	Missions and travel	940,000	100,000	100,000
Chap. 1 4	Socio-medical infrastructure	184,770	131,230	120,000
Chap. 1 5	Staff exchanges between the ETF and the public sector	149,000	125,000	132,200
Chap. 1 7	Entertainment and representation expenses	14,000	12,000	12,000
Chap. 1 9	Pensions and pension subsidies	p.m.	p.m.	p.m.
TITLE 1		13,444,368	12,897,330	13,287,200
TITLE 2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE			
Chap. 2 0	Investments in immovable property, rental of buildings and associated costs	564,978	539,818	620,000
Chap. 2 1	Information and communication technology	671,257	584,670	580,000
Chap. 2 2	Movable property and associated costs	28,772	48,032	150,000
Chap. 2 3	Current administrative expenditure	111,424	102,950	110,000
Chap. 2 4	Post and telecommunications	34,722	35,200	45,000
Chap. 2 5	Meetings and associated costs	127,319	120,000	120,000
TITLE 2		1,538,472	1,430,670	1,625,000
TITLE 3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS			
Chap. 3 0	Operational expenses	760,327	1,017,500	1,050,000
Chap. 3 1	Priority actions : Work programme activities	3,088,833	3,632,000	3,437,800
Chap. 3 2	Operational missions		872,500	900,000
TITLE 3		3,849,160	5,522,000	5,387,800
TITLE 8	European Community contribution in kind	162,178		
	TOTAL EXPENDITURE ETF SUBVENTION	18,994,178	19,850,000	20,300,000
TITLE 4	REVENUE FROM OTHER SOURCES (Earmarked revenue)			
Chap. 4 3	Cooperation with Italian institutions	509,301	p.m.	p.m.
TITLE 4		509,301		
TITLE 5	MEDA - ETE (Earmarked revenue)			
Chap. 5 0	MEDA-ETE	278,740	p.m	p.m
TITLE 5				
	TOTAL EXPENDITURE ETF	19,782,219	19,850,000	20,300,000

Staffing of the agency:

a) Permanent and temporary posts:

Category	2010		2011		2012	
	Planned occupation for 31/12/2010		Request for 2011 Community budget.		Request of the agency	
	Permanent posts	Temporary posts	Permanent posts	Temporary posts	Permanent posts	Temporary posts
AD 16						
AD 15						
AD 14		1		1		1
AD 13				4		4
AD 12		5		4		9
AD 11		11		12		9
AD 10		3		4		4
AD 9		12		11		11
AD 8		4		5		4
AD 7		20		18		14
AD 6		1				
AD 5				2		2
Total AD category	0	57	0	61	0	61
AST 11						
AST 10				4		4
AST 9		6		6		6
AST 8		4		1		5
AST 7		5		6		6
AST 6		6		7		4
AST 5		2		1		3
AST 4		4		5		5
AST 3		5		2		2
AST 2		3		3		
AST 1						
Total AST category	0	35	0	35	0	35
TOTAL	0	92	0	96	0	96

b) Other staff

	2010 Planned for 31/12/2010	2011 estimate	2012 PDB
Contract Agents	32	34	34
Seconded National Experts	2	2	2
Local Agents	2	2	2