

PROVISIONAL DRAFT ESTIMATE OF REVENUE AND EXPENDITURE AND UNDERLYING GENERAL GUIDELINES 2013

Background

This provisional draft estimate of revenue and expenditure sets out the financial framework for ETF's activities in 2013. It has been drawn up with reference to the human and financial resources foreseen for 2013 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 2012. It will then be used by the Commission services as a starting point for the 2013 budgetary procedure. The final Draft Estimate will be forwarded to the Commission by 31 March 2012 in accordance with Article 16.1 of the ETF's founding Regulation².

Underlying guidelines for the provisional draft estimate of revenue and expenditure 2013

In 2013, 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 Administration and Operations Departments conducted in 2010 and finalised in 2011;
- Continued updating of ETF's physical and IT infrastructure.

ETF's resources will be directed to the achievement of its Mid Term Objectives for 2013, in particular,

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)

- The provision of expertise to the Commission and Partner countries through the delivery of 144 outputs identified by the European commission for 2013;
- 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 Citizens;
- Implementation of recommendations identified by the external evaluation of the ETF done in 2011.

Implications for the 2013 estimate of provisional draft estimate of revenue and expenditure

The provisional draft estimate of revenue and expenditure for 2013 builds on the experience of budgetary execution in 2011 and on the 2012 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 appropriations under the EU subvention in 2013 amounts to €20.737 million. The financial resources foreseen in the legislative financial statement for the period 2008-2013 and those actually received by ETF in 2008-2010 and requested for 2011 to 2013 are shown in the following table:

Year	2008	2009	2010	2011	2012	2013	Total
Legislative Financial Statement	17.984	19.872	20.271	19.528	19.918	20.320	117.893
Subsidy (CA)	17.984	18.800	19.298	20.350	20.247	20.737	117.416
Subsidy (PA)				19.850	20.247	21.237	

This provisional draft estimate is based on the following:

- The indicative amount of €20.737 million represents an increase of 2.42% compared to 2012 and is the amount necessary to allow the ETF to accomplish its fifth 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 2013 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 135 temporary, contract and local agents and seconded national experts with an estimated full-time equivalent staff members of 133.5. 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	95
Contract Agents	36	35.5
SNE	1	1
Local Agents	2	2
Total	135	133.5

- 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, being split between Evidence Based Policy Making and Thematic Expertise Development.
- The ETF would also continue its investment in evaluation, monitoring and audit to the level of 10% of Chapter 31 as established above.
- 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 2011-12, 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. To be noted that in order to match the additional Commitment appropriations of year 2011 (0.5m€) compared to the year's Payment Appropriations, the corresponding amount will be needed in Payment Appropriations during 2013, allowing ETF to finish the 2010-2013 MTP in balance and to pay for previous engagements. In addition, any earmarked expenditure will be added to the budget at a later stage to integrate other funds managed by the ETF (such as the Italian Trust Fund, and other projects that the ETF could implement in the name of the Commission or Member States).

ANNEX

Financial resources of the Agency

ETF subvention	Appropriations		
	Budget 2011 CA (PA)	Draft Budget 2012 CA (PA)	Planned Budget 2013 CA (PA)
Title 1	12,897,330	13,725,000	14,487,000
Title 2	1,430,670	1,535,000	1,500,000
Title 3	6,022,000 (5,522,000)	4,987,000 (4,987,000)	4,750,000 (5,250,000)
TOTAL EXPENDITURE	20,350,000 (19,850,000)	20,247,000 (20,247,000)	20,737,000 (21,237,000)

Staffing of the agency:

a) Permanent and temporary posts:

FUNCTION GROUP	GRADE	Establishment Plan 2011	Establishment Plan 2012	Establishment Plan 2013
AD	16			
	15			
	14	1	1	1
	13	4	4	4
	12	4	8	8
	11	12	10	10
	10	4	3	3
	9	11	11	11
	8	5	9	9
	7	18	12	12
	6			
	5	2	3	3
Sub-total Function Group AD		61	61	61
AST	11			
	10	4	5	5
	9	6	4	4
	8	1	5	5
	7	6	6	6
	6	7	2	2
	5	1	4	4
	4	5	3	3
	3	2	4	4
	2	3	2	2
	1			
	Sub-total Function Group AST		35	35
TOTAL TA posts		96	96	96

b) Other staff

	2011 Estimated	2012 Requested	2013 Planned
Contract Agents	34	36	36
Seconded National Experts	2	1	1
Local Agents	2	2	2