



2008 ESTIMATE OF REVENUE AND EXPENDITURE

The European Training Foundation (ETF) is a specialised agency of the European Union based in Turin, Italy.

The ETF¹ provides advice and assistance to the European Commission and 29 partner countries² for the reform of human resource development policies under the European Union's external relations instruments³.

The ETF provides services to a range of stakeholders and clients with shared interests in the contribution that human resource development can make to EU external assistance objectives. These stakeholders include European institutions such as the European Commission, the European Parliament, related European agencies, and EC Delegations, and policy stakeholders in partner countries. The ETF also works with the international donor community on the exchange of information and lessons learned in the assistance field.

ETF activities are guided by its Mid Term Perspective⁴ (MTP) which describes the priorities and actions it will follow during the 2007-10 period to support the reform of human resources in partner countries in the context of education and training and labour market developments within a lifelong learning perspective.

The ETF's activities over the mid-term (2007-10) comprise three main pillars of action and cover:

- Support to education and training reform by:
 - Contributing to the EU's enlargement process by supporting the modernisation and reform of education, labour market and training systems in candidate and potential candidate countries;
 - Contributing to prosperity and development in the European Neighbourhood region through cooperation and partnership in human resource policy development and implementation;
 - Contributing to human resource development in Central Asia;
 - Supporting the European Commission and partner country policy development through innovation and learning;
- Corporate communication of the ETF's activities, products and services; and
- Organisational learning: strengthening the ETF's knowledge and systems to support the delivery of Community assistance.

The latest phase of the Tempus Programme, Tempus III, which came into force in 2000 will come to an end during the period covered by the ETF's mid term perspective. Commission services are currently discussing a potential successor programme to Tempus III. The present phase expired at the end of 2006, and, as indicated in ETF's Mid-term Perspective 2007-2010, the management of Tempus

¹ The ETF was established by Council Regulation No. 1360 in 1990 to contribute to the development of education and training systems in EU partner countries.

² These countries are: Albania, Algeria, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Egypt, FYR Macedonia, Georgia, Israel, Jordan, Kazakhstan, Kosovo as defined in UNSCR 1244, Kyrgyzstan, Lebanon, Moldova, Montenegro, Morocco, Russia, Serbia, Syria, Tajikistan, Tunisia, Turkey, Ukraine, Uzbekistan, and West Bank and Gaza Strip

³ The EU's external assistance programmes help developing and emerging economies achieve sustainable economic and social development through greater integration into the world economy and the reduction of poverty. The ETF provides support under the Instrument for Pre-Accession (IPA), the European Neighbourhood Policy Instrument (ENPI) and the Development and Co-operation Instrument (DCI)

⁴ The MTP is informed by three main policy sources i) the external relations instruments of the 2007-2013 Programming cycle – IPA, ENPI, DCI; ii) the anticipated new Council Regulation for the ETF; and iii) the Communication of the Commission to the Parliament, the Council of Ministers and the Economic and Social Committee on the ETF COM(2006) 832 final of 19.12.2006.

technical assistance is expected to be repatriated from the ETF to the Executive Agency for Education, Audio-Visual, and Culture in Brussels by the end of 2007. The current Annual Policy Strategy and Preliminary Draft Budget have been prepared on the repatriation assumption in the Mid-term Perspective. However, given that, at the time of drafting the Annual Policy Strategy, the Commission's definitive decision on repatriation has not yet been communicated to ETF, it is possible that some technical assistance activities may continue into 2008. The operational and financial implications of these changes would need to be introduced into ETF's planning when the 2008 draft Work Programme and draft budget are prepared during Autumn 2007.

As an agency of the EU, the ETF will also follow the priorities of the EU Presidency and the evolving policy and institutional context of the European Union, including any impact on the role and services required by the Commission from its agencies. In this respect, the ETF will ensure its expertise is available to the European Commission in support of policy initiatives on the broader contribution of the European Union to European society, security and transparency and key international issues such as globalisation and sustainable development.

Priorities

In the period 2007-10, ETF activities are prioritised around nine countries receiving assistance through the IPA and ENPI instruments⁵. The ETF's objectives⁶ and expected results will be to ensure that by the end of 2010:

- information, analyses, and policy advice improving human resource development in the context of EU external assistance have been provided by the ETF to the partner countries;
- partner country stakeholder capacities have been strengthened and result in more relevant education and training sectors;
- the ETF has facilitated the exchange of information and experience among donors engaged in human resources development reform in partner countries;
- the ETF's policy advice and programming analysis have improved the effectiveness and relevance of Community assistance programmes to partner countries in the field of human resource development; and
- the ETF's dissemination and networking activities transfer relevant policy lessons between EU Member States and partner countries and between partner countries, and provide opportunities for engagement with the EU's policies and programmes

ETF support under the external assistance instruments for the remaining countries will be mainly provided through information sharing (including cross country and regional dissemination), policy intelligence gathering, and the integration of partner countries into ETF networks. Where there is a specific request for assistance from the Commission or EC Delegations, the ETF will also provide policy advice and support in these countries. In addition, the ETF will also provide ongoing advice and capacity building support to the republics of Central Asia covered in the DCI instrument.

ETF activities in 2008

The ETF's activities in 2008 will be influenced by internal and external developments. Internal influences relate to the ETF's adaptation of its organisational capacities to meet the requirements of the new external assistance instruments. In 2008, this will involve a greater deployment of policy methodologies, such as preparatory actions in support of sector policy developments⁷, as part of its services. This will

⁵ Albania, Armenia, Azerbaijan, Egypt, Jordan, Kosovo, Morocco, Turkey, and Ukraine. Agreed with the European Commission during 2006 and confirmed by the ETF's Governing Board in November 2006.

⁶ EC Communication on the ETF, COM(2006) 832 final of 19.12.2006

⁷ Guidelines for European Commission support to sector programmes, February 2003

improve the ability of partner countries to maximise their opportunities for support under the external assistance instruments.

External influences relate to the twin challenges often faced by partner countries. Firstly, the number of years of education and training in partner countries is less than that required to support competitive GDP growth⁸; secondly, productivity gains from education are constrained by labour markets in which there is a lack of available skilled employment opportunities⁹. In this respect, there is a growing policy role for education and training to support policies that link education to broader economic areas, such as trade in relation to foreign direct investment.

In addition to capacity building and supporting community assistance in partner countries, external assistance is strengthening the relationships between partner countries and the EU's internal market, e.g. the European education and training space. The use of Member State experiences in the ETF's work promotes the EU as a reference for education and training. Similarly, policy and capacity development in education in many partner countries is increasingly undertaken in the context of pan-European approaches such as the Bologna process and the EU's Education and Training 2010 policy.

Finally, reform of education and training policies in partner countries is increasingly having an impact on the improvement of the quality of skilled labour seeking to migrate to the EU from partner countries.

Support to Education and Training Reform in 2008

In 2008, the ETF will maintain a commitment to cross cutting themes that contribute to overall education and training reform, social cohesion, and the growth of competitiveness in partner countries. These include projects to support frameworks and pathways for mobility in learning; education financing; capacities for improving employment and labour market efficiency; decentralisation in governance; the contribution of skills development to poverty reduction; and the continuing capacity development of stakeholders.

These relate to strategic objectives that will be achieved progressively during 2007-10. In 2008, the ETF's priorities and distribution of effort across the ENPI, IPA, and DCI instruments is stable and will remain largely unchanged from 2007.

In the enlargement area during 2008, the ETF will:

- increase the effectiveness of IPA by making the European perspective more tangible for partner countries in the area of human resource development;
- support education and training reform and employment policy by increasing the partner countries' capacity to steer reforms in the area of human resource development.

In the European Neighbourhood area in 2008, the ETF will:

- support EU services in the definition and implementation of its external policies by providing input to the project cycle;
- increase ENPI partner countries' capacities to design, implement and monitor the reform of human resource development systems.

In Central Asia in 2008, the ETF will:

- improve the relevance of the human resource development components in EU funded interventions in Central Asia by supporting the definition, preparation and impact assessment of EU funded interventions;
- increase Central Asian partner countries' capacities to review, design and implement the reform of human resource development systems.

⁸ For example, a child entering school in 2007 in an ETF partner country can expect to receive almost four years (3.9) less of formal schooling than a child entering school now in an EU15 Member State.

⁹ The percentage of the working-age population in formal non-agricultural employment is limited in many countries, ranging from between 10% and 30% in some partner countries.

New actions in the ETF's 2008 work programme will build on the migration and transition to employment innovation projects that come to an end in 2007 as well as addressing the contribution of human resource development to productivity and competitiveness, e.g. links between HRD and foreign direct investment and the relationship of gender participation in the economy to economic growth.

Additional activities will also be undertaken in 2008 to support the intensification of preparatory activities for sector policy developments. In 2007, the ETF has been providing support to Armenia in this area; the need for similar support in other ENPI countries during 2008 is anticipated. The activities will strengthen the policy analysis and learning processes of partner countries through capacity building actions in the context of sector based approaches. This is in line with the direction of the new external assistance instruments. The further elaboration of the ETF's work at the preparatory stage of sector based approaches offers the possibility of the extension of the ETF's capacity to provide support to a larger number of priority countries.

In addition, the ETF will continue to generate evidence-based policy advice for the Commission and partner countries on the impact of specific reform initiatives through its innovation and learning projects. In 2008, the ETF will also draw on the lessons and experiences gained in its knowledge management and policy learning projects that are being carried out in 2007¹⁰.

Corporate communication of the ETF's activities, products and services

The ETF's external communication actions in 2008 will promote the profile of education and training and its contribution to human resource development within the context of the EU external relations programmes.

In its December 2006 Communication to the European Parliament and the Council of Ministers on the ETF, the European Commission recommended that ETF re-enforce its capacity to communicate its achievements and results and explore new approaches to the development and appropriate dissemination of relevant material. The ETF will place specific emphasis on improving the accessibility of its work to partner country stakeholders and producing more material in partner country languages. In the course of the year, the ETF's communication activities will concentrate on:

- disseminating information on results and thematic materials relating to human resource development as well as facilitating debate amongst stakeholders and key players;
- distributing authoritative information to policy makers, practitioners, and stakeholders
- contributing actively to international debate on reform in transition countries;
- promoting and maintaining the ETF corporate identity as a centre of expertise in human resources development and the visibility of EC actions.

Organisational learning: strengthening ETF knowledge and systems to support the delivery of Community assistance

In 2008, the ETF will continue the adaptation of its operations to the institutional landscape of the new external assistance instruments. This will ensure a closer link between ETF pilot actions and larger scale EC funded actions or actions which could be funded by other donors.

In 2008, the ETF will also bring together an International Advisory Panel (IAP). This will be a consultative body of experts and practitioners representing the ETF's operational environment. The function of the IAP will be to provide feedback and advice on the work of the ETF in the context of the move from an agency with a primary focus on vocational education to one with a broader focus on human resources development in a lifelong learning context.

In line with establishing a clear vision within the ETF of its position and role as a European centre of expertise, the ETF will continue to implement its new organisational model, including its human resources management framework, a review of staff performance appraisal systems, personal

¹⁰ These are projects ILP 0704 and ILP 0705 from the ETF's 2007 Work Programme

development plans and recruitment policy as well as the delivery of specific training measures designed to reinforce the ETF's policy development capacities.

In 2008, the ETF will also monitor the links between its MTP, annual work programme and the impact on partner countries. In 2008, there will be more visible links between the ETF's actions in its operating environment and the policy context provided by the European Commission. This will involve re-enforcing the ETF's monitoring systems, such as audits, evaluations and assessment to ensure the more systematic collection of country programme information to support decisions at the organisational level. The ETF's planning and reporting cycle will focus on the impact of its work to ensure the achievement of its strategic objectives and the delivery of the results expected from its Mid-Term Perspectives.

EXPLANATORY NOTE ON THE PRELIMINARY DRAFT BUDGET 2008

Introduction to the Preliminary Draft Budget 2008

The 2008 Preliminary Draft Budget is based on a subvention of €19,484,000 from the Community budget as forecast in ETF Mid-Term Perspective 2007-10 (ETF-GB-06-026) and rationale for the ETF estimate of revenue and expenditure 2008 (ETF-GB-06-029) and presented to the November 2006 Governing Board meeting.

The revenue part of that 2008 Preliminary Draft Budget is based on the assumption that the ETF subvention will be drawn in 2008 from the same sources as in 2007.

The proposed subvention level represents a decrease compared with the 2007 subvention level (€19.7 million) which, taking in consideration the level of inflation, is in the order of 4 %. Although the 2008 Preliminary Draft Budget represents a decrease in subvention compared to 2007, the ETF considers that the level of resources is in line with the broadened mandate agreed with the Board and with the ETF's specific 2008 policy objectives and challenges outlined in the above-mentioned Annual Policy Strategy.

It is to be noted that the Preliminary Draft Budget has been prepared on the assumption that ETF will no longer provide any Tempus technical assistance activities after 2007. Indeed, as presented in the ETF's Mid-Term Perspective 2007-10, the resources released by the repatriation of Tempus will be redirected to support operational activities related to the ETF's new functions. However, given that, at the time of drafting the Preliminary Draft Budget, the Commission's definitive decision on repatriation has not yet been communicated to ETF, it is possible that some technical assistance activities may continue into 2008. The operational and financial implications of these changes would need to be introduced into ETF's planning when the 2008 draft Work Programme and draft budget are prepared during Autumn 2007.

Following a recommendation made during the ETF Governing Board meeting of November 2006, the ETF proposes to increase funding for operational activities (Chapter 31) by €350,000 with a proportionate reduction in staff costs (Title I) in comparison with initial indications presented in November.

The ETF establishment plan has been adapted to match both the reduction of resources earmarked for staff costs and to reflect changes in staff grading in application of 2004 revision of the staff regulations. This would enable the ETF to maintain a staffing level of 96 temporary agents in 2008 which is in line with the number of temporary agents in post at the end of 2007.

Specific comments on the Preliminary Draft Budget 2008

The proposed Pre-Draft Budget 2008 corresponds to a decrease of 4% in Title I and of 1.55% in Title II and an increase of 8.8% in Title III.

Title I (Expenditure related to staff working at the ETF): A decrease of 4% over 2006 is in line with the expected stabilisation in the number of temporary agent posts occupied at the end of 2007, an increase in the number of Contract Agents (from 21 to 34) and in Detached National Experts (from 5 to 6). All other related budget items are expected to decrease slightly compared to spending of previous years (with minor shifts between items resulting from the transition period created by the phasing out of Tempus activities in particular). The ETF expects to increase its investment in staff training and development to underpin its efforts to adapt to its changing institutional and operational context under the new EU programmes (item 1440).

The minor decrease foreseen in Missions expenses (-1.37%) is related to expected reduction of needs related to the end of Tempus technical assistance operations while the ETF plans to continue with the

policy of reciprocal co-operation and capacity building with sister organisations through long term staff placements initiated in 2007. Three placements have been foreseen in 2007.

Title II (Building, equipment and miscellaneous operating expenditure): A slight decrease in expenditure is currently expected in this Title compared to 2007 (-1.55%). However, there remain a number of uncertainties, related to the compulsory introduction of a new financial software (ABAC) and the ongoing re-assessment of the ETF's management information. These uncertainties might determine moderate changes at the time of presenting the draft budget.

Title III (Expenses related to the performance of specific missions): This Title is expected to increase by 8% compared to 2007 in response to the changes in the ETF's operational role under the new external relations instruments. The increase in funding will mostly be invested in supporting the ETF's human resources development policy support in the priority countries agreed with the Governing Board in the Pre-accession and Neighbourhood regions.

Under Chapter 31 (Priority Actions – Work Programme activities), the ETF will accommodate the meetings of the IAP (International Advisory Panel, replacing the Advisory Forum, in line with a recommendation from the Governing Board). The agency proposes a slight increase in the funding of internal evaluation resulting from the ETF's commitment to quality control (item 3140).

It is important to note that Title VI (earmarked expenditures linked to Tempus technical assistance operations) has been maintained in the budget structure for comparability reasons over time, though no activity is expected to involve the ETF after the end of 2007. At the end of 2006 another convention was signed with DG EAC, amounting to €870,000 to cover Tempus activities in 2007 and will be presented to the Governing Board in the 2007 amended budget.

Finally, please note that the ETF has taken advantage of the preparation of the pre-draft budget to delete a number of budget items that had become redundant. Budget items which have been unused for at least three years have been removed from the title structure in line with accepted practice.

Art.	Item	Title	2008 Preliminary Draft Budget	2007 Budget	2006 Revised Budget
TITLE 1 European Community subsidy					
	Chap. 1 0	Pre-Accession Strategy (15.03.02. (ex B7-033))	-	-	2,950,000
1 00		<i>Phare</i>	-	-	<i>1,950,000</i>
	1 00 1	Phare (Bulgaria,Romania) contribution to ETF-Subsidy under Titles 1 and 2	-	-	1,215,000
	1 00 2	Phare (Bulgaria,Romania) contribution to ETF-Subsidy under Title 3	-	-	285,000
	1 00 3	Phare (Croatia) contribution to ETF-Subsidy under Titles 1 and 2	-	-	364,500
	1 00 4	Phare (Croatia) contribution to ETF-Subsidy under Title 3	-	-	85,500
1 01		<i>Pre-Accession</i>	-	-	<i>1,000,000</i>
	1 01 1	Pre-Accession (Turkey) contribution to ETF-Subsidy under Titles 1 and 2	-	-	810,000
	1 01 2	Pre-Accession (Turkey) contribution to ETF-Subsidy under Title 3	-	-	190,000
	Chap. 1 1	External action - Tacis, CARDS and MEDA - (15.03.03. (ex B7-664))	-	-	16,500,000
1 10		<i>Support Commission and Wider Europe initiatives</i>	-	-	<i>16,500,000</i>
	1 10 1	External action (Tacis,CARDS)- subsidy under Titles 1 and 2	-	-	12,085,000
	1 10 2	External action (Tacis,CARDS)- subsidy under Title 3	-	-	4,415,000
1 20	Chap.1 2	European Training Foundation (15.02.27)	19,484,000	19,700,000	
		<i>European Training Foundation</i>	<i>19,484,000</i>	<i>19,700,000</i>	
	1 20 1	ETF-Subsidy under Titles 1 and 2	14,984,000	14,864,000	
	1 20 2	ETF-Subsidy under Title 3	4,500,000	4,836,000	
	TITLE 1	TOTAL TITLE 1	19,484,000	19,700,000	19,450,000
TITLE 9 MISCELLANEOUS REVENUE					
	Chap. 9 0	Miscellaneous revenue	-	-	1,900
9 00		<i>Miscellaneous revenue</i>	-	-	<i>1,900</i>
	9 00 0	Miscellaneous revenue	pm	pm	1,900
	TITLE 9	TOTAL TITLE 9	-	-	1,900
TITLE 10 RESULTS EARLIER YEARS					
	Chap. 10 1	Results earlier years	-	-	-
10 11		<i>Results earlier years</i>	<i>pm</i>	<i>pm</i>	<i>-</i>
	10 11 1	Result budget year -/- 1	pm	pm	
	TITLE 10	TOTAL TITLE 10	-	-	-
		TOTAL ETF PROPER REVENUE	19,484,000	19,700,000	19,451,900
TITLE 4 REVENUE FROM OTHER SOURCES					
	Chap. 4 3	Cooperation with Italian institutions	-	-	300,000
4 30		<i>Cooperation with Italian institutions</i>	-	-	<i>300,000</i>
	4 30 0	Cooperation with Italian institutions	pm	pm	300,000
	Chap. 4 9	Cooperation with Italian institutions - Financing earlier years	-	-	665,408
4 90		<i>Cooperation with Italian institutions - Financing earlier years</i>	-	-	<i>665,408</i>
	4 90 0	Cooperation with Italian institutions - Financing earlier years*	-	-	665,408
	TITLE 4	TOTAL TITLE 4	-	-	965,408
TITLE 5 MEDA - ETE					
	Chap. 5 0	MEDA-ETE	-	-	-
5 00		<i>MEDA-ETE</i>	-	-	<i>-</i>
	5 00 0	MEDA-ETE	pm	pm	pm
	Chap. 5 9	MEDA-ETE - Financing earlier years	-	-	4,864,567
5 90		<i>MEDA-ETE - Financing earlier years</i>	-	-	<i>4,864,567</i>
	5 90 0	MEDA-ETE - Financing earlier years*	pm	pm	4,864,567
	TITLE 5	TOTAL TITLE 5	-	-	4,864,567
TITLE 6 TEMPUS - TECHNICAL ASSISTANCE					

	Chap. 6 0	TEMPUS	-	-	1,040,260
6 00		TEMPUS	-	-	1,040,260
	6 00 0	TEMPUS	-	pm	1,040,260
	Chap. 6 9	TEMPUS - Financing earlier years	-	-	645,958
6 90		TEMPUS - Financing earlier years	-	-	645,958
	6 90 0	TEMPUS - Financing earlier years	-	pm	645,958
	TITLE 6	TOTAL TITLE 6	-	-	1,686,218
		TOTAL EARMARKED / PROJECT REVENUE	-	-	7,516,193
		GRAND TOTAL	19,484,000	19,700,000	26,968,094

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
TITLE 1 EXPENDITURE RELATING TO PERSONS WORKING WITH THE FOUNDATION						
	Chap. 1 1	Staff in active employment	11,854,000	12,388,000	11,342,800	
1 10		<i>Agents included in the workforce</i>	<i>7,775,000</i>	<i>8,337,000</i>	<i>7,667,800</i>	
	1 10 0	Basic salaries	6,330,000	6,837,000	6,244,600	This appropriation is intended to cover the basic salary costs and management allowance of the ETF's Temporary Agents as indicated in the Staff regulations (art. 44 & 66) and Conditions of Employment of Other Servants of the European Communities (art. 20). Planning assumptions: * Decrease from 100 to 96 Temporary Agent posts in the ETF establishment plan with an average occupancy rate of 97% resulting from regular turnover
	1 10 1	Family allowances	620,000	600,000	587,200	This appropriation is intended to cover the family allowances of the Temporary agents of the ETF as indicated in the Staff regulations (art. 67) and Conditions of Employment of Other Servants of the European Communities (art. 20). Planning assumptions: * 93 FTE Temporary Agents. Slight increase due to increase of family allowances as per Annex XIII of the Staff Regulations and expected increase in education costs bared by staff based on historical trend.
	1 10 2	Transfer and expatriation allowance	825,000	900,000	836,000	This appropriation is intended to cover the expatriation allowance of the Temporary agents of the ETF as indicated in the Staff regulations (art. 69) and Conditions of Employment of Other Servants of the European Communities (art. 20). Planning assumptions: * 93 FTE Temporary Agents. Slight decrease linked to reduction of posts.
	1 10 3	Secretarial allowance	pm	pm	pm	
1 11		<i>Other staff</i>	<i>1,600,000</i>	<i>1,500,000</i>	<i>1,199,700</i>	
	1 11 0	Contractual agent	1,420,000	1,300,000	999,700	This appropriation covers all salaries, allowances, social security related costs for Contract Agents + annual leave not taken at the end of their contract by Auxiliary Agents and related salary adaptations. Planning assumptions: * 34 Contract Agents (31 FTE) + eventual annual leave not taken by last Auxiliary Agents in function on 31/12/2007 to be paid after end of service..
	1 11 2	Local staff	180,000	200,000	200,000	This appropriation covers all salaries, allowances, social security related costs for Local Agents. Planning assumptions: * 3 Local Agents. Slight decrease based on historical trend costs.

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
1 13		<i>Insurance against sickness, accidents and occupational disease, unemployment insurance and maintenance of pension rights</i>	350,000	405,000	362,000	
	1 13 0	Insurance against sickness	220,000	250,000	219,200	This appropriation covers insurance against sickness costs as per article 72 of the Staff Regulations and Conditions of Employment of Other Servants of the European Communities (art. 28) Planning assumptions: * 93 FTE Temporary Agents
	1 13 1	Insurance against accidents and occupational disease	45,000	65,000	57,100	This appropriation covers insurance against accident and occupational disease costs as per article 73 of the Staff Regulations and Conditions of Employment of Other Servants of the European Communities (art. 28) Planning assumptions: * 93 FTE Temporary Agents
	1 13 2	Unemployment insurance for temporary staff	85,000	90,000	85,700	This appropriation covers insurance against unemployment costs for Temporary Agents as per article 28a of the Conditions of Employment of Other Servants of the European Communities Planning assumptions: * 93 Temporary Agents
	1 13 3	Pension	pm	pm	pm	
1 14		<i>Sundry allowances</i>	150,000	163,000	162,100	
	1 14 0	<i>Birth and death allowance</i>	2,000	2,000	2,100	Staff Regulations of Officials of the European Communities, and in particular art. 70, 74 and 75 thereof and Conditions of Employment of Other Servants of the European Communities (art. 28). This appropriation is intended to cover : - birth grants; - in the event of an official's death: – the deceased's full remuneration until the end of the third month following that in which death occurred, – the costs of transporting the body to the deceased's place of origin. Planning assumptions: * 93 FTE Temporary Agents
	1 14 1	Annual travel costs from the place of employment to the place of origin	126,000	140,000	140,000	Staff Regulations of Officials of the European Communities, and in particular Art. 8 of Annex VII thereto applicable by analogy to Temporary Agents. This appropriation covers the lump-sum payment of travel costs of relevant staff, their spouses and dependants from the place of employment to the place of origin. Planning assumptions: * 93 FTE Temporary Agents
	1 14 2	Accommodation and transport allowances	pm	pm	pm	
	1 14 3	Fixed entertainment allowances	pm	pm	pm	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	1 14 4	Fixed local travel allowances	pm	pm	pm	
	1 14 7	Allowances for shift work or standby duty at the official's place of work and/or at home	22,000	21,000	20,000	Staff Regulations of Officials of the European Communities, and in particular Art. 56a and Conditions of Employment of Other Servants (art. 16). Planning assumptions: * 1 FTE Temporary Agent on duty during closing time throughout the year.
1 15		<i>Overtime</i>	<i>PM</i>	<i>PM</i>	<i>PM</i>	
	1 15 0	Overtime	pm	pm	pm	
1 17		<i>Supplementary services</i>	<i>530,000</i>	<i>480,000</i>	<i>656,000</i>	
	1 17 0	Freelance interpreters and conference. personnel	pm	pm	pm	
	1 17 2	Cost of organising traineeships with the Foundation	30,000	30,000	21,000	These appropriations are meant to cover costs of traineeships for young professional from the EU and ETF partner countries in order to give them the opportunity to get to know the practices of an EU agency. Planning assumptions: 5 six-month traineeships
	1 17 5	Other translation and typing services and work to be contracted out	pm	pm	pm	
	1 17 7	Other services rendered and institutional audit services	500,000	450,000	635,000	This appropriation is intended to cover recourse to other suppliers of services, consultants and experts, for services under the general administration of the ETF when such services cannot be provided by ETF staff (for reasons of expertise or availability). Planning assumptions: * Appropriations are mostly used for: 1) services provided by the EU administrative bodies through a Service Level Agreement (mission claims processing, salary costs processing, etc.). Estimated needs €100,000 2) service providers (interim staff) replacing ETF staff for short periods, covering peak periods and the short-term absence of regular ETF staff. Estimated needs €350,000 3) consultancy services to improve ETF effectiveness and efficiency €50,000
1 18		<i>Recruitment and transformation costs</i>	<i>370,000</i>	<i>474,000</i>	<i>280,200</i>	
	1 18 0	Sundry recruitment expenses	60,000	75,000	96,600	Staff Regulations of Officials of the European Communities, and in particular Art. 27 to 31 and 33 thereof. This appropriation is intended to cover various recruitment expenses including : - publication costs, - costs directly linked to the promotion and organisation of group recruitment tests (hire of rooms, furniture, machines and miscellaneous equipment, water supply, fees for the preparation and correction of tests, etc.), - travel costs and daily allowances for candidates and external selection panel member(s) - pre-recruitment medical examinations. Planning assumptions: Slight decrease to come back at a more stable situation, based on historical trend costs

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	1 18 1	Travelling expenses	12,000	16,000	7,600	<p>Staff Regulation of officials of the European Communities, and in particular Art. 71 thereof.</p> <p>This appropriation is intended to cover travel expenses for staff members and their families when they start or end their service.</p> <p>Planning assumptions: * A high number of staff will end their service at the end of 2007, due to the phasing out of Tempus technical assistance operations. This may lead to an increase of payments in 2008 (upon relocation) in travelling expenses for departing staff but as the number of FTE Temporary Agents decreases, and the turnover shall be back to historical trends, the travelling expense is slightly decreased.</p>
	1 18 2	Installation allowance	150,000	200,000	65,700	<p>Staff Regulations of Officials of the European Communities, and in particular Art. 5 and 6 of Annex VII thereto.</p> <p>This appropriation covers installation and resettlement allowances due to staff having to change their place of residence on taking up their duties, on transfer to a new place of employment and upon finally leaving the institution and resettling elsewhere.</p> <p>Planning assumptions: * A high number of staff will end their service at the end of 2007, due to the phasing out of Tempus technical assistance operations. This may lead to an increase of payments in 2008 (upon relocation) in re-installation allowances for departing staff but as the number of FTE Temporary Agents decreases, and the turnover shall be back to historical trends, the installation allowance expense is slightly decreased.</p>
	1 18 3	Moving expenses	100,000	130,000	78,400	<p>Staff Regulations of officials of the European Communities, and in particular Art. 20 and 71 thereof and Art. 9 of Annex VII thereto.</p> <p>This appropriation is intended to cover the removal expenses of a new staff entering the service as well as the expenses of members of staff leaving the ETF.</p> <p>Planning assumptions: * A high number of staff will end their service at the end of 2007, due to the phasing out of Tempus technical assistance operations. This may lead to an increase of payments in 2008 (upon relocation) in removal costs for departing staff but as the number of FTE Temporary Agents decreases, and the turnover shall be back to historical trends, the removal expense is slightly decreased.</p>
	1 18 4	Temporary daily allowance	48,000	53,000	31,900	<p>Staff Regulation of Officials of the European Communities, and in particular Art. 20 and 71 thereof and Art. 10 of Annex VII thereto.</p> <p>This appropriation covers temporary daily subsistence allowances for staff who can prove that they must change their place of residence on taking up their duties, or transferring to a new place of employment.</p> <p>Planning assumptions: * Based on historical trend on turnover of previous years</p>
1 19		Weightings (Correction coefficients)	1,079,000	1,029,000	1,015,000	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	1 19 0	Weightings (Correction coefficients)	900,000	850,000	840,000	<p>Staff Regulations of officials of the European Communities, and in particular Art. 64 and 65 thereof and Art. 17 (3) of Annex VII thereto.</p> <p>This appropriation covers the cost of weightings applied to the remuneration of staff. The weightings are adopted by the Council on a proposal from the Commission but are agreed at the end of the year with the increases/decreases backdated to 1 July. It also covers the cost of weightings applied to any emoluments transferred to a country other than the country of employment.</p> <p>Planning assumptions: * Continuous increase in weighting factor for Italy based on historical trend</p>
	1 19 1	Salarial adaptation	179,000	179,000	175,000	<p>Staff Regulations of Officials of the European Communities, and in particular Articles 65 and 65a thereof and Annex XI thereto. Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities (OJ L 356, 31.12.1977, p. 1) as last amended by Regulation (EC, ECSC, Euratom) No 2548/98 (OJ L 320, 28.11.1998, p. 1).</p> <p>This appropriation is intended to cover the costs of any adjustments to remuneration approved by the Council during the financial year. It is purely provisional and backdated to 1 July.</p> <p>Planning assumptions: *+0.7%</p>
	Chap. 1 3	Missions and travel	937,000	950,000	843,351	
<i>1 30</i>		<i>Mission and travel expenses</i>	<i>937,000</i>	<i>950,000</i>	<i>843,351</i>	
	1 30 0	Mission and travel expenses	937,000	950,000	843,351	<p>Staff Regulations of Officials of the European Communities, and in particular Art. 11 to 13 of Annex VII thereto.</p> <p>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 staff covered by the Staff Regulations applicable to Officials of the European Communities.</p> <p>Planning assumptions: * A slightly decreased level of appropriation in 2008 for regular missions linked to the execution of ETF work programme is anticipated (€787 000). * In 2006, the ETF experimented with a staff development policy based on long-stay missions/placements of some of its expert staff in partner organisations for periods typically between six months and a year. €150 000 are proposed in 2008 to cover the costs of possibly three of such placements.</p>
	Chap. 1 4	Socio-medical infrastructure	179,000	181,000	140,000	
<i>1 40</i>		<i>Running costs of restaurants and canteens</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	
	1 40 0	Running costs of restaurants and canteens	pm	pm	pm	
<i>1 42</i>		<i>Restaurants, meals and canteens</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	
	1 42 0	Restaurants, meals and canteens	pm	pm	pm	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
1 43		Medical service	29,000	31,000	30,000	
	1 43 0	Medical service	29,000	31,000	30,000	<p>Staff Regulations of Officials of the European Communities, and in particular Art. 59 thereof and Art. 8 of Annex II thereto.</p> <p>This appropriation is intended to cover the costs of the external health service acting for the ETF (in particular carrying out regular medical examinations of ETF staff, the cost of a medical officer and medical products, first aid material etc...).</p> <p>Planning assumptions: +/- 100 annual check up at €73 ETF medical officer €21,600 Medical supplies €2,100</p>
1 44		Internal training	150,000	150,000	110,000	
	1 44 0	Internal training	150,000	150,000	110,000	<p>Staff Regulations of Officials of the European Communities, and in particular Art. 24 (3) thereof.</p> <p>This appropriation is intended to cover introductory courses for new recruits, staff development courses, retraining, courses on the use of modern techniques, seminars, information sessions on EU matters etc. It also covers the purchase of equipment, supplies and documentation and the hiring of consultants.</p> <p>Planning assumptions: An estimated average of €1,170 per staff member (all contract types) is planned for training, plus eventual didactic material and supplies at €6,000</p>
1 49		Other interventions	pm	pm	pm	
	1 49 0	Other interventions	pm	pm	pm	
	Chap. 1 5	Staff exchanges between the Foundation and the public sector	286,000	290,000	246,000	
1 52		Staff exchanges between the Foundation and the public sector	286,000	290,000	246,000	
	1 52 0	National experts seconded	286,000	290,000	246,000	<p>This appropriation is intended to cover the costs of national or international officials and of private sector employees temporarily seconded to the ETF to provide knowledge of matters in which they have in-depth experience.</p> <p>Planning assumptions: * 5 FTE National Experts normally seconded from ETF partner countries throughout the year.</p>
	Chap. 1 7	Entertainment and representation expenses	10,000	10,000	12,000	
1 70		Entertainment and representation expenses	10,000	10,000	12,000	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	1 70 0	Entertainment and representation expenses	10,000	10,000	12,000	This chapter covers expenses linked to hospitality costs for guests (e.g. lunches, dinners, etc.). Planning assumptions: On the basis of experience in 2006 and previous years, an amount of €5,000 has been budgeted to cover catering requests to Villa Gualino (lunches, coffee breaks), and another €5,000 will cover the reimbursement of representation costs, including catering expenses, taxi costs and small gifts authorised by the Director.
	Chap. 1 9	Pensions and pension subsidies	pm	pm	pm	
1 90		<i>Pensions and pension subsidies</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	
	1 90 0	Pensions and pension subsidies	pm	pm	pm	
	TITLE 1		13,266,000	13,819,000	12,584,151	

	TITLE 2	BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE				
	Chap. 2 0	Investments in immovable property, rental of buildings and associated costs	656,200	693,000	660,800	
2 00		<i>Rentals</i>	<i>7,000</i>	<i>42,000</i>	<i>37,100</i>	
	2 00 0	Rentals	7,000	42,000	37,100	This appropriation is intended to reimburse part of the investment made by the Villa Gualino Consortium for the construction of the Foundation'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. An amount of €5 000 has additionally been budgeted to cover the rent of office space in Brussels. Planning assumptions Archive/Storage space is part of the ETF/VG site agreement and lasts ten years at which point ETF will have free use of the space. The estimation includes : symbolic rent for office premises (1€), the rent for a single office in DG EAC building in Brussels 5,300 € No archive reimbursement this year.
2 01		<i>Insurance</i>	<i>PM</i>	<i>pm</i>	<i>4,200</i>	
	2 01 0	Insurance	pm	-	4,200	This appropriation is intended to cover the insurance contracts for, ETF building, tenant's civil liability, civil liability of employees and third parties, theft and robbery, fire, missions, all electronic risks, third party vehicles, injuries and legal indemnity. From 2007 onwards this expenditure is incorporated in BL2090 - Other expenditure on buildings.
2 02		<i>Water, gas, electricity and heating</i>	<i>126,000</i>	<i>126,000</i>	<i>118,000</i>	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	2 02 0	Water, gas, electricity and heating	126,000	126,000	118,000	This appropriation is intended to cover utilities (water, gas, electricity and heating). Planning assumptions Costs tend to rise with poor weather (hot in summer or cold in winter) and with energy costs in general. An increase of 7% to follow the trend of the increase in costs registered during the past years has been taken into account already last year. Active savings measures can counter-act this only to a certain degree. The foreseen slight increase in staff will also affect probably needs.
<i>2 03</i>		<i>Cleaning and maintenance</i>	<i>270,000</i>	<i>270,000</i>	<i>260,000</i>	
	2 03 0	Cleaning and maintenance	270,000	270,000	260,000	This appropriation is intended to cover maintenance costs (parts, lifts, heating, air-conditioning, pipes) and cleaning of the common spaces as foreseen by the Convention CON/03/ETF/0071 as well as for the cleaning of the building. The total cost for maintenance and cleaning of the parts of the building jointly used varies according to the number of unforeseen repairs and interventions during the year. Planning assumptions The total cost for maintenance and cleaning of the parts of the building jointly used varies according to the number and dimension of unforeseen repairs and interventions during the year. Due to building aging and some technical problems (roofing, drains, floor deformation) the number of interventions has increased in the past years. A new cleaning contract at end 2008 might affect the cleaning component
<i>2 04</i>		<i>Furnishing of premises</i>	<i>20,000</i>	<i>20,000</i>	<i>17,500</i>	
	2 04 0	Furnishing of premises	20,000	20,000	17,500	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.). Planning assumptions In 2004, the ETF started the internal painting of offices. This multi-year project concluded in 2006 with the entire property having been internally redecorated apart from a small number of areas. The amount of €15,000 on this budget line will be used for the painting of some parts of the building (internal decoration). The various ongoing ETF restructurings may lead to changes in the office occupation plan. Therefore a reserve has been planned for eventual partition and furnishing. Small maintenance works will be needed
<i>2 05</i>		<i>Security and surveillance</i>	<i>150,000</i>	<i>150,000</i>	<i>145,000</i>	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	2 05 0	Security and surveillance	150,000	150,000	145,000	<p>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 Italian law (626).</p> <p>Planning assumptions The increase over the last years is related to additional need for security: more work in the weekend, more events and meetings internally can lead to higher costs. A new contract will be concluded during 2007. A margin was foreseen in view of a possible increase of the hourly fee. New RSPP at end 2006, he will submit recommendations for annual meeting probably in May; new security contract possible increases in costs, increased Video recording (CCTV) proposal;</p>
2 09		Other expenditure on buildings	83,200	85,000	79,000	
	2 09 0	Other expenditure on buildings	83,200	85,000	79,000	<p>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 administrative costs, payable to the Villa Gualino Consortium as provided for in the agreement CON/03/ETF/0071.</p> <p>Planning assumptions As from 2007, the reimbursement for Villa Gualino insurance contracts for ETF areas of the property, tenant's civil liability, civil liability employees and third parties, theft and robbery, fire, missions, electronic all risks, third party vehicles, injuries and legal indemnity (for an estimated amount of €5 000) will be included in this budget item. Management & Administrative fees paid to VG, in line with the site agreement are proportional to running costs (20% of the total paid on BL 2010, 2030,2020). The tax for refuse collection will increase probably by 2% (ISTAT).</p>
	Chap. 2 1	Information & Communication Technology	604,000	594,000	495,000	
2 10		ICT expenditure	604,000	594,000	495,000	
	2 10 0	ICT hardware	200,300	200,300	222,000	<p>This item has been allocated to cover the purchase of computer hardware including network servers, personal computers, printers and networking / communications equipment. The life cycle of IT equipment and produces a three-four year replacement cycle with smaller or larger procurement depending upon the amount of equipment reaching obsolescence.</p> <p>Planning assumptions Yearly, upon average, the ETF replaces an approximately 30 workstations and 5 network printers due to obsolescence. (Shelf life is between 36-48 months). A wide ranging ICT project has been launched in October to cater for reorganisational and changing needs for corporate, administrative and operational IT: project, resource and time management. The Bootstrap project is currently in a requirements definition phase but may include a hardware component. Possible decrease, as a result of anticipated procurement in 2007 budget - possible increase should numbers of staff (temporary) increase post-Tempus. Some server renewal may be required (ABAC, Bootstrap and replacement).</p>

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	2 10 1	Software development and purchase	150,000	150,000	144,300	<p>This item has been allocated to cover the purchase of standard software applications and for the development of software systems.</p> <p>Planning assumptions: Based on current needs and expressed requirements an amount of € 130.000 has been forecast (including an estimated cost for the Bootstrap project despite the incompleteness of the definition phase). Additional needs are possible in the light of continued reorganisation and in the fields of : Human Resource Management, Project Portfolio/Professional services management and Commission regulatory administrative systems. a reserve of € 20.000 has therefore been added: € 150.000.</p>
	2 10 2	Other expenses	128,700	128,700	128,700	<p>This item has been allocated to cover the costs associated with the maintenance and support of both ICT hardware and software including the purchase of computer durables, maintenance and other interventions</p> <p>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 Lotus Notes.</p> <p>Planning assumptions 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, extension of warranty for equipment) and software systems e.g. Microsoft Office, Oracle and IBM Lotus Notes. In the last two years we have experienced an increase in consumable consumption due to increased usage and numbers of on-site users.</p>
	2 10 3	Telecoms costs	90,000	90,000		<p>This appropriation is intended to cover the fixed costs of subscriptions, communication costs and internet fees. During the revision and forecasting work for Budget 2007, the services responsible for both Chapters 21 and article 241 (BL 2410 & 2411) made the proposal to move the two lines: 2410 Telecoms costs and 2411 Telecoms equipment costs under the umbrella chapter 21 (formerly data processing) which would then be renamed ICT - Information & Communications Technologies. This term, ICT, is the most widely used term describing informatics, computing issues AND due to the convergent nature of IT (Information Technology) and Telecoms (Communications technologies) seeing these items as one logical budgetary grouping would be most natural and rational. Retaining the two items ensures transparency in the breakdown for auditors' purposes. Some examples of convergence are: smart phones and other PDA (personal digital devices) acting simultaneously as Network and Voice devices, IP telephony, mobile telephony, Videoconferencing / Web-IP conferencing, intelligent network switching and Private Branch Exchange IP/IT integration.</p>
	2 10 4	Telecoms equipment costs	35,000	25,000		<p>This appropriation is intended to cover expenses relating to telecommunications equipment, including cables, purchase, rental, installation, servicing, documentation, and for maintenance contracts of the internal telephone system.</p> <p>Planning assumptions Increased use of mobile equipment may require small increases to this item should demand grow. Some of the existing phones need to be replaced, new ones need to be purchased because of increase in staff. New PBX, the ETF private exchange will be close to its end of life cycle 2008 and may need to be renewed (+10.000)</p>
	Chap. 2 2	Movable property and associated costs	69,800	70,000	71,100	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
2 20		Technical installations and office equipment	50,000	50,000	43,500	
	2 20 0	Purchase	9,000	9,000	7,500	<p>This appropriation is intended to cover the purchase of technical and office equipment, especially audiovisual, copying, archiving and interpretation equipment.</p> <p>This appropriation is also used for the general replacement of old office equipment such as faxes, binding machines etc.</p> <p>Planning assumptions</p> <p>A project for improvement of meeting facilities is ongoing. A tender for replacement of audiovisual equipment has been launched late 2006 and some items due to budget insufficiency might be purchased early 2007. For the moment it is not possible to identify the precise budget split.</p>
	2 20 2	Rentals	37,000	37,000	32,500	<p>This appropriation is intended to cover the costs of rental/leasing of materials and/or equipment, which it is uneconomic or difficult to purchase on account of limited available budgetary resources (e.g. copy machines).</p> <p>Planning assumptions</p> <p>A new contract will be concluded July 2007, therefore it is difficult at the moment to estimate the costs. An increase was taken into consideration also because of an increase in needs (number of copies, speed of copiers, new generation of machines).</p> <p>Intention to re-launch tender in 2007, when finalised the expectations will be clearer - additional costs may be incurred</p>
	2 20 3	Maintenance, utilisation and repairs	4,000	4,000	3,500	<p>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 Foundation's supplier framework contract.</p> <p>Planning assumptions</p> <p>New contract to start July 2007. This year an increase in the number of copies has been observed. The increasing number of faxes (most of them out of warranty) as well as other equipment: smartboards, projectors to be covered for post warranty has been taken into account.</p>
2 21		Furniture	11,000	11,000	20,000	
	2 21 0	Purchase	11,000	11,000	20,000	<p>This appropriation is intended to cover the purchase of new furniture.</p> <p>Planning assumptions</p> <p>Further to the advice given by the ETF doctor, a procurement should be launched aiming at replacing existent desk seats with new ergonomic ones.</p>
2 23		Transport	2,800	3,000	2,500	
	2 23 2	Rentals	2,800			New Item - This line will be used to replace the ETF Van by renting vehicles when needed

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	2 23 3	Maintenance, utilisation and repairs	pm	3,000	2,500	This appropriation was intended to cover the operating, maintenance, fuel and related costs of the Foundation's vehicle. For some time a discussion has been on going as to whether to keep or dispose of the ETF van. Funds could be utilised elsewhere if the ETF van is sold. Planning assumptions ETF Van - decommissioning planned for 2007 - use rented vehicles instead. A feasibility study has shown that ETF could operate equally without a vehicle and the intention is therefore to decommission the vehicle, however the timeframe remains to be defined. If discontinued, the funds can be utilised elsewhere.
2 25		Documentation and library	6,000	6,000	5,100	
	2 25 0	Purchase of non-operational publications and subscriptions	6,000	6,000	pm	This appropriation is intended for the acquisition of publications and subscriptions, which are intended for general ETF use and/or the use of the non-operational departments (e.g. computer manuals, legal books, newspapers, magazines etc.). Planning assumptions ~ 10 subscriptions to newspapers and magazines ~ 10-20 publications
	2 25 1	Miscellaneous library expenses	PM	pm	pm	Unforeseen, extra-ordinary library expenses (e.g. binding expenses, conservation of works).
	2 25 2	Subscriptions to newspapers and magazines		-	5,100	This expenditure is incorporated in Item 2250 - Purchase of non-operational publications and subscriptions. This item will no longer be used.
	2 25 4	Binding expenses and conservation of works	-	-	pm	
	Chap. 2 3	Current administrative expenditure	202,000	202,000	164,000	
2 30		Stationery and office supplies	33,000	33,000	39,000	
	2 30 0	Stationery and office supplies	33,000	33,000	39,000	
	2300-ECU	Stationery and office supplies - ECU	12,000	12,000	15,000	Headed paper, envelopes, business cards, etc. as well as Promotional material (pens, bags, mouse mats) Planning assumptions: No new corporate design Based on experience from previous years, an amount of €2,000 has been budgeted to cover expenses for headed paper and envelopes, another €4,000 will cover the production of business cards, folders, block notes and other customised office supply. An amount of €6,000 will cover expenses for promotional material used for meetings and visitors (pens, lanyards, mouse mats, etc.).
	2300-CTS	Stationery and office supplies - CTS	21,000	21,000	24,000	Office supplies including paper printers/copiers Planning assumptions CTS local lines - good efforts over past years to deplete stocks will result in an inversion of this tendency and therefore the assessment assumption, together with observed increased consumption (from the online stationery booking system) allow a slight increase in budget consumption. Due to departure of TEMPUS, there might be a reduction in costs for consumables (paper, toner), as, in average, it was a department with a high consumption, but the amount is maintained for safety reasons.
2 32		Financial charges	2,000	2,000	1,800	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	2 32 0	Miscellaneous Financial expenditure	2,000	2,000	1,800	This item is intended to cover bank charges and other financial charges as well as damages and interest (former budget items 2 32 2 and 2 34 0). Planning assumptions Bank charges can be highly variable and unpredictable. However past experience indicates that € 2000 is a safe maximum estimation of potential costs. New Title since 2007; Old title was "Bank charges".
	2 32 1	Exchange rate losses	pm	pm	pm	
	2 32 2	Other financial charges	pm	pm	pm	
2 33		<i>Legal expenses</i>	<i>70,000</i>	<i>70,000</i>	<i>38,000</i>	
	2 33 0	Legal expenses	70,000	70,000	38,000	This item is intended to cover * general legal expenses, * trial expenses, * external lawyers' expenses. Planning assumptions The introduction of a new category of agent (Contract Agents) and the legal challenges presented by some ETF contracts mean that the risk of legal challenges is more likely.
2 35		<i>Other operating expenditure</i>	<i>37,000</i>	<i>37,000</i>	<i>30,000</i>	
	2 35 0	Miscellaneous insurance	27,000	27,000	26,500	This appropriation is intended to cover sundry insurance expenses (notably civil liability, insurance against theft, insurance for computer equipment and cabling; for the safes and contents). Planning assumptions Based on following cover: ~ €1.1 million: electronic appliances and software all risks ~ €120,000: theft and robbery ~ €15 million: fire and natural disasters Statutory staff, Detached National Experts and stagiaires: civil liability of third parties and employees ~ 1 FTE: civil liability accounting officer Statutory staff, Detached National Experts and stagiaires: legal expenses.
	2 35 2	Miscellaneous expenditure on internal meetings	5,000	5,000	pm	This item is intended to cover expenditure (coffee, tea, water) related to internal ETF meetings. Expenditures (coffee, tea, water) related to internal meetings for trainings and recruitment procedures will be covered by BL 1440 and BL 1180 respectively. Planning assumptions The amount budgeted under BL 2352 is proposed to use this line to cover all miscellaneous expenditures on internal meetings, while in the past BL 2500 "internal meetings" was also sometimes used. This aims to eliminate ambiguities in the use of budget lines.
	2 35 5	Petty expenses	5,000	5,000	3,500	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.). Planning assumptions No special assumptions other than that due to the age of building and frequent repairs needed (e.g.. blinds, external doors, locks etc) an increase should be foreseen.

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
2 36		<i>Publications</i>	60,000	60,000	55,200	
	2 36 0	Publications	60,000	60,000	55,200	This appropriation is intended to cover the cost of legal documents, which the Foundation is obliged to publish (budget, invitations to tender, etc.). Planning assumptions Publication of the full budget in the Official Journal will cost between €25,000 and €30,000. As a revised budget will also have to be published in full, €60,000 is a necessary amount.
	Chap. 2 4	Post and telecommunications	51,000	51,000	170,800	
2 40		<i>Correspondence and courier expenses</i>	51,000	51,000	50,800	
	2 40 0	Correspondence and courier expenses	51,000	51,000	50,800	This appropriation is intended to cover correspondence and courier expenses, including the dispatching of parcels by post. Planning assumptions On average ETF dispatches/imports ~ 750 of courier shipments per year (express and economy, varying from signed contracts to publications and promotion material to conferences) plus a similar figure of regular mail using a remailing service.
2 41		<i>Telecommunications</i>	pm	pm	120,000	
	2 41 0	Subscriptions and fees	-	-	96,000	See remarks of BL 2103
	2 41 1	Equipment	-	-	24,000	See remarks of BL 2104
	Chap. 2 5	Meetings and associated costs	135,000	135,000	156,800	
2 50		<i>Meetings and associated costs</i>	135,000	135,000	156,800	
	2 50 0	Meetings expenses in general	135,000	135,000	156,800	This appropriation is intended to cover the costs relating to the meetings of the Governing Board and the participation of GB members to other meetings organised by the ETF. Planning assumptions The amount is based on two Governing Board meetings, costing approximately €65,000 to 70,000. In the event that a third meeting is organised, this chapter will have to be increased accordingly through transfer between budget lines.
	TITLE 2	TOTAL TITLE 2	1,718,000	1,745,000	1,718,500	

	TITLE 3	EXPENSES RELATING TO PERFORMANCE OF SPECIFIC MISSIONS				
	Chap. 3 0	Operational expenses	709,000	709,000	1,449,417	
3 00		<i>Operational documentation</i>	32,000	32,000	32,000	
	3 00 0	Purchase of operational publications and subscriptions	32,000	32,000	32,000	This appropriation is intended for the acquisition of publications and subscriptions, which are intended for the use of the operational departments. Planning assumptions On average 150 publications per year 20-30 subscriptions to journals and electronic information sources.
3 01		<i>Publicising of information</i>	370,000	370,000	429,323	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	3 01 0	General publications	370,000	370,000	429,323	This appropriation is intended to cover the costs associated with writing, editing, printing and distributing publications of a corporate nature (e.g. information leaflet, Work Programme, Annual Report, Highlights), as well corporate events and activities related to the website maintenance and development. Planning assumptions Corporate publications = €190,000 € (Highlights 2007, Yearbook 2008, Work Programme, Activity Report, brochures and leaflets) Internal communication = €10,000 € (internal newsletter, posters, etc.) Media and promotion = €35,000 (press campaigns to promote the organisation or specific projects) Website = €45,000 (maintenance and development) Cover corporate events = €90,000 - two special events are foreseen in 2008 (Europe Day in May and another one).
3 03		Professional memberships and fees	8,000	8,000	6,160	
	3 03 0	Professional memberships and fees	8,000	8,000	6,160	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). The increase over the years is related to the increase in the number of organisations that ETF is a member of. Planning assumptions The ETF is currently a member of five organisations (IPSET, EADI, Torino Internazionale, IABC, World Editors Forum).
3 04		Translation costs	299,000	299,000	514,200	
	3 04 0	Translation costs	299,000	299,000	514,200	This appropriation is intended to cover translation costs for corporate documents unrelated to specific operational activities. Planning assumptions Translations in 2008 are foreseen to cover the following: Governing Board documents = €130,000 General governance/letters/directorate = €20,000 Corporate publications and media = €99,000 Website = €50,000 There might be an impact due to the three new official languages from the beginning of 2007 (Romanian, Bulgarian and Irish Gaelic).
3 05		Meetings of the Advisory Forum	PM	pm	467,734	
	3 05 0	Meetings of the Advisory Forum	pm	pm	467,734	
	Chap. 3 1	Priority actions : Work programme activities	3,791,000	3,427,000	3,699,832	
3 10		Priority actions : Work programme activities	pm	pm	1,444,616	
	3 10 0	Support to Commission : Input to the project cycle ENPI, IPA, DCECI	-	-	1,444,616	
3 11		Capacity building, information analysis for partner countries	pm	pm	1,193,304	
	3 11 0	Capacity building, information analysis for partner countries	-	-	1,193,304	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
3 12		<i>Development Activities - thematic areas</i>	<i>pm</i>	<i>pm</i>	<i>672,212</i>	
	3 12 0	Development Activities - thematic areas	-	-	672,212	
3 13		<i>Various costs linked to Work programme activities</i>	<i>8,000</i>	<i>8,000</i>	<i>7,700</i>	
	3 13 0	Insurance costs related to Work programme activities	8,000	8,000	7,700	
3 14		<i>Projects to support strengthening knowledge and systems</i>	<i>440,000</i>	<i>340,000</i>	<i>382,000</i>	
	3 14 0	Projects to support strengthening knowledge and systems	440,000	340,000	382,000	This appropriation refers to the quality control of ETF activities through evaluation and audit. The ETF has established a benchmark of 10% of Chapter 31 appropriations for its quality control activities. These funds are allocated according to annual audit and evaluation plans adopted in the Work Programme, and are assigned as follows: €90,000. - Audit - ETF's target is to verify 10% of the financial transactions, plus possible additional ones for matching GB/COM recommendations €175,000 - Evaluation - increased from previous year, due to increased requirements for evaluation €50,000 - IAP - International Advisory Panel - new body that will replace the Advisory Forum at the recommendation of the GB, there are foreseen 2 meetings of 10-15 people each €75,000 - Donor info - in the frame of Sector Wide Approach, information exchange for donors becomes a key issue for ETF. An information/informatic platform is foreseen €50,000 - Business Development - For ETF is important to evaluate the environment in which it acts, to assess the possibility of new steps, new directions of activity
3 15		<i>Projects in support of EU's External Assistance in the Neighbourhood area</i>	<i>1,140,000</i>	<i>994,000</i>		
	3 15 0	Projects in support of EU's External Assistance in the Neighbourhood area	1,140,000	994,000		This appropriation covers the costs of the ETF's contribution to prosperity and development in the European Neighbourhood region through co-operation and partnership in human resource policy development and implementation. The budget line includes operational costs as well as associated publication and translation costs. Planning assumptions For Work Programme 2008, the funds will be used to support ETF operational interventions in 16 partner countries and/or territories
3 16		<i>Projects in support of EU's External Assistance in the Enlargement area</i>	<i>1,118,000</i>	<i>1,030,000</i>		
	3 16 0	Projects in support of EU's External Assistance in the Enlargement area	1,118,000	1,030,000		This appropriation covers the costs of the ETF's contribution to the EU enlargement process by supporting the modernisation and reform of education, labour market and training systems in candidate and potential candidate countries. The budget line includes operational costs as well as associated publication and translation costs. Planning assumptions For Work Programme 2008, the funds will be used to support ETF operational interventions in 8 partner countries and/or territories
3 17		<i>Projects in support of EU's External Assistance in the Development Co-operation instrument</i>	<i>335,000</i>	<i>305,000</i>		

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	3 17 0	Projects in support of EU's External Assistance in the Development Co-operation instrument	335,000	305,000		This appropriation covers the costs of the ETF's contribution to human resources development in developing countries. The budget line includes operational costs as well as associated publication and translation costs. Planning assumptions For Work Programme 2008, the funds will be used to support ETF operational interventions in 5 partner countries
3 18		<i>Projects: Innovation & Learning</i>	<i>750,000</i>	<i>750,000</i>		
	3 18 0	Projects: Innovation & Learning	750,000	750,000		This budget line covers the costs of support to the European Commission and partner country policy development through innovation and learning. The budget line includes operational costs as well as associated publication and translation costs. Planning assumptions For Work Programme 2007 2008, the funds will be used to support ETF operational interventions in the field of innovation, learning and knowledge management
	TITLE 3	TOTAL TITLE 3	4,500,000	4,136,000	5,149,249	

	TITLE 9	EXPENSES NOT SPECIFICALLY PROVIDED FOR				
	Chap. 9 9	Expenses not specifically provided for	pm	pm	pm	
9 90		<i>Reserve</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	
	9 90 0	Reserve	pm	pm	pm	
	TITLE 9	TOTAL TITLE 9	pm	pm	pm	

	TITLE 10	RESULTS EARLIER YEARS				
	Chap. 10 1	Results earlier years	pm	pm	pm	
10 10		<i>Results earlier years</i>	<i>pm</i>	<i>pm</i>	<i>pm</i>	
	10 10 0	Results earlier years	pm	pm	pm	
	TITLE 10	TOTAL TITLE 10	pm	pm	pm	

		TOTAL EXPENDITURE ETF PROPER	19,484,000	19,700,000	19,451,900	
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	TITLE 4	Cooperation with other organisations				
	Chap. 4 1	Co-operation with other international institutions	pm	pm	-	
4 10		<i>Co-operation with other international institutions</i>	<i>pm</i>	<i>pm</i>	<i>-</i>	
	4 10 0	World bank	pm	pm	pm	
4 11		<i>Co-operation with other international institutions</i>	<i>pm</i>	<i>pm</i>	<i>-</i>	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	4 11 0	Swiss Agency for Development and Cooperation	pm	pm	pm	
	Chap. 4 2	Co-operation with other European agencies	pm	pm	-	
<i>4 20</i>		<i>SI2 support service</i>	<i>pm</i>	<i>pm</i>	<i>-</i>	
	4 20 0	Funds relating to the participation of other European agencies into the SI2 support service	pm	pm	pm	
	Chap. 4 3	Co-operation with national institutions	pm	pm	965,408	
<i>4 30</i>		<i>Co-operation with Italian institutions</i>	<i>pm</i>	<i>pm</i>	<i>965,408</i>	
	4 30 0	Cooperation with Italian institutions (1)	pm	pm	965,408	
	Chap. 4 4	Implementation of EU members states projects	pm	pm	-	
<i>4 40</i>		<i>Projects related to bilateral agreement between EU members states and other countries</i>	<i>pm</i>	<i>pm</i>	<i>-</i>	
	4 40 0	Technical assistance	pm	pm	pm	
	4 40 1	"Italian Small and Medium Enterprises Programme for Albania" (ISMEPA)	pm	pm	-	
	TITLE 4	TOTAL TITLE 4	pm	pm	965,408	

	TITLE 5	EARMARKED EXPENDITURE (3) Education and Training for Employment (ETE), project MED 2004/083-494				
	Chap. 5 1	Human resources	pm	pm	752,689	
<i>5 11</i>		<i>EU Expert fees</i>	<i>pm</i>	<i>pm</i>	<i>242,275</i>	
	5 11 0	EU Expert fees	pm	pm	242,275	
<i>5 12</i>		<i>MEDA Expert fess</i>	<i>pm</i>	<i>pm</i>	<i>100,800</i>	
	5 12 0	MEDA Expert fess	pm	pm	100,800	
<i>5 13</i>		<i>Administrative support</i>	<i>pm</i>	<i>pm</i>	<i>348,951</i>	
	5 13 0	Administrative support	pm	pm	348,951	
<i>5 14</i>		<i>Ad Hoc support</i>	<i>pm</i>	<i>pm</i>	<i>60,662</i>	
	5 14 0	Ad Hoc support	pm	pm	60,662	
	Chap. 5 2	Travel and Per Diems	pm	pm	1,055,661	
<i>5 21</i>		<i>Per Diems</i>	<i>pm</i>	<i>pm</i>	<i>371,301</i>	
	5 21 1	Experts per diems	pm	pm	302,755	
	5 21 3	Project Team per diems	pm	pm	68,547	
<i>5 22</i>		<i>Travel expenses</i>	<i>pm</i>	<i>pm</i>	<i>684,360</i>	
	5 22 1	EU Expert travel	pm	pm	87,943	
	5 22 2	MEDA Expert travel	pm	pm	526,800	
	5 22 3	Project Team travel	pm	pm	69,617	
	Chap. 5 3	Other cost/services	pm	pm	697,565	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
5 31		Visibility	pm	pm	229,174	
	5 31 0	Visibility	pm	pm	229,174	
5 32		Conferences/seminars	pm	pm	468,391	
	5 32 0	Conferences/seminars	pm	pm	468,391	
	Chap. 5 4	Procurement activity for component 3	pm	pm	1,250,000	
5 40		Procurement activity for component 3	pm	pm	1,250,000	
	5 40 0	Procurement activity for component 3	pm	pm	1,250,000	
	Chap. 5 5	Procurement activity for component 4	pm	pm	1,000,000	
5 50		Procurement activity for component 4	pm	pm	1,000,000	
	5 50 0	Procurement activity for component 4	pm	pm	1,000,000	
	Chap. 5 6	Financial Auditing	pm	pm	20,850	
5 60		Financial Auditing	pm	pm	20,850	
	5 60 0	Technical assistance	pm	pm	20,850	
	Chap. 5 7	Contingencies	pm	pm	87,803	
5 70		Contingencies	pm	pm	87,803	
	5 70 0	Contingencies	pm	pm	87,803	
	TITLE 5	TOTAL TITLE 5	pm	pm	4,864,567	

	TITLE 6	TEMPUS TECHNICAL ASSISTANCE CONVENTION				
	Chap. 6 1	Selection	-	pm	703,094	
6 10		Selection	-	pm	703,094	
	6 10 1	Evaluation meetings	-		364,400	
	6 10 2	Lead experts information sessions	-		-	
	6 10 3	JEP Technical assessment	-		129,904	
	6 10 4	IMG Technical assessment	-		103,602	
	6 10 5	SCM Academic assessment	-		66,360	
	6 10 6	SCM Technical assessment	-		38,650	
	Chap. 6 2	Contract Management	-	pm	258,816	
6 20		Contract Assessment	-	pm	258,816	
	6 20 1	Reports - Content assessment	-		-	
	6 20 2	Reports - Financial assessment	-		145,477	
	6 20 3	Financial audits	-		105,839	
	6 20 4	Project administration software	-		7,500	
	Chap. 6 3	Publication & Information	-	pm	268,630	
6 30		Publication & Information	-	pm	268,630	
	6 30 1	Tempus guide for applicants	-		-	
	6 30 2	Tempus country fiche	-		-	
	6 30 3	Tempus studies	-		193,000	
	6 30 4	Tempus information & publicity materials	-		15,000	

Art.	Item	Title	2008 Pre Draft Budget	2007 Budget	2006 Revised Budget	Remarks 2008
	6 30 5	Website development	-		60,630	
	6 30 6	Tempus project documentation	-		-	
	6 30 7	Tempus annual report	-		-	
	6 30 8	Miscellaneous	-		-	
	6 30 9	Regional conferences	-		-	
	Chap. 6 4	Administrative expenses	-	pm	410,423	
<i>6 40</i>		<i>Administrative expenses</i>	-	<i>pm</i>	<i>410,423</i>	
	6 40 1	Mailing costs	-		189,022	
	6 40 2	Translation costs	-		96,695	
	6 40 3	Filing, registration, data input	-		124,705	
	Chap. 6 5	Reserve	-	pm	45,255	
<i>6 50</i>		<i>Reserve</i>	-	<i>pm</i>	<i>45,255</i>	
	6 50 0	Reserve	-		45,255	
	TITLE 6	TOTAL TITLE 6	-	pm	1,686,218	

		TOTAL ETF EARMARKED EXPENDITURE	pm	pm	7,516,194	
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		GRAND TOTAL EXPENDITURE	19,484,000	19,700,000	26,968,094	
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EUROPEAN TRAINING FOUNDATION
Preliminary Draft Budget 2008
Establishment Plan

ETF-GB-07-006-01_EN

Grade	2008	
	Permanent	Temp.
AD 16		0
AD 15		0
AD 14		2
AD 13		1
AD 12		9
AD 11		13
AD 10		5
AD 9		6
AD 8		10
AD 7		8
AD 6		0
AD 5		0
<i>Sub total AD</i>	<i>0</i>	<i>54</i>
AST 11		1
AST 10		1
AST 9		2
AST 8		6
AST 7		11
AST 6		11
AST 5		10
AST 4		0
AST 3		0
AST 2		0
AST 1		0
<i>Sub total AST</i>		<i>42</i>
Total	0	96

Grade	2007	
	Permanent	Temp.
AD 16		
AD 15		1
AD 14		2
AD 13		1
AD 12		7
AD 11		15
AD 10		11
AD 9		4
AD 8		11
AD 7		2
AD 6		
AD 5		
<i>Sub total AD</i>	<i>0</i>	<i>54</i>
AST 11		
AST 10		1
AST 9		2
AST 8		6
AST 7		11
AST 6		12
AST 5		10
AST 4		4
AST 3		
AST 2		
AST 1		
<i>Sub total AST</i>		<i>46</i>
Total	0	100

	Staff	ABB Allocation
P1. Support to Education and Training Reform	69.0	12,987,500
Act 1. Contributing to the enlargement process by supporting the modernisation and reform of education, labour market and training systems in the candidate and potential candidate countries	23.5	4,406,900
Act 2 Contributing to prosperity and development in the European Neighbourhood through cooperation and partnership in human resource policy development and implementation	23.1	4,365,300
Act 3 Contributing to economic and development cooperation in human resource development in Central Asia	6.9	1,301,500
Act 4 Supporting the European Commission and partner country policy development through innovation and learning	15.5	2,913,800
Act 5 Tempus Technical Assistance		
P2. External Communication	9.0	1,277,700
P3. Organisation Learning: Strengthening knowledge and systems	52.0	5,218,800
Total:	130	19,484,000