



COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION
EUROPEAN TRAINING FOUNDATION
annual report 1994

EUROPEAN TRAINING FOUNDATION

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Report on its establishment in 1994

1. Background

- 1.1 The European Training Foundation was established by Council Regulation¹ in May 1990 but the Regulation only entered into force in October 1993 when the European Council at the Brussels Summit finally decided on Turin as the headquarters of the Foundation. The objective of the Foundation, as defined in the Regulation, is to contribute to the development of the vocational training systems of the countries of Central and Eastern Europe.
- 1.2 The Council also recommended at the same summit that the Foundation's activities should be extended to the New Independent States of the former Soviet Union and Mongolia. This required the Regulation to be amended and thus the Commission submitted a formal proposal to the Council² to this end in February 1994.
- 1.3 In doing so, the Commission took the opportunity to propose two other amendments. The first entailed an amendment to article 14 of the Regulation concerning the staff rules the effect of which was to bring the staff rules of the Foundation into line with the staff rules of a number of other European Union agencies which were being set up in parallel and whose headquarters had also been decided upon at the Brussels Summit. The second amendment concerned a proposal to make the financial controller of the Commission also the financial controller of the Foundation .
- 1.4 The amended Regulation³ was subsequently adopted by the Council on 27 July 1994.

¹ Council Regulation n° 1360/90 of 7 May 1990 (L 131 Volume 33)

² COM(94) 21 final of 2.2.1994

³ Council Regulation n° 2063/94 of 27 July 1994 (L 216/9)

1.5 Following the European Council meeting in October 1993, the Commission decided to give the task of providing the technical assistance for the TEMPUS⁴ programme to the Foundation. This meant that the activities carried out by the TEMPUS Technical Assistance Office in Brussels were to be taken over by the Foundation in Turin as of 1 January 1995.

2. Preparations for the establishment of the Foundation

2.1 As well as preparing the amendments to the legislation indicated above in 1.3, the Commission took a number of other steps with a view to enabling the Foundation to be established as quickly as possible. These concerned mainly:

- the establishment of the Governing Board;
- the negotiations with the Italian authorities on the identification of suitable premises and the preparation subsequently of the necessary legal agreements; and
- the recruitment of the Director.

These are discussed in more detail below.

3. Governing Board

3.1 The Governing Board is made up of representatives from the Member States (one per Member State) and two representatives from the Commission one of whom acts as Chairman. The Board is the decision-making body for all policy matters concerning the Foundation.

3.2 Following the Brussels Summit, the Commission sought the necessary nominations from the Member States and undertook the organisation and preparation of the Board meetings. The first meeting of the Board took place on 11 March 1994. At that meeting, the Director General of the Task Force Human Resources in his capacity as Chairman of the Board was given a mandate from the Board to authorise any necessary expenditure from the Foundation's own budget to cover the costs of preparatory activities in the absence of the Director who had not yet been appointed.

Altogether, three meetings of the Board were held in 1994 two in Brussels and one, the third, in Turin. A considerable number of decisions were taken by the Board in the course of 1994 both as regards policy matters, for example, the content of the Foundation's work programme (see § 7 below) as well as more technical questions, for example, the budgetary procedures and the convention relating to the building.

⁴ TEMPUS (Trans-European Mobility Programme for University Studies) Council Decision (EEC) n° 246/93 of 29 April 1993 (OJ L112/34)

4. Discussions with the Italian authorities

- 4.1 Once the decision was taken that the Foundation should be located in Turin, the Italian authorities very quickly came up with a number of possible buildings which might be suitable. None of the premises proposed were in a position to house the Foundation immediately. All required additional work to some degree. Having examined the different options, the Commission's services identified the Villa Gualino as the most suitable, a choice which was later endorsed by the Governing Board. The Commission then began detailed technical discussions with the Italian authorities on the timetable for the renovation of the building and on the technical specifications. The text of a convention between the Foundation and the Italian authorities on all the arrangements relating to the Villa Gualino was approved by the Governing Board at its meeting on 20 September.
- 4.2 Alongside the convention on the Villa Gualino, the Italian authorities and the Commission's services were heavily involved in preparing a more general site agreement during the course of 1994. The site agreement covers the terms under which the Italian Government agrees to house the Foundation and, in particular, clarifies the rights and obligations of the personnel of the Foundation. It was signed on 19 December 1994 before being submitted to the Italian Parliament for ratification.

5. The Director

- 5.1 In accordance with the Regulation, the Governing Board appoints the Director on a proposal from the Commission. In early 1994, therefore, the Commission launched the recruitment process to identify the Director. This was done through advertisements in the national press in the Member States. Some 1400 applications were received. The Commission organised the processing of the applications, drew up a shortlist and interviewed the eleven shortlisted candidates. The Commission finally put two names to the Governing Board at its second meeting on 20 May. Following a secret ballot, Mr Peter de Rooij was appointed Director and took up post on 1 July.
- 5.2 There followed a period of intense activity involving extremely close cooperation between the Commission services and the Director to get the Foundation up and running in as short a timescale as possible. This involved :
- the recruitment of the remaining staff foreseen in 1994;
 - the work programme;
 - the drawing up and executing of the budget; and
 - the definition of the technical requirements for the building, equipment and support services and the carrying out of the necessary procurement operations.

6. Recruitment of personnel

- 6.1 From the appointment of the Director on 1 July, a major recruitment exercise took place involving the Commission and the Director. Following publication of the notice of recruitment in the Official Journal, over 150 interviews were held resulting in 59 persons being identified and offered temporary agent posts in the Foundation. By November both the Deputy Directors were in place as well as a small core staff. The bulk of the staff were given contracts with an end December 1994/early January 1995 start.
- 6.2 A considerable number of the staff engaged were recruited to work on TEMPUS which as an on-going programme of the European Union had to be successfully maintained. This left rather few staff initially to work on vocational training matters. The total number of statutory staff (temporary agents) was, however, expected to rise to 130 by the end of 1995, so as to enable the Foundation to give at least equal attention to supporting action in the field of training. Subsequent staff numbers would depend on budgetary agreements for 1996 and beyond.

7. The work programme

- 7.1 Much of the Commission's and the Director's energy was necessarily channelled into essential technical and administrative tasks in order that the Foundation could become operational. The Foundation, in addition to the very necessary but time-consuming technical tasks, was required by its Regulation to come forward with a draft 1995 work programme for adoption by the Governing Board by 30 November. At the same time, the draft work programme was also to be the subject of consultation with the Advisory Forum of the Foundation (see § 8 below).
- 7.2 A first draft of the work programme was submitted to the Governing Board in September 1994. The draft work programme built on the discussions at the first two Board meetings and was generally well received by the Board. It envisages the Foundation developing the following functions :
- ▶ an observatory function with the Foundation following and analysing developments in vocational training in the partner countries whilst at the same time acting as an interface to stimulate cooperation between the partner countries and the Member States and thus facilitate the transfer of experience;
 - ▶ implementing on behalf of the Commission designated education and training programmes agreed in the context of the Phare⁵ and Tacis⁶ programmes;

⁵ Council Regulations n° 3606/89 of 18 December 1989 (L 375/11), n° 2698/90 of 17 September 1990 (L 257/1), n°3800/91 of 23 December 1991 (L 357/10) and n° 2334/92 of 7 August 1992 (L 227/1)

⁶ Council Regulation n° 2157/91 of 15 July 1991 (L 201/2)

- ▶ a vocational education and training action programme involving a range of horizontal measures, including specific action in the management training field, as well as a partnership programme to support direct cooperation between training bodies in the partner countries and their counterparts in the Member States;
- ▶ assuring the technical assistance of the TEMPUS programme on behalf of the Commission.

7.3 The draft 1995 work programme clearly established the Foundation's philosophy and set itself ambitious objectives. However, a gradual build-up of activities in 1995 was foreseen for the first year given that the Foundation was starting from scratch and from a very low base in terms of human resources. Among the activities planned were : the implementation of Phare-financed vocational training reform programmes in 8 countries in Central and Eastern Europe; 4 Partner conferences in Kazakhstan, Poland, Romania and Ukraine; a major project financed by Tacis aimed at gathering information on vocational education and training in the New Independent States of the former Soviet Union and Mongolia and 4 in-depth studies in 4 different TACIS-funded states.

8. Advisory Forum

8.1 The purpose of the Advisory Forum as defined in the Regulation is to give an opinion on the work programme of the Foundation. It is composed of experts drawn from the following groups :

- ▶ the Member States;
- ▶ the partner countries;
- ▶ relevant international organisations; and
- ▶ the social partners at European level

It is chaired by the Director of the Foundation.

8.2 With the help of the Commission's services, nominations were sought and the Director chaired his first meeting of the Advisory Forum in Brussels on 24 October bringing together some 40 countries. The Forum offered the partner countries, in particular, an important platform on which to express their views on the role and the contribution of the Foundation and on their training needs. The proposals set out in the work programme were well received.

8.3 The Advisory Forum also examined its own role and especially how this important network could be exploited with a view to making a more active contribution to the work of the Foundation. As a result, the Forum decided to set up four sub-groups to take forward a number of key issues to the development of vocational education and training in the partner countries and to prepare papers on those topics for the 1995 meeting of the Advisory Forum. The themes selected were : management of the

education system with special emphasis on decentralisation; the role of the private sector in vocational education and training; standards in vocational education and training; and strategies for continuing education.

9. Budget and management of operational funds

9.1 Budget

9.1.1 Under the terms of the Foundation's Regulation, and without prejudice to other possible sources of income, the Foundation receives a subsidy from the General Budget of the European Communities; this covers personnel and administrative costs, as well as specific activities foreseen in its workplan and financed directly by the Foundation, and amounted to 5 MECU in 1994.

9.1.2 The Governing Board at its meeting in September 1994 agreed the overall structure of the budget and the breakdown of expenditure for the different budget headings. The Board also approved the draft financial rules of the Foundation which were subsequently submitted to the Court of Auditors.

9.1.3 The situation concerning the 1994 budget is set out in the table below :

	(a)	(b)	(c)	(d)	(e)	(f)
<i>Title 1</i>	1,391,750	569,927	50,162	620,089		771,661
<i>Title 2</i>	3,323,250	23,381	2,363,812	2,387,193	319,000	617,057
<i>Title 3</i>	285,000	85,751	66,536	152,287		132,713
TOTAL	5,000,000	679,059	2,480,510	3,159,569	319,000	1,521,431

- (a) Final budget;
- (b) Funds committed and paid before January 15, 1995;
- (c) Funds committed but not paid before January 15, 1995;
- (d) (b) + (c) = total expenditure for 1994;
- (e) Funds carried forward to 1995 as per Decision of the Governing Board;
- (f) (a) - (d) - (e) = unused appropriations.

9.1.4 The existence of surplus funds is due to the following :

9.1.4.1 *Title 1 - Personnel expenses*

There was a time lapse between the formal engagement of and the start of work by temporary agents. Whilst the recruitment of the 60 agents covered by the table was completed during the summer, most of them did not actually start work until later than planned i.e. on 16 December 1994 or in early 1995. This explains why expenditure on basic pay and expenses was relatively lower than the budget figure. Similarly the expenditure on the opening of the Turin premises such as removal and installation costs as well as mission and representation expenses followed the same trend.

9.1.4.2 *Title 2 : Building, equipment and general operating expenses*

On the whole, expenditure on the building was in line with budget forecasts.

By contrast, only a small proportion of the funds allocated to the purchase of sundry equipment required for the Foundation's operations was actually committed :

- o Data processing : 141,000 Ecus out of a total of 350,000;
- o General equipment 170,000 Ecus out of a total of 537,000;
- o Telecommunications equipment 0 Ecus out of a total of 91,000.

Generally speaking it was considered reasonable to delay the purchase of the above equipment very slightly given the need both to acquire total mastery of the Commission procedures and to achieve an accurate assessment of the Foundation's operating requirements on the basis of practical, albeit limited experience. At the same time, the Foundation was able to make its initial purchases of furniture and fitting at a much lower price than originally budgeted for.

Apart from expenditure on equipment, current administrative costs followed the same trend as personnel costs due to the delay in agents taking up post in the Foundation.

9.1.4.3 *Title 3 : Operational expenses*

About 50 % of the funds allocated to cover translation costs was actually spent mainly because the number of pages requiring translation was lower than expected.

About 47 % of the funds allocated to cover the cost of meetings of the Governing Board and the Advisory Forum was actually spent.

9.2 Management of operational funds

9.2.1 It was foreseen during the year that the Foundation would take on implementation responsibilities for a number of operations, as referred to in section 7 above, the funding for which would come from the Phare and Tacis budget-lines depending on the countries for which the funds were intended. The Foundation was not, however, in a position to manage any such programme money in 1994.

10. Conclusion

1994 can be seen as a preparatory year to the launching of the European Training Foundation proper. As such, a great deal was achieved thanks to effective collaboration between the Commission, the Italian authorities and the Director. By the end of December 1994, the basic infrastructure was in place to allow a successful start to operations in 1995.



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