



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 28.04.1997
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97/0126 (CNS)

Proposal for a
COUNCIL REGULATION (EC)

amending for the second time Regulation (EEC) No 1360/90
establishing a European Training Foundation

(presented by the Commission)

EXPLANATORY MEMORANDUM

1 INTRODUCTION

1.1 In their conclusions to the European Council meeting held in Strasbourg in December 1989, the Heads of State and of Government asked the Commission to submit proposals for the creation of a European foundation to assist the countries of Central and Eastern Europe in their efforts to restructure their vocational training systems. The Regulation setting up the European Training Foundation was adopted by the Council on 7 May 1990 (Regulation (EEC) No 1360/90)¹. The countries eligible for assistance from the Foundation were those referred to in Council Regulation (EEC) No 3906/89² instituting the Phare Programme.

1.2 Following the adoption of Council Regulation (Euratom, EEC) No 2053/93³ setting up the Tacis Programme, the Foundation's remit was extended by Regulation (EC) No 2063/94 to cover the countries eligible under that programme.

1.3 The Commission now proposes a further extension of that remit to cover the Mediterranean non-member countries and territories for which financial and technical measures have been laid down in Council Regulation (EC) No 1488/96⁴ (MEDA Regulation) to support the reform of their economic and social structures.

1.4 An adjustment to the composition of the Foundation's Governing Board is proposed to take account of the extended geographical spread of the Foundation's responsibilities.

1.5 A number of measures designed to enhance the efficiency of the Foundation's operations are proposed to accompany the extension to the Mediterranean partner countries.

2. COMMISSION PROPOSAL AMENDING FOR THE SECOND TIME THE COUNCIL REGULATION ESTABLISHING THE EUROPEAN TRAINING FOUNDATION

EXTENSION TO THE MEDITERRANEAN PARTNER COUNTRIES (Article 1 and consequential amendments to Articles 3, 8 and 16)

2.1 In March 1995 the Commission forwarded to the Council a communication setting out the priorities for reinforcing the Union's Mediterranean policy, *inter alia* in the field of vocational training, and laying down the framework for financial and technical cooperation over the period until 1999.

¹ OJ No L 131, 23.5.1990, p 1, Regulation as last amended by Regulation (EC) No 2063/94 (OJ No L 216, 20.08.1994, p 9)

² OJ No L 375, 23.12.1989, p 11, Regulation as last amended by Regulation (EC) No 753/96 (OJ No L 103, 26.04.1996, p 5)

³ OJ No L 187, 29.7.1993, p 1, Regulation as amended by Regulation (Euratom, EC) No 1279/96 (OJ No L 165, 4.7.1996, p 1)

⁴ OJ No L 189, 30.7.1996

The representatives of the Council, the Commission, the Member States and the Mediterranean countries agreed at the conference held in Barcelona on 27 and 28 November 1995 to establish a comprehensive partnership among the participants based, in addition to strengthened political dialogue, on the development of economic and financial cooperation and greater emphasis on the social, cultural and human dimension. The detailed work programme adopted by the conference provides for the enhancement of educational levels in particular in the Mediterranean region, with an initial focus *inter alia* on vocational training. In this context, the Foundation is called upon to contribute.

At its meeting in Madrid on 15 and 16 December 1995, the European Council invited the Council and the Commission to put the Barcelona Declaration and Work Programme into practice.

The MEDA Regulation subsequently adopted lays the basis for a new partnership with the Mediterranean countries, within a unified framework. The measures which the Regulation lays down to assist in the reform of the economic and social structures in the Mediterranean partner countries take into account the importance of support for the development of human resources, notably in vocational training.

2.2 The European Training Foundation provides an institutional framework for the provision of vocational training assistance, structured to provide a flexible response to the varying needs of the countries eligible under the Phare and Tacis programmes. The Foundation's remit also enables it not only to collaborate with the various regional and national facilities, whether public or private, operating in this field, but also to cooperate with the relevant national and international institutions. The Regulation setting up the Foundation further provides for participation in the Foundation's activities by countries sharing the Community's commitment to the provision of assistance in this field. That Regulation charges the Commission with ensuring consistency and complementarity between the work of the Foundation and other Community vocational training activities.

2.3 Given the existence of this instrument, the Commission proposes, on grounds of cost-effectiveness and efficiency, to extend the Foundation's remit to cover the non-member countries and territories specified in the Regulation on the new Mediterranean partnership, subject to the constraints of consistency and complementarity referred to above.

GOVERNING BOARD (Article 5)

2.4 In view of the extended geographical spread of the Foundation's responsibilities which would result from this amendment, it is proposed to widen the Governing Board's base by providing for an additional Commission representative. However, no change in the number of votes at the disposal of the Commission's representatives is envisaged.

ACCOMPANYING MEASURES TO INCREASE POLICY GUIDANCE FOR THE FOUNDATION AND ENHANCE ITS EFFICIENCY (Articles 2, 3, 4, 5, 6, 7 and 10)

2.5 The experience of the first three years of the Foundation's operations shows that certain measures could enhance its efficiency. A certain need to increase policy guidance for the Foundation has become apparent. The measures proposed below aim at enabling the different actors involved (i.e. the Commission, the Foundation's Governing Board and Advisory Forum) to provide such guidance and contribute to more efficiency, also in the context of the extension of the Foundation's scope to the Mediterranean partner countries.

2.6 In order to align the Foundation's activities more efficiently with the relevant Community policies vis-à-vis the partner countries concerned, it is proposed to enable the Commission to set general policy guidelines for the Foundation's work (Articles 2 and 3). This will allow for the Foundation's activities to be programmed from the outset in accordance with the orientations adopted for the Community's overall assistance programmes for the partner countries.

2.7 As a corollary to the Commission's obligation to ensure coherence between the work of the Foundation and other Community *actions* (Article 8), it is proposed that the Commission ensure cooperation between the Foundation and other relevant Community *bodies*, such as Cedefop (Article 4).

2.8 It is proposed strengthening the decision making powers of the Foundation's Governing Board by aligning the Foundation's work programme more efficiently with its budget. The work programme will be adopted at the same time as the budget, will contain allocations of budgetary resources to operational activities and may be adapted to new developments during the year (Article 5, paragraph 7 and Article 10, paragraph 4).

2.9 It is also proposed to strengthen the role of the Foundation's Advisory Forum by providing for the participation of experts nominated by the Commission, thus ensuring that the Forum receives more efficient counsel (Article 6).

2.10 Given the important role of the Foundation's Director, it is proposed defining his mandate more precisely. The Governing Board, on a proposal from the Commission, will be authorized to adapt his term of office to specific circumstances. The link between the Director's responsibilities and the decisions of the Governing Board, the Foundation's work programme and other guidelines will be clarified (Article 7).

3. MONITORING AND EVALUATION

The first results of the monitoring and evaluation procedure provided for in Article 17 of the Regulation setting up the Foundation are due to be submitted to the Council, the European Parliament and the Economic and Social Committee before 30 June 1997.

4. BUDGET

4.1 The Commission assesses the vocational training requirements in the countries covered by the Phare and Tacis programmes, and those of the Mediterranean partners, within the framework of the general guidelines on economic aid to those countries. It will on this basis establish the annual contribution for the Foundation's budget to be included in the preliminary draft budget of the European Communities, pursuant to Article 10 of the Regulation setting up the Foundation.

4.2 The funding of projects and programmes for the beneficiary countries and entrusted for their implementation by the Commission to the Foundation will be organised as part of the PHARE, TACIS and MEDA arrangements.

COUNCIL REGULATION (EC) No
of
amending for the second time Regulation (EEC) No 1360/90
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THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission¹

Having regard to the opinion of the European Parliament²

Having regard to the opinion of the Economic and Social Committee³

Whereas the European Council meeting in Strasbourg on 8 and 9 December 1989 called upon the Council, acting on a proposal from the Commission, to adopt the necessary decisions for the establishment of a European Training Foundation for Central and Eastern Europe; whereas to that end on 7 May 1990 the Council adopted Regulation (EEC) No 1360/90⁴ which established the said Foundation,

¹ OJ NO C

² OJ NO C

³ OJ NO C

⁴ OJ No L 131, 23.5.1990, p.1, Regulation as amended by Regulation (EC) No 2063/94 (OJ No L 216, 20.8.1994, p. 9)

Whereas, pursuant to Regulation 1360/90, the countries eligible for the Foundation's programmes are the countries eligible for economic aid under Regulation (EEC) No 3906/89⁵ ('Phare' Programme) and Regulation (Euratom, EC) No 1279/96⁶ ('Tacis' Programme);

Whereas the representatives of the Council, the Commission, the Member States and the Mediterranean partner countries, meeting in Barcelona on 27 and 28 November 1995, agreed in their Declaration on the establishment of a Euro-Mediterranean partnership to place greater emphasis on the social, cultural and human dimension; whereas, in order to contribute to the attainment of that objective, the Work Programme implementing the Barcelona Declaration provides for an initial focus inter alia on vocational training, to which the European Training Foundation will contribute; whereas the European Council, meeting in Madrid on 15 and 16 December 1995, called upon the Council and the Commission to put into practice the Barcelona Declaration and Work Programme;

Whereas Council Regulation (EC) No 1488/96⁷ provides for financial and technical measures to accompany the reform of economic and social structures within the framework of the Euro-Mediterranean partnership (MEDA);

Whereas, in the context of the Mediterranean partners' efforts to reform their economic and social structures, the development of human resources is essential for

⁵ OJ No L 375, 23.12.1989, p.11 Regulation as amended by Regulation (EC) No 753/96 (OJ No L 103, 26.4.1996, p. 5)

⁶ OJ. No L 165, 4.7.1996, p. 1

⁷ OJ. No L 189, 30.7.1996, p. 1

the attainment of long-term stability and prosperity and in particular the achievement of socio-economic equilibrium;

Whereas the Foundation was set up to provide a flexible response to the specific and differing requirements of the individual countries to be assisted; whereas, in providing assistance on the basis of Community experience in the area of vocational training, the Foundation is charged with collaborating with regional, national, public and private facilities in the Community and third countries, and with exercising its functions in close co-operation with existing national and international institutions; whereas the possibility exists for participation by third countries which share the Community's commitment to the provision of aid in the training field; whereas consistency and complementarity between the work of the Foundation and other Community actions should be ensured;

Whereas within the institutional framework established for the Foundation the Community's experience can be placed at the disposal also of the Mediterranean partners;

Whereas the Foundation's governing board should be strengthened to take account of this wider remit without, however, providing for a corresponding increase in the number of votes held by the representatives of the Commission,

Whereas the efficiency of the Foundation's operations will benefit from a number of accompanying measures; whereas guidance by the Commission will allow for the Foundation's activities to be aligned efficiently with the Community policies adopted with respect to the partner countries;

Whereas cooperation with other relevant Community bodies is a prerequisite for the efficient use of resources and should be reinforced in order to exploit synergies; whereas this can be ensured most efficiently by the Commission;

Whereas the decision making powers of the Foundation's governing board will be strengthened by creating a closer link between the Foundation's work programme and its budget, in particular by adopting both documents through a coordinated procedure and linking the Foundation's expenditure closely to its operations;

Whereas experience has shown that the role of the Foundation's advisory forum would be strengthened by providing it with more efficient counsel from the Commission;

Whereas there is a need to define the mandate of the Foundation's director in a more precise and flexible manner,

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EEC) No 1360/90 is amended as follows:

1 . The first paragraph of Article 1 shall be replaced by the following:

'This Regulation hereby establishes the European Training Foundation (hereinafter referred to as the "Foundation") whose objective shall be to contribute to the development of the vocational training systems of:

- the countries of Central and Eastern Europe designated as eligible for economic aid by the Council in Regulation (EEC) No 3906/89 or in any subsequent relevant legal act;
- the New Independent States and Mongolia which are the beneficiaries of the programme to assist economic reform and recovery under Regulation (Euratom, EC) No 1279/96 or in any subsequent relevant legal act; and
- the Mediterranean non-member countries and territories beneficiaries of the financial and technical measures to accompany the reform their economic and social structures under Regulation (EC) No 1488/96 or in any subsequent relevant legal act'

2. Article 2 shall be replaced by the following:

'Following general policy guidelines set by the Commission, the Foundation shall work in the training field, covering initial and continuing vocational training as well as retraining for young people and adults, including in particular management training.'

3. The introductory sentence of Article 3 shall be replaced by the following:

'For the purpose of achieving the objectives set out in Article 1, the Foundation shall, following general policy guidelines set by the Commission :'

4. Point (e) of Article 3 shall be replaced by the following:

'(e) confer on the governing board the power to lay down tendering procedures for projects funded or co-financed by the Foundation, taking full account of the procedures established under Regulation (EEC) No 3906/89, in particular Article 7 thereof, under Regulation (Euratom, EC) No 1279/96, in particular Articles 6 and 7 thereof, Regulation (EC) No 1488/96 in particular Article 8 thereof, or in any subsequent relevant legal act;'

5. The second subparagraph of Article 4 (1) shall be replaced by the following:

'The Commission shall ensure co-operation between the Foundation and other relevant Community bodies, in particular Cedefop.'

6. The first subparagraph of Article 5 (1) shall be replaced by the following:

'The Foundation shall have a governing board consisting of one representative of each Member State and three representatives of the Commission.'

7. The third subparagraph of Article 5 (4) shall be replaced by the following:

'The members of the governing board representing the Member States shall each have one vote. The representatives of the Commission shall have at their disposal one vote.'

8. Article 5 (7) shall be replaced by the following :

‘On the basis of a draft submitted by the director of the Foundation, the governing board, in consultation with the Commission, shall adopt the annual work programme for the Foundation at the beginning of each year, within the framework of a three-year rolling perspective. The programme may be adapted during the year using the same procedure.

The projects and activities in the annual work programme shall be accompanied by an estimate of the necessary expenditure and by allocations of staff and budgetary resources.’

9. The second subparagraph of Article 6 (1) shall be replaced by the following :

‘The members of the forum shall be selected from experts among training and other circles concerned in the work of the Foundation, taking into account the need to ensure the presence of representatives of the social partners, of the Commission, of those international organisations active in the provision of training assistance, and of the eligible countries.’

10. Article 6 (2) shall be replaced by the following :

‘The governing board shall seek nominations for appointment from :

- each of the Member States
- each of the eligible countries,
- the Commission
- the social partners at European level which are already active in the work of the Community institutions, and
- relevant international organisations.’

11. The first paragraph of Article 7 shall be replaced by the following :

'The director of the Foundation shall be appointed by the governing board on a proposal from the Commission for a term of office of three to five years, which can be extended on a proposal from the Commission.

The director shall be responsible :

- for the preparation and organisation of the work of the governing board, of any *ad hoc* working parties convened by the governing board and, in particular, following general policy guidelines set by the Commission, for the preparation of the draft annual work programme of the Foundation,
- the day-to-day administration of the Foundation,
- for the preparation of the statement of revenue and expenditure and execution of the budget of the Foundation,
- for the preparation and publication of reports specified under this Regulation,
- for all staff matters,
- for undertaking the tasks set out in the annual work programme referred to in Article 5 (7),
- for properly implementing the governing board's decisions and the guidelines set down for the Foundation's activities.'

12. Article 8 shall be replaced by the following:

' Article 8

Links with other Community actions

The Commission, in co-operation with the governing board and, where appropriate, in accordance with the procedures set out in Article 9 of Regulation (EEC) No 3906/89, Article 8 of Regulation (Euratom, EC) No 1279/96 and Article 11 of Regulation (EC) No 1488/96 or in any subsequent relevant legal act, shall ensure consistency and, where necessary, complementarity between the work of the Foundation and other actions at Community level, both within the Community and in assistance to the eligible countries, with particular reference to actions under the Tempus scheme'.

13. Article 10 (4) shall be replaced by the following :

'The governing board, after receiving the advice of the Commission, shall adopt the budget of the Foundation together with the work programme at the beginning of each financial year, adjusting it to the several contributions granted to the Foundation and to its other resources.'

14. The first subparagraph of Article 16 (1) shall be replaced by the following :

'The Foundation shall be open to the participation of countries which are not members of the European Community and which share the commitment of the Community and the Member States to the provision of aid in the training field to the eligible countries,

under arrangements to be laid down in agreements between the Community and themselves, following the procedure laid down in Article 228 of the Treaty'.

Article 2

This Regulation shall enter into force on the eighth day following that of its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council

The President

FINANCIAL STATEMENT

1. TITLE OF OPERATION:

Amendment of Council Regulation (EEC) No 1360/90¹ to extend the geographical scope of the European Training Foundation's activities to the Mediterranean partners listed in the MEDA Regulation².

2. BUDGET HEADING INVOLVED:

Under Article 9 of Regulation No 1360/90, the Foundation's running costs are covered by its own budget, the subsidy thereto under the general budget of the European Communities being paid from heading B7-501.

3. LEGAL BASIS:

Article 235.

4. DESCRIPTION OF OPERATION:

The Foundation's mission in regard to the Phare and Tacis countries, as laid down in the above regulation, is to promote effective cooperation between the Community and the eligible countries in the field of vocational training, to contribute to the coordination of assistance to the eligible countries by the Community, its Member States and interested third countries, and to implement a coherent strategy of aid to the eligible countries.

In practical terms, the Foundation's task is

- * on the one hand, to provide training assistance to the eligible countries (Article 3), consisting in the definition of needs and priorities, acting as a clearing house for initiatives as between the Community, third countries and the eligible countries, facilitating joint venture projects, mobilising public and private training bodies, evaluating training assistance, and disseminating information and experience;
- * on the other, to implement (Article 3 (c) third indent) vocational training programmes as agreed between the Commission and the eligible countries. To date, twenty Phare and Tacis programmes in the field of vocational training have been or are in the process of being transferred for implementation by the Foundation.

¹ Council Regulation (EEC) No 1360/90 (OJ No L 131 of 25.05.1990) as amended by Regulation (EC) No 2063/94 (OJ No L 216 of 20.08.1994).

² Council Regulation (EC) No 1488/96 (OJ No L 189 of 30.7.1996).

The proposed amendment would place the Foundation's expertise at the disposal of the non-member countries and territories listed in the MEDA Regulation and improve the policy guidance of the Foundation as well as its efficiency.

5. CLASSIFICATION OF EXPENDITURE:

Heading B7-501 represents a non-compulsory, differentiated appropriation.

6. TYPE OF EXPENDITURE:

The subsidy to the Foundation entered in the general budget of the European Communities on line B7-501 in pursuance of Article 9 of Regulation (EEC) No 1360/90 is intended to cover the administrative costs engendered by the function described under paragraph 4, including staff and infrastructure, and the operational expenditure directly linked to the specific mission of the Foundation as described in paragraph 4, second paragraph, first indent.

The operational costs of the vocational training programmes implemented by the Foundation under Article 3(c) of Regulation No 1360/90 are met under the Phare and Tacis budget lines B7-500 and B7-520 respectively. In addition, under a mandate pursuant to Article 3(h) of Regulation No 1360/90, the Foundation provides technical assistance to the Tempus II programme, for which appropriations have been requested under the 1997 budget also under the Phare/Tacis lines.

In addition to the subsidy under the general budget, the Foundation's budget is designed to accommodate contributions from other sources, such as from the Member States, third countries (in particular G24 countries), institutions, undertakings and private foundations, and funds made available by the eligible countries themselves.

7. FINANCIAL IMPACT:

It is envisaged that the operational costs of implementing the MED vocational training programmes would be met under the MEDA budget line B7-410 in the same way, and on the same legal basis, as is currently the case for the Phare and Tacis programmes (see preceding paragraph).

The Foundation's running costs would continue to be met in their entirety from the Foundation's own budget. No increase in the subsidy as a result of the proposed amendment is envisaged.

8. FRAUD PREVENTION MEASURES:

The control of the commitment and payment of all the Foundation's expenditure is undertaken by the Financial Controller of the Commission (Article 11 of Regulation No 1360/90).

As regards the implementation of vocational training programmes under MEDA, control would be undertaken by the Foundation, the Commission service responsible for the overall management of the programmes and the Financial Controller of the Commission.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS:

The Foundation constitutes an existing body of knowledge and expertise in the transfer of vocational training experience, which the work programme adopted by the Barcelona Conference identified as being an appropriate agency to contribute to its aims in the training field in the MEDA partner countries.

The extension of the Foundation's geographical remit to those countries avoids the unnecessary duplication which would be involved in setting up a new body specifically for them, as well as the additional cost and inevitable time delays.

The Foundation's efficiency will also be improved by a number of accompanying measures (increasing guidance by the Commission; aligning the work programme with the budget; strengthening the advisory forum and defining the director's mandate more precisely).

10. ADMINISTRATIVE EXPENDITURE:

No additional administrative expenditure is involved.

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DOCUMENTS

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