



Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2007/0163(COD) Procedure completed
European Training Foundation. Recast Repealing Regulation (EC) No 2063/94 1994/0070(CNS) Repealing Regulation (EC) No 1572/98 1997/0126(CNS) Repealing Regulation (EC) No 1648/2003 2002/0171(CNS)	
Subject 4.40.15 Vocational education and training 8.40.08 Agencies and bodies of the EU	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	EMPL Employment and Social Affairs	ALDE LEHIDEUX Bernard	09/09/2008
	Former committee responsible		
	EMPL Employment and Social Affairs		11/09/2007
	Former committee for opinion		
	JURI Legal Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	2904	18/11/2008
	Education, Youth, Culture and Sport	2868	21/05/2008
European Commission	Commission DG	Commissioner	
	Education, Youth, Sport and Culture	FIGEL' Ján	

Key events			
24/07/2007	Legislative proposal published	COM(2007)0443	Summary
24/09/2007	Committee referral announced in Parliament, 1st reading		
02/04/2008	Vote in committee, 1st reading		Summary
04/04/2008	Committee report tabled for plenary, 1st reading	A6-0131/2008	
21/05/2008	Debate in Council	2868	
22/05/2008	Results of vote in Parliament		
22/05/2008	Debate in Parliament		
22/05/2008	Decision by Parliament, 1st reading	T6-0227/2008	Summary
17/11/2008	Council position published	11263/4/2008	Summary

20/11/2008	Committee referral announced in Parliament, 2nd reading		
02/12/2008	Vote in committee, 2nd reading		Summary
04/12/2008	Committee recommendation tabled for plenary, 2nd reading	A6-0473/2008	
16/12/2008	Decision by Parliament, 2nd reading	T6-0599/2008	Summary
16/12/2008	Final act signed		
16/12/2008	End of procedure in Parliament		
31/12/2008	Final act published in Official Journal		

Technical information

Procedure reference	2007/0163(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Recast
Legislative instrument	Regulation
	Repealing Regulation (EC) No 2063/94 1994/0070(CNS) Repealing Regulation (EC) No 1572/98 1997/0126(CNS) Repealing Regulation (EC) No 1648/2003 2002/0171(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 150
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/6/69417

Documentation gateway

Legislative proposal	COM(2007)0443	25/07/2007	EC	Summary
Committee draft report	PE396.655	07/01/2008	EP	
Amendments tabled in committee	PE400.678	08/02/2008	EP	
Committee report tabled for plenary, 1st reading/single reading	A6-0131/2008	04/04/2008	EP	
Text adopted by Parliament, 1st reading/single reading	T6-0227/2008	22/05/2008	EP	Summary
Commission response to text adopted in plenary	SP(2008)3593/2	12/06/2008	EC	
Economic and Social Committee: opinion, report	CES1687/2008	22/10/2008	ESC	
Council position	11263/4/2008	18/11/2008	CSL	Summary
Council statement on its position	13808/2008	18/11/2008	CSL	
Commission communication on Council's position	COM(2008)0707	19/11/2008	EC	Summary
Committee recommendation tabled for plenary, 2nd reading	A6-0473/2008	04/12/2008	EP	
Text adopted by Parliament, 2nd reading	T6-0599/2008	16/12/2008	EP	Summary
Draft final act	03717/2008/LEX	16/12/2008	CSL	

Follow-up document	COM(2012)0588	15/10/2012	EC	Summary
Additional information				
National parliaments	IPEX			
European Commission	EUR-Lex			
Final act				
Regulation 2008/1339 OJ L 354 31.12.2008, p. 0082 Summary				

European Training Foundation. Recast

PURPOSE: to make amendments to and recast Council Regulation (EEC) No 1360/90 establishing the European Training foundation (ETF.)

PROPOSED ACT: Regulation of the European Parliament and of the Council.

CONTENT: following its adoption in 1990 the ETF's founding Regulation has been amended three times (in 1994, 1998 and 2000) to extend the geographical scope of the ETF's activities to the TACIS, MEDA and CARDS countries respectively. Furthermore, the founding Regulation was amended a fourth time, in 2003, to bring it into line with the new Financial Regulation. The Regulation now requires further amendment. The Commission also recalls that, in 2005, it presented a draft Interinstitutional Agreement on the operating framework for the European Regulatory Agencies. (IIAOPA). Although this framework, which is still at the proposal stage, is primarily intended to guide the Commission in setting up new decentralised agencies, its principles should also be taken into account when proposing significant amendments to the founding Regulations of existing agencies.

The Regulation requires further substantive amendment for the following principal reasons:

1) The ETF's thematic remit should be broadened, to cover human resources development (HRD), in particular education and training in a lifelong perspective, as well as related labour market issues. At present, the ETF's thematic remit, as described in its founding Regulation, is to contribute to development of vocational training systems in partner countries. In recent years education and training policy in the EU has switched from considering the different sectors separately to embracing a lifelong learning (LLL) perspective involving a holistic view of education and training as part of an entire learning system encompassing primary and secondary education, higher education, initial and continuing VET, and further and adult education. Accordingly, it is proposed that ETF's thematic remit should be broadened to cover human resources development, in particular education and training in a life-long learning perspective, and related labour market issues.

2) The ETF's geographical scope has to be redefined by reference to the new European Union's external relations policy instruments and priorities. It is proposed that the ETF's primary scope be defined by reference to the Instrument for Pre-Accession (IPA) and to the European Neighbourhood and Partnership Instrument (ENPI). To enable the ETF to operate in accordance with external relations priorities in areas falling outside its primary geographical scope (such as the Central Asian countries), an ad hoc decision should be taken by the ETF Governing Board on proposal from the Commission.

Formerly "eligible countries" are from now on referred to as "partner countries";

3) Within this new working environment, the ETF's functions must be adapted accordingly while remaining focused on priorities clearly established in coordination with the Commission. The ETF's functions will be as follows:

- providing information, policy analysis and advice on human resources development issues and their links to sector policy objectives in the partner countries;
- supporting relevant stakeholders in partner countries to build capacity in human resources development;
- facilitating the exchange of information and experience among donors engaged in human resources development reform in partner countries;
- supporting the delivery of Community assistance to partner countries in the field of human resources development;
- disseminating information and encouraging networking and exchanges of experience and good practice between the EU and partner countries and amongst partner countries on human resources development issues;
- at the Commission's request, contributing to the analysis of the overall effectiveness of training assistance to partner countries.

4) The Foundation's governing structures need to be modernised, with a view to promoting effective decision-making and contributing to long-term convergence with other Agencies, as provided for in the IIAOPA. Accordingly, the number of representatives on the Governing Board will be limited to fifteen. The Commission and Council should designate an equal and limited number of members (six each). In the interest of transparency, the Commission will also designate three representatives of the partner countries as non-voting members of the Board. All members of the Board will be appointed on the basis of their experience of the sector concerned and with regard to gender equality for a five-year term (instead of the current three years). The proposal sets out the Governing Board's duties and tasks in a succinct and more coherent way.

The Commission considers that this is the occasion to use the recasting technique, as described in the Interinstitutional Agreement of 28 November 2001 on a more structured use of the recasting technique for legal act, in order to adopt a single legislative text which simultaneously makes the desired amendments, codifies those amendments with the unchanged provisions of the earlier acts and repeals those acts.

European Training Foundation. Recast

The Committee on Employment and Social Affairs adopted the report by Bernard LEHIDEUX (ALDE, FR) amending, under the codecision procedure, the recast proposal for a regulation of the European Parliament and of the Council establishing a European Training Foundation. The proposed amendments, which are of a technical nature, aim to clarify the proposal and to reinforce the Parliament's information on the operation of this Community organ.

The main amendments can be summarised as follows:

- Strengthening the European Parliament's information: in order to better control the operation of the Foundation, MEPs ask that the Governing Board include 3 representatives from the European Parliament. The European Parliament shall appoint its own representatives, while the Commission shall appoint its own representatives and the representatives of the partner countries on the basis of their experience and expertise in the Foundation's areas of work;
- Third countries: MEPs believe that it is necessary to enlarge the scope of cooperation with third countries (not limited to countries involved in the Neighbourhood Policy or pre-accession programmes). For this reason, they propose increasing the flexibility of the procedure permitting the Foundation to take action outside the areas specified in Articles 1(a) and 1(b) of the Regulation;
- Promoting knowledge and analysis of national and local labour markets: MEPs believe that the concept of the 'labour market' must be emphasised by specifying that the core tasks of the Foundation include improving awareness of local labour markets in order to promote the European dimension of human resources development;
- Avoiding overlap: MEPs ask that any overlap between the Foundation's activities and those of CEDEFOP, or other Community bodies, must be avoided in order to prevent the squandering of human and financial resources;
- Duration of the mandate: MEPs ask that the Director of the Foundation be nominated by the Governing Board for a period of five years, on the basis of a list of at least 3 candidates presented by the Commission;
- Report: the Parliament asks that the Director of the Foundation present its annual report before the relevant committees of the European Parliament.

It should be noted that the proposal, as amended by the parliamentary committee, takes into account the recommendations of the Consultative Working Party of the Legal Services of the European Parliament, the Council and the Commission.

European Training Foundation. Recast

The European Parliament adopted by 292 votes to 22, with 230 abstentions, a legislative resolution on the recast of the Regulation of the European Parliament and of the Council establishing a European Training Foundation.

The report had been tabled for consideration in plenary by Bernard LEHIDEUX (ALDE, FR) on behalf of the Committee on Employment and Social Affairs.

The majority of the amendments ? adopted under 1st reading of the codecision procedure ? were the result of a compromise between the Parliament and the Council:

- human capital development: better consideration shall be given to the importance of human capital development throughout the proposal by making it one of the main objectives of the agency (the text defines the meaning of 'human capital development' in relation to the agency's objectives);
- increased oversight of the functions of the Foundation: a Governing Board represented by members nominated by the Parliament: the Parliament requests that it be more involved in the supervision of the agency's functions. This is why the plenary adopted, with a very small majority, an EPP amendment (246 votes for, 242 against and 38 abstentions) requesting that the Governing Board of the Foundation be composed of representatives of the Member States following the rotation stipulations of the Treaty of Lisbon regarding the appointment of Commissioners, three representatives of the Commission, as well as three experts appointed by the European Parliament. This Board shall also include three representatives of the partner countries who may attend meetings as observers. The Member States and the Commission shall each appoint their own representatives and alternates to the Governing Board whereas the representatives of the partner countries shall be appointed by the Commission on the basis of a list of candidates proposed by those countries and of their experience. The representatives of the Commission shall have one vote between them (whereas the representatives of the Member States shall each have one vote);
- third countries: the scope of cooperation with third countries shall be enlarged (not limited to countries involved in the Neighbourhood Policy or pre-accession programmes): other countries may therefore be associated with the actions of the Foundation. These countries would be designated by decision of the Governing Board based on a specific procedure, and from a list of countries covered by a Community instrument or international agreement that includes a component of human capital development;
- assistance provided by the Foundation: the text better defines the type of assistance that the Foundation would provide (including: adapting to industrial changes, improving continuous training in the countries concerned, encouraging mobility, stimulating cooperation between educational establishments and firms, stimulating reforms in education and training systems, developing exchanges of information and experience on issues common to the training systems of the Member States);
- promoting knowledge and analysis of skills needs: knowledge and analysis of skills needs in national and local labour markets shall be promoted among the main functions of the Foundation;
- avoiding overlap: all efforts must be made to avoid the overlap of activities with other Community bodies, including CEDEFOP, by seeking to identify all complementarity in activities undertaken; it is planned that representatives of social partners at European level and international organisations involved in training will participate in the activities of the Foundation, if applicable;
- the Director's mandate: the Director of the Foundation shall be nominated by the Governing Board for a period of five years, on the basis of a list of at least 3 candidates presented by the Commission; before being nominated, the candidates shall be invited to make a statement before the relevant parliamentary committee(s) and to answer questions posed by the committee members;
- work programme: a four-year multiannual work programme for the Foundation shall be established, on the basis of experience acquired in education and training within the Community; an annual work programme shall be established on the basis of this multiannual work programme;
- annual report and annual activity report: the Governing Board of the Foundation shall forward an annual activity report to the competent bodies of the European Parliament. The Director shall also present the Foundation's annual report before the relevant

It should be noted that the adoption of the amendment in plenary on the composition of the Governing Board challenges the negotiated agreement with the Council under 1st reading. A 2nd reading will be needed therefore.

European Training Foundation. Recast

The common position reflects the agreement reached between the three institutions as a result of the informal contacts referred to above. Although the common position contains some significant changes with regard to the Commission's initial proposal - notably in respect of the governance provisions - the essential structure of the proposal remains unaltered. The main changes may be regarded as essentially of a technical/editorial nature whose sole purpose is to improve the clarity of the text.

Scope: the Commission proposal provided for a broadening of the Foundation's scope beyond education and training to include human resources development, primarily on the grounds that the different education sub-sectors (primary, secondary, vocational, higher, adult, etc.) should now be seen holistically within a lifelong perspective that embraces them all. Although the Council can agree to some extension of the scope of the ETF, it is generally felt that the recurrently used term 'human resources development' is too broad in meaning, given the legal base chosen. As a result, the Council prefers to replace this expression throughout the text by the term 'human capital development', as well as to include in Article 1 a clear definition of the term as used in the Regulation, a definition which is based almost entirely on Article 150 of the Treaty.

Geographical scope: as for the proposed extension of the ETF's geographical scope, an effort has been made - also in Article 1 - to define more explicitly which countries would be eligible for support and, where appropriate, under which conditions. The Council has incorporated two amendments adopted by the European Parliament - in Articles 2(b) and 3(3) - aimed respectively at ensuring that the Foundation would promote knowledge and analysis of skills needs in national and local labour markets, and that duplication would be avoided between its activities and those of the complementary European Centre for the Development of Vocational Training (Cedefop). Finally, the Council has reinstated a reference absent from the Commission proposal to the potential involvement in the ETF's work of representatives of the social partners at European level.

Governance: the key amendments to the Commission proposal concern the management structure and specifically the extent to which each of the three main institutions should be represented on the Governing Board. On the grounds of streamlining the decision-making process, the Commission proposed to reduce the level of Member State representation to no more than six members, whilst at the same time doubling the size of its own representation to the same level, i.e. six, putting it on a par with the Council. The Council considered this proposal very carefully, inter alia, in the wider context of the ongoing horizontal debate on the future governance of European agencies. Although sensitive to some of the Commission's arguments in favour of a lighter management structure, the Council ultimately considers that the current situation should be maintained, whereby each Member State is entitled to represent its own views by having a seat on the Board and the right to vote. In the Council's view, individual representation represents the best way of enhancing Member States' ownership of the Foundation's work. Similarly, the Council sees no valid reason to alter the existing arrangements concerning the Commission's representation on the Board and initially remained opposed to any form of representation by the European Parliament on the grounds of a potential conflict of interests. Having said this, the Council is prepared - in a spirit of compromise - to accept the formula ultimately devised, whereby three seats would be allocated on the Board for "non-voting experts appointed by the European Parliament".

The remaining changes agreed between the Council and Parliament in the area of governance are aimed at:

- clarifying the status and profile of representatives of the partner countries with which the ETF works,
- reaffirming the objective of achieving gender balance on the Governing Board,
- specifying the voting arrangements for reaching decisions and convening meetings,
- laying down some additional rules concerning the appointment and evaluation of the Foundation's Director.

Reports and evaluation: the Council has supported those Parliamentary amendments aimed at ensuring a regular flow of information and feedback to the relevant bodies of both the Parliament and the Council. This may be provided in the form of both written reports and appearances of the Director before the relevant EP Committee(s) and Council body. In addition, the Foundation's activities will be subject to an evaluation every four years by external experts in liaison with the Commission and the Governing Board.

In conclusion: the common position - the result of informal negotiations between the European Parliament, the Council and the Commission - is largely consistent with the approach and aims pursued by the Commission in its original proposal for a recast Regulation, with the exception of the provisions on governance and, in particular, representation on the ETF's Governing Board. The scope of the Foundation's work has been extended and more clearly prescribed, a number of provisions relating to the Governing Board, its voting rules and the role of the Director have been clarified and the procedures for reporting and evaluating the Foundation's activities and performance tightened up.

European Training Foundation. Recast

The Commission states that the common position is, in substance and to a large extent, in line with the Commission's proposal and therefore can be supported fully.

It is the result of intense inter-institutional negotiations. Informal and technical meetings have pinpointed avenues for compromise on a number of outstanding issues: thematic remit, functions, legal basis, geographical scope, budgetary implications, composition of the Governing board and procedure for appointing the director of the ETF.

The main subjects of negotiation on which an agreement had been reached were the following:

- The thematic remit: the ETF recast foresees a wider perception of training in the context of a lifelong learning as a key factor for the development of economies and knowledge societies in accordance with the Lisbon objectives. Moreover, the recast regulation would

allow the ETF to assume a leading role in the reform of vocational education and training (VET) and related labour market issues in partner countries as part of a wider programme of Human Capital Development (HCD).

- The functions: the introduction of the new external relations policy instruments, which are designed to help partner countries achieve reforms in different sectors, marks a significant step towards policy driven rather than programme-driven approach to external assistance. In this context the ETF needs a mandate that allows it to fully play its role as a centre of expertise assisting both partner countries and European Commission in the development of policies and appropriate reform strategies. The ETF will assist the partner countries in capacity building and in the definition and implementation of reform strategies adapted to the national context. Moreover, the ETF will promote networking and exchange of experiences and good practices between the EU and partner countries and among partner countries themselves.
- Legal basis: the Commission's proposal replaces the previously used Article 235 of the Treaty establishing the European Community by Article 150 as ETF remains closely related to the EU policy in vocational education and training (VET). This legal basis provides more clarity in the work and functions of the ETF. Nevertheless, VET needs to be understood not in its traditional sense but in the global context of a lifelong learning policy, including aspects such as labour-market issues, social inclusion and civic participation. In this sense, Article 150 provides a sufficient legal basis for the work of the ETF within its new broader thematic remit.
- Geographical scope: the ETF maintains its geographical focus in accession and neighbouring countries of the EU through the Instrument for Pre-accession (IPA) and the European Neighbourhood and Partnership Instrument (ENPI). However, the new regulation also provides the ETF with the possibility to operate in other regions, in accordance with EU external relations priorities and on the basis of an ad hoc decision taken by the ETF Governing Board on proposal from the Commission.
- Budgetary implications: this proposal does not introduce any new activities for the ETF. Its objective is rather to provide for an updated and clearer definition of ETF's current functions, under a wider thematic remit and a renewed geographical scope. There are not budgetary implications, however, the new focus on information and policy analysis tasks is a labour intensive work and requires an important investment on behalf of the ETF in terms of staff training and qualification.

As regards the two remaining issues, the position of the Commission is as follows:

1. Composition of the Governing Board: although the Commission regrets that its original position on the issue has not been accepted by Council and Parliament (six representatives of Member States and six representatives of the Commission) it can accept the compromise solution consisting of one representative per Member State, three representatives of the Commission and three non voting experts from the European Parliament, as well as three representatives of partner countries as observers;
2. Procedure for appointing the director of the ETF: the Commission can accept the proposal that the candidate selected by the Governing Board would be invited for a hearing by the competent committee/s of the European Parliament.

The Common Position meets the aims of the Commission's initial proposal. The Commission therefore supports the text. Since the two co-legislators have reached a political agreement on the Common Position, 2nd reading proceedings of Parliament in accepting the Council's Common Position should be concluded relatively swiftly.

European Training Foundation. Recast

The Committee on Employment and Social Affairs adopted the recommendation for 2nd reading contained in the report drafted by Bernard LEHIDEUX (ALDE, FR) and approved the Council's common position as regards the adoption of a regulation of the European Parliament and of the Council establishing a European Training Foundation (recast).

Committee Members recall that on 14 May 2008, the Parliament reached an agreement with the Council on the text of the new regulation. Due to the fact that, on 22 May 2008, amendments were adopted in plenary that were contrary to this agreement, a 2nd reading became necessary.

The Council's common position was announced in Plenary on 20 November 2008 and is identical to the agreement reached in May 2008, besides some linguistic adaptations. In the meantime, a majority of the political groups in EMPL confirmed their commitment to the agreement reached in May with the Council.

Consequently, the Common Position can be adopted without amendments.

European Training Foundation. Recast

The European Parliament adopted, without vote, a legislative resolution approving the Council's common position for adopting a regulation of the European Parliament and of the Council establishing a European Training Foundation (recast). The recommendation for second reading (under the codecision procedure) had been tabled for consideration in plenary by Bernard LEHIDEUX (ALDE, FR) on behalf of the Committee on Employment and Social Affairs.

European Training Foundation. Recast

PURPOSE: to recast the Regulation establishing a European Training Foundation (ETF).

LEGISLATIVE ACT: Regulation (EC) No 1339/2008 of the European Parliament and of the Council establishing a European Training Foundation (recast).

CONTENT: the European Training Foundation (ETF) is a decentralised EU agency created under Council Regulation (EEC) No 1360/90. Since the ETF's founding Regulation was last amended, there have been important developments in the European Union's policy outlook in both the education and training and external relations fields, while new instruments have been adopted to implement these policies, such as the Instrument for Pre-Accession Assistance (IPA) and the European Neighbourhood and Partnership Instrument (ENPI). Accordingly, a new amendment to the ETF founding Regulation is necessary to take into account recent developments, to update its role and function and to provide a sound basis for its future work.

The main amendments adopted by the Parliament and the Council, following an agreement reached at second reading, concern the following points:

Objective and scope: the scope of the ETF has been modified in such a way so as to contribute, in the context of EU external relations policies, to improving human capital development, in the following countries:

(a) the countries eligible for support under [Regulation \(EC\) No 1085/2006](#) (candidate countries and potential candidate countries to accession);

(b) the countries eligible for support under [Regulation \(EC\) No 1638/2006](#) (countries eligible for the European Neighbourhood and Partnership Instrument); and

(c) in accordance with the Parliament's wish, possibly other countries designated by decision of the Governing Board and covered by a Community instrument or international agreement that includes an element of human capital development, and as far as available resources allow.

Human capital development shall be defined as work which contributes to the lifelong development of individuals' skills and competences through the improvement of vocational education and training systems.

In order to achieve its objective, the Foundation may provide assistance to partner countries in: (i) facilitating adaptation to industrial changes (in particular through vocational training and retraining); (ii) improving initial and continuing vocational training in order to facilitate vocational integration and reintegration into the labour market; (iii) encouraging the mobility of instructors and trainees and particularly young people; (iv) stimulating cooperation on training between educational establishments and firms; (v) developing exchanges of experience in issues common to the training systems; (vi) increasing the adaptability of workers, particularly through increased participation in education and training in a lifelong learning perspective; (vii) designing, introducing and implementing reforms in education and training systems, in order to develop employability and labour market relevance.

Functions: the Foundation has been assigned new functions in line with its new objectives. These shall be:

- to provide information, policy analyses and advice on human capital development issues in the partner countries;
- to promote knowledge and analysis of skills needs in national and local labour markets;
- to support relevant stakeholders in partner countries in building capacity in human capital development;
- to facilitate the exchange of information and experience among donors engaged in human capital development reform in partner countries;
- to support the delivery of Community assistance to partner countries in the field of human capital development;
- to disseminate information and encourage networking and the exchange of experience and good practice between the EU and partner countries and amongst partner countries in human capital development issues;
- to contribute, at the Commission's request, to the analysis of the overall effectiveness of training assistance to the partner countries;
- to undertake such other tasks as may be agreed between the Governing Board and the Commission.

General provisions and headquarters: the Foundation shall have its seat in Turin (Italy) and all the general provisions have been maintained: legal personality; application of rules on transparency concerning its activities and rules on confidentiality for certain information; structured cooperation with other competent Community bodies, such as the European Centre for the Development of Vocational Training (Cedefop), so as to avoid duplication of effort. The Foundation may also establish co-operation agreements with other relevant bodies active in the human capital development field in the EU and worldwide.

The Foundation's governing structures: the new Regulation provides for a governing structure which shall take the following form:

- a Governing Board whose competences are listed in the Regulation, consisting of, as is currently the case, one representative of each Member State, three representatives of the Commission, as well as three non-voting experts appointed by the European Parliament. In addition, three representatives of the partner countries may attend meetings of the Governing Board as observers. The term of office of representatives shall be five years. It shall be renewable once;
- a Director appointed by the Governing Board for a period of five years from a list of at least three candidates submitted by the Commission. Before being appointed, the candidate selected by the Governing Board shall be invited to make a statement before the European Parliament. The Director's activities may be subject to an evaluation by the Commission, which, according to the results obtained, may propose to extend the term of office of the Director once for not more than three years. The Director's competences are listed in the Regulation.

Annual work programme: there are provisions on establishing an annual work programme and an annual activity report to be submitted, inter alia, to the European Parliament.

Budget and budgetary control: the Regulation provides for the same provisions on budgetary management and budgetary procedure applicable to all Community agencies.

Staff regulations: the staff of the Foundation shall be governed by the rules and regulations applicable to the officials and other servants of the European Communities.

Participation of third countries: the Foundation shall be open to the participation of countries which are not Member States of the Community and which share the commitment of the Community and the Member States to the provision of aid in the human capital development field to the partner countries, under arrangements to be laid down in agreements between the Community and themselves.

Evaluation and review: any future revisions of the Regulation shall be subject to a number of subsequent evaluations to be conducted every four years. Moreover, if the Commission considers that the existence of the Foundation is no longer justified, it may propose that this Regulation be repealed.

ENTRY INTO FORCE: 20/01/2009. As of this date, Regulations (EEC) No 1360/90, (EC) No 2063/94, (EC) No 1572/98, (EC) No 1648/2003 and Article 16 of Regulation (EC) No 2666/2000 shall be repealed.

In accordance with Council Regulation (EEC) No. 1360/90, the Commission presents a report on the European Training Foundation (ETF), which provides an overview of experience acquired by the work of the Foundation between 2006 and 2010. It takes into account changes in the role, the geographical coverage, the EU's external relations environment and the activities of the Foundation since 2006. The report draws on the findings, conclusions and recommendations of an independent evaluator's report.

Evolution of the Foundation from 2006 to 2010: the report recalls that the ETF's mission is to help transition and developing countries to harness the potential of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy. In 2008, Regulation (EC) No 1339/2008 recast the Foundation's mandate in a holistic manner, creating a new mandate for the ETF to address human capital development issues, which widened its formal scope beyond vocational education and training to include issues such as labour market needs and enterprise development. In addition, the new mandate allowed for the geographic scope of the ETF to be expanded if necessary. The new Regulation did not include any programme management functions for the ETF, consolidating its role as a centre of policy expertise in human capital development for EU external policies. As a result, the ETF undertook significant reform of its internal structures starting in 2008. Most recently, the Operations Department was split into three separate departments: the Thematic Expertise Development Department, the Geographical Operations Department and the Evidence-based Policy Making Department. The Commission considers that the ETF has indeed been able to successfully reorganise and refocus its activities. It shares the evaluator's overall positive assessment of the effectiveness of the Foundation's work in its main roles of providing and disseminating information, analysis, and policy advice, capacity building and networking and knowledge transfer. The ETF has also taken up the challenge of its recast mandate for considerable internal reforms.

The report highlights the following issues:

Relevance: the evaluator found ETF's to be relevant both thematically and procedurally to beneficiary needs and that it managed to strike a good balance between flexibility and strategic planning. However, the evaluator stressed that the ETF should be more proactive in clarifying its role to stakeholders with whom they work and the ways in which the ETF can provide support. The ETF has performed very well in developing human capital development policy but beneficiaries are not always aware of this impact and should be made aware of ETF's success and impact, e.g. a clear description of areas in which ETF can provide support.

Moreover, it is noted that the ETF's role is clearly defined at the policy level and with state level actors. However, the ETF's role vis-à-vis social partners and NGO need to be clarified. The Commission stresses the relevance of ETF's activities to beneficiary needs but agrees with the evaluator that a more proactive approach in clarifying ETF's role to stakeholders is wanted as well as a clearer definition of its role vis-à-vis social partners and NGOs.

Coherence: the evaluators found ETF actions to be internally coherent, as well as being coherent with broader EU objectives, notably in EU external relations, and most partner country objectives. However, it was found that there was no clear hierarchy between strategic and operational ETF objectives in mid-term perspectives and annual work plans. The Commission agrees with the evaluators in underlining the need to explain in the annual work programmes and country plans how specific actions contribute to wider strategic objectives of the ETF.

Effectiveness: the evaluator found ETF to be highly effective in its main roles of providing and disseminating information, analysis, and policy advice, capacity building and networking and knowledge transfer.

Information dissemination has evolved over the evaluation period and is now making greater use of social media and online opportunities to share information. However not all stakeholder groups are clear on the nature of ETF information and action. Therefore, in particular with stakeholder groups more recently engaged by the ETF (i.e. social partners and NGOs) a more proactive approach to information dissemination should be undertaken in order to inform these groups about the nature and extent of ETF action.

The ETF was effective in helping to develop knowledge and expertise, which could lead to greater partner country capacity in human capital development. However, it was difficult to distinguish how effective the ETF was in building capacity, as a picture of how ETF actions should contribute to capacity building and a clear definition of capacity building were not established.

The Commission stresses that in the field of capacity building, the ETF should work closely with partner countries to develop a strategy for how ETF actions and knowledge development can be utilized to improve capacity and increase partner country ownership over the policy process.

Lastly, the evaluators stressed that the ETF performed most strongly in networking and knowledge transfer and that these activities were highly valued by beneficiaries. Regional networks were especially valued. In that context, the reorganisation and the creation of separate thematic and geographic departments offers potential to strengthen further regional initiatives in terms of networking and policy learning between stakeholders. These regional networks should continue to be developed in the future to the greatest extent possible. The Commission feels that the ETF's focus on the development of regional networks should be further strengthened.

Efficiency and cost effectiveness: the evaluator found ETF to perform very well, in particular given its wide mandate and limited resources. It is recommended that the ETF maintain consistency at the partner country level by matching staff skills with particular thematic and geographic areas. Country managers should therefore be rotated infrequently in order to allow them to build up sufficient knowledge and connections at the partner country level.

The evaluators found ETF to have a system of useful performance indicators that should be kept stable to enable measuring the progress of the organization over the years. However, the existing indicators focus solely on immediate outputs. The indicators should therefore be extended to incorporate results level indicators, e.g. partner country beneficiary satisfaction with services provided by ETF.

It was found that ETF is cost-effective in its work. Given its vast thematic mandate, large geographical area and relatively modest budget, the ETF has proven to be flexible in the past in deploying its support where EU institutions and Governing Board deemed it most necessary.

The Commission shares the evaluators' positive assessment of ETF's added value and cost-effectiveness, in particular given its wide mandate and extensive geographic coverage.