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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.11.2008
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2007/0163 (COD)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to the second paragraph of Article 251 (2) of the EC Treaty

concerning the

**Common position of the Council on the adoption of a proposal for a Regulation of the
European Parliament and the Council establishing the European Training Foundation
(recast)**

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1. BACKGROUND

Date of transmission of the proposal to the European Parliament and the Council:

COM/2007/443final – 2007/0163(COD)]: 25 July 2007

Date of the opinion of the European Parliament, first reading: 22 May 2008

Date of adoption of the Common Position: 17 November 2008

The European Training Foundation (ETF) was created in 1990 to support implementation of the PHARE external assistance programme in the vocational training field. At the present date, it also covers the countries of the previous TACIS, CARDS and MEDA programmes. The ETF Regulation was amended three times (in 1994, 1998 and 2000) to extend the geographical scope and a fourth time in 2003 to bring it into line with the Financial Regulation.

Since 2003 there have been important developments in the European Union's policy outlook in both education and training and external relations fields, while new instruments have been adopted to implement these policies. Accordingly, a new amendment to the ETF founding Regulation became necessary to take into account recent developments, to update its role and function and to provide a sound basis for its future work.

2. OBJECTIVE OF THE COMMISSION PROPOSAL

The Commission's proposal has the following objectives:

- Clarify the functions of the ETF
- Update the mandate of the ETF redefining its geographical and thematic scope
- Modernise its governing structures with a view to promote effective decision-making
- Provide a sound basis for ETF's future work.

3. COMMENTS ON THE COMMON POSITION

3.1 General Comment on Common Position

The text of 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, following the Commission's proposal on the revision of the regulation 1360/90 of 7 May 1990. The Commission sent its proposal to Council and Parliament on 25 July 2007.

3.2 Agreement at Common Position Stage

A detailed examination of the articles was conducted at the Education committee in the Council and, in parallel, in the Employment Committee of the European Parliament.

The dialogue with the Council and the Parliament has been constructive and produced a series of amendments that improve the clarity of the original version

Within this context, 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.

On 30 April 2008, COREPER gave mandate to the Presidency on a compromise package which should allow a first reading agreement. The first reading agreement was not, however, accepted by the European Parliament at the plenary session on 22 May 2008.

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.

Concerning the partner countries, the ETF will assist them 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:

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.

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 EP.

4. CONCLUSION

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, second reading proceedings of Parliament in accepting the Council's Common Position should be concluded relatively swiftly.