



Council of the
European Union

Brussels, 23 August 2016
(OR. en)

11532/16

Interinstitutional File:
2016/0257 (COD)

SOC 479
EMPL 313
EDUC 260
CODEC 1113

PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 23 August 2016

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2016) 532 final

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND
OF THE COUNCIL establishing a European Centre for the Development of
Vocational Training (Cedefop) and repealing Regulation (EEC) No 337/75

Delegations will find attached document COM(2016) 532 final.

Encl.: COM(2016) 532 final



Brussels, 23.8.2016
COM(2016) 532 final

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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a European Centre for the Development of Vocational Training (Cedefop)
and repealing Regulation (EEC) No 337/75**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The proposal aims to revise the Founding Regulation of the European Centre for the Development of Vocational Training (Cedefop) from 1975. The reasons for the revision are twofold.

The revision of the Cedefop's Founding Regulation will align certain provisions of the existing Regulation governing Cedefop with the Common Approach on Decentralised Agencies.

The revision also offers the opportunity to update the objectives and tasks of Cedefop. Since its establishment in 1975, the Centre has adapted its activities to the overall societal, institutional and economic developments and emerging trends in European policies in the field of vocational education and training. This includes technological developments, as vocational occupations have been increasingly relying on the use of digital technologies. To respond to the evolution of the changing policy context, Cedefop's current activities go beyond vocational education and training and include work on qualifications, in particular the European Qualifications Framework, on skills analysis and forecasting, and the validation of non-formal and informal learning which should all be acknowledged. The new objectives and tasks will be adjusted to better reflect these developments.

The revision is not an initiative within the Regulatory Fitness Programme (REFIT).

The other two so-called tripartite Agencies of the European Union, the European Agency for Safety and Health at Work (EU-OSHA) and the European Foundation for the Improvement of Living and Working Conditions (Eurofound) will also undergo a revision of their respective Founding Regulations at the same time as Cedefop.

- **Consistency with existing policy provisions in the policy area**

The Cedefop's Founding Regulation has been amended five times, in 1993, 1994, 1995, 2003 and 2004, mainly to take account of the EU enlargement or Treaty changes. However, these amendments have not significantly altered the fundamentals of the Agency.

This revision will define more sharply the role of Cedefop in supporting the shaping and implementation of vocational education and training, skills and qualifications policies. It will update the mandate of Cedefop as a centre for analysis, research and policy monitoring in these policy areas.

- **Consistency with other Union policies**

As Cedefop is at the interface of vocational education and training and the labour market, the revision takes into consideration the existing EU education and training policies¹ and skills

¹ Including the ET 2020 strategic framework for European cooperation in education and training recently updated by the 2015 Joint Report and the Copenhagen process fostering European cooperation in vocational education and training

policies², on the one hand and employment policies on the other hand. It foresees complementarity with ongoing and planned research in this area carried out with EU funding, such as those financed under EU research funding programmes.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The proposed legal basis is article 166(4) with references to a vocational training policy which shall support and supplement the action of the Member States, while fully respecting the responsibility of the Member States for the content and organisation of vocational training, article 165(4) with references to the contribution of the Union to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems and article 149 of the Treaty on the Functioning of the European Union, referring to adoption of incentive measures designed to encourage cooperation between Member States and to support their action in the field of employment.

- **Subsidiarity (for non-exclusive competence)**

This proposal addresses certain aspects relating to how the EU agency operates internally and within the EU institutional framework. Therefore, the objectives of this proposal cannot be achieved by action at national level.

- **Proportionality**

The revision of the Founding Regulation should be considered in terms of its impact on administrative burden and budgetary costs so as to respect the proportionality principle. A general principle which shall guide the revision is the necessity to keep the text of the Founding Regulation simple, clear and flexible, while relying on other forms of regulation (e.g. Rules of Procedure) for detailed provisions. The Founding Regulation should have a mid-term lifespan and ensure the necessary flexibility to allow for possible future developments in the organisation without a need for a further revision.

- **Choice of the instrument**

The instrument will be a Regulation of the European Parliament and of the Council repealing and replacing Regulation (EEC) No [337/75](#).

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

The most recent external evaluation carried out by the Commission, finalised in 2013, recommended to amend Cedefop's Founding Regulation to reflect the Agency's work on skills

² As recently set out in the New Skills Agenda for Europe: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions [COM\(2016\) 381/2](#)

and qualifications as one of its tasks and to integrate more clearly the work on policy reporting and common European tools and initiatives.

- **Stakeholder consultations**

Management and labour at EU level have been consulted on both the possible direction of Union action and the content of the envisaged proposal. Both management and labour insisted in their opinion on maintaining the tripartite nature of the Agency and reflecting this in the objectives of the Agency and in the representation of all groups in its governance structures.

The Commission has kept other relevant stakeholders informed on broad decisions concerning this revision exercise and consulted them when necessary.

- **Collection and use of expertise**

Not applicable.

- **Impact assessment**

Given the limited revision of the founding act, an impact assessment was not carried out.

- **Regulatory fitness and simplification**

Not applicable. The proposal is not linked to REFIT.

- **Fundamental rights**

Not applicable.

4. BUDGETARY IMPLICATIONS

The budgetary implications in terms of human and financial resources, as presented in more detail in the Legislative Financial Statement, are in line with the Commission Communication (2013)519.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

In accordance with the Common Approach, the proposal includes a provision on the evaluation of the Agency by the Commission. In addition to making this proposal, the Commission envisages to carry out a cross-cutting evaluation to assess the Agency's objectives, mandates, governance and tasks, also in relation to other Agencies acting in the field of labour market, working conditions, vocational education and training and skills.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the proposal**

The revision of the Founding Regulation offers the opportunity to update Cedefop's objectives and tasks, to reflect the developments within the Agency and in the context in which it operates since the adoption of the Founding Regulation. It will allow the role of Cedefop to be reconfirmed in supporting the Commission in shaping and implementing vocational education and training, skills and qualifications policies.

Furthermore, the revision creates the opportunity to provide for anti-fraud measures, conflict of interest policy, evaluation and review, and the establishment of a headquarters agreement.

The revision will also harmonise the provisions on programming and reporting with the requirements set by the revised Framework Financial Regulation. It will lead to modifying and aligning the appointment procedure of the Director (Executive Director) with the procedure provided for in the Common Approach. The role of appointing authority will be conferred to the Management Board of the Agency. The terminology for the management structure will be aligned with the Common Approach. Certain elements of the Founding Act are not being reviewed in the light of the Common Approach in the framework of this proposal, pending further evaluation.

Regarding the appointment by the Council of the Management Board members representing the employers' and employees' organisations from each Member State, it is proposed that this is done on the basis of a list submitted by the EU social partners' organisations.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a European Centre for the Development of Vocational Training (Cedefop)
and repealing Regulation (EEC) No 337/75**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 166(4), Article 165(4) and Article 149 thereof,

Having regard to the proposal from the European Commission;

After transmission of the draft legislative act to the national Parliaments;

Having regard to the opinion of the European Economic and Social Committee³;

Having regard to the opinion of the Committee of the Regions⁴;

Acting in accordance with the ordinary legislative procedure;

Whereas:

- (1) The European Centre for the Development of Vocational Training (Cedefop) was established by Regulation (EEC) No 337/75 of the Council⁵ to assist the Commission in encouraging, at the Union level, the promotion and development of vocational training and of in-service training.
- (2) Since its establishment Cedefop has played an important role in supporting the development of a common vocational education and training policy. At the same time the concept and significance of vocational training has evolved under the influence of changing labour markets, technological developments, particularly in the digital area, and increasing labour mobility. Vocational training policies have evolved accordingly and encompass a variety of instruments and initiatives, some of which, namely related to skills and qualifications, including validation of learning, necessarily go beyond the traditional boundaries of vocational education and training. Therefore the character of Cedefop activities should be clearly spelled out and relevant terminology should be adjusted whilst staying within the remit of the Treaty provisions for vocational education and training.

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Regulation (EEC) No 337/75 of the Council of 10 February 1975 establishing a European Centre for the Development of Vocational Training (OJ L 039, 13.2.1975, p.1).

- (3) The 2013 Cedefop evaluation report concluded that the Regulation (EEC) No 337/75 should be amended to include the Agency's work on skills as one of its tasks and to integrate more clearly the work on policy reporting and common European tools and initiatives.
- (4) Implementation of a vocational education and training policy will require a focus on the interface between education and training and the world of work, making sure that the knowledge, skills and competences acquired support employability in changing labour markets and are relevant to the needs of citizens and society.
- (5) Council Regulation (EEC) No 337/75 has been amended several times. Since further amendments are to be made, it should be repealed in the interest of clarity.
- (6) The Agency should be governed and operated in line with the principles of the Joint statement of the European Parliament, the Council of the European Union and the European Commission on decentralised agencies of 19 July 2012 to the extent possible. This proposal therefore does not prejudice any further amendments to the Founding Regulation of Cedefop which the Commission may wish to propose following further evaluation, as provided for in this act or on its own initiative. The Commission will evaluate the objectives, mandate, governance and tasks of all EU Agencies acting in the field of labour market, working conditions, vocational education and training and skills.
- (7) As the three so-called tripartite Agencies - Cedefop, the European Foundation for the improvement of living and working conditions (Eurofound) and the European Agency for Safety and Health at Work (EU-OSHA) - address issues related to the labour market, working environment and vocational education and training and skills, close coordination among the three Agencies is required and the ways to enhance efficiency and synergies should be exploited. In addition, where relevant, the Agency should seek to engage in efficient cooperation with the European Commission's in-house research capacities.
- (8) The financial provisions and provisions for programming and reporting set out in Regulation (EEC) No 337/75 should be aligned with Commission Delegated Regulation (EU) No 1271/2013⁶.
- (9) The provisions concerning Cedefop's staff set out in Regulation (EEC) No 337/75 should be aligned with the Staff Regulations of Officials of the European Union ('Staff Regulations') and the Conditions of Employment of Other Servants of the European Union ('CEOS'), laid down by Council Regulation (EEC, Euratom, ECSC) No 259/68⁷.
- (10) The Agency should take the necessary measures to ensure safe handling and processing of confidential information. Where required Cedefop should adopt security

⁶ Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (OJ L 328, 7.12.2013, p. 42).

⁷ Council Regulation (EEC, Euratom, ECSC) No 259/68 (OJ L 56, 4.3.1968, p. 1).

rules as set out in Commission Decision (EU, Euratom) 2015/443⁸ and Commission Decision (EU, Euratom) 2015/444.

- (11) It is necessary to provide for transitional budgetary provisions and transitional provisions on the Management Board and Cedefop staff to ensure continuation of activities of the Agency pending the entry into force of this Regulation.

HAVE ADOPTED THIS REGULATION:

CHAPTER I

OBJECTIVE AND TASKS OF THE AGENCY

Article 1 – Establishment and objectives of the Agency

1. The European Centre for the Development of Vocational Training, ('the Agency') or 'Cedefop' is hereby established as a European Union Agency.
2. The objective of the Agency shall be to assist the Commission in shaping and implementing vocational education and training and skills and qualifications policies. To this end the Agency shall provide evidence and services for policy making and knowledge sharing amongst and between Union and national actors, in particular governments and social partners.

Article 2 – Tasks

1. The Agency shall perform the following tasks with respect to the vocational education and training and skills and qualifications policies:
 - (a) analyse developments and provide comparative analyses of policies and practices across countries;
 - (b) analyse labour market trends in relation to skills and qualifications;
 - (c) analyse and contribute to developments related to the design and award of qualifications, their organisation into frameworks, and their function in the labour market with a view to enhance their transparency and recognition;
 - (d) analyse and contribute to developments in the field of validation of non-formal and informal learning;
 - (e) undertake or commission studies and carry out research on relevant socio-economic developments and related policy issues;

⁸ Commission Decision (EU, Euratom) 2015/443 of 13 March 2015 on Security in the Commission (OJ L 72, 17.3.2015, p.41).

- (f) provide forums for exchange of experiences and information between governments, social partners and stakeholders at national level, and support implementation of reforms, and policies at national level;
 - (g) disseminate information as a contribution to policies and to raise awareness and understanding of the potential of vocational education and training in promoting and supporting the employability of people, productivity in companies and lifelong learning;
 - (h) manage and make available tools, datasets and services for skills, occupations and qualifications to citizens, companies, policy makers, social partners and other stakeholders.
2. In its activities the Agency shall take into account the links which exist between vocational education and training and the other sectors of education and training.
 3. In carrying out its tasks, the Agency shall maintain a close dialogue particularly with specialised bodies, whether public or private, national or international, public authorities and educational institutions and with workers' and employers' organisations. The Agency, without prejudice to its own aims, shall ensure cooperation with other European Union Agencies aimed at avoiding overlaps and promoting synergy and complementarity in their activities, in particular with the European Training Foundation, Eurofound and EU-OSHA.

CHAPTER II

ORGANISATION OF THE AGENCY

Article 3 – Administrative and management structure

The Agency's administrative and management structure shall comprise:

- (a) a Management Board, which shall exercise the functions set out in Article 5;
- (b) an Executive Board which shall exercise the functions set out in Article 10;
- (c) an Executive Director who shall exercise the responsibilities set out in Article 11.

SECTION 1

MANAGEMENT BOARD

Article 4 – Composition of the Management Board

1. The Management Board shall be composed of:

- (a) one member representing the Government from each Member State;
- (b) one member representing the employers' organisations from each Member State;
- (c) one member representing the employees' organisations from each Member State;
- (d) three members representing the Commission;

All members referred to in points (a)-(d) shall have voting rights.

The members referred to in points (a), (b) and (c) shall be appointed by the Council on the basis of lists of candidates submitted by the Member States, the European employers' and employees' organisations respectively. The Commission shall appoint the members who are to represent it.

- 2. Each member of the Management Board shall have an alternate. The alternate shall represent the member in his/her absence. The alternates shall be appointed following the procedure as provided for in the first paragraph.
- 3. Members of the Management Board and their alternates shall be appointed in light of their knowledge in the field of vocational education and training, skills and qualifications, taking into account relevant managerial, administrative and budgetary skills. All parties represented in the Management Board shall make efforts to limit turnover of their representatives, in order to ensure continuity of the board's work. All parties shall aim to achieve a balanced representation between men and women on the Management Board.
- 4. The term of office for members and their alternates shall be four years. That term shall be extendable. Upon the expiry of their term of office or in the event of their resignation, members shall remain in office until their appointments are renewed or until they are replaced.
- 5. Within the Management Board, the representatives of governments, employers' organisations and employees' organisations shall each form a group. Each group shall designate a coordinator in order to enhance the efficiency of deliberations within and between the groups. The coordinators of the employers' and employees' groups shall be representatives of their respective organisations at European level and do not need to be designated from among the appointed Board members. Coordinators who are not appointed Board members within the meaning of paragraph 1 shall take part in Management Board meetings without the right to vote.

Article 5 – Functions of the Management Board

- 1. The Management Board shall:
 - (a) give general orientation for the Agency's activities and adopt each year the Agency's programming document by a majority of two-thirds of members entitled to vote and in accordance with Article 6;

- (b) adopt, by a majority of two-thirds of members entitled to vote, the annual budget of the Agency and exercise other functions in respect of the Agency's budget pursuant to Chapter III;
- (c) adopt the consolidated annual activity report together with its assessment on the Agency's activities and send these by 1 July each year to the European Parliament, the Council, the Commission and the European Court of Auditors. The consolidated annual activity report shall be made public;
- (d) adopt the financial rules applicable to the Agency in accordance with Article 16;
- (e) adopt an anti-fraud strategy, proportionate to fraud risks taking into account the costs and benefits of the measures to be implemented;
- (f) adopt rules for the prevention and management of conflicts of interest in respect of its members;
- (g) adopt and regularly update the communication and dissemination plans based on an analysis of needs;
- (h) adopt its rules of procedure;
- (i) in accordance with paragraph 2, exercise, with respect to the staff of the Agency, the powers conferred by the Staff Regulations on the Appointing Authority and by the Conditions of Employment of Other Servants on the Authority Empowered to Conclude a Contract of Employment ("the appointing authority powers");
- (j) adopt appropriate implementing rules for giving effect to the Staff Regulations and the Conditions of Employment of Other Servants in accordance with Article 110 of the Staff Regulations;
- (k) appoint the Executive Director and where relevant extend the term of office or remove the Executive Director from office in accordance with Article 18;
- (l) appoint an Accounting Officer, subject to the Staff Regulations and the Conditions of Employment of other servants, who shall be totally independent in the performance of his/her duties;
- (m) monitor adequate follow-up to findings and recommendations stemming from the internal or external audit reports and evaluations, as well as from investigations of the European Anti-fraud Office (OLAF);
- (n) take all decisions on the establishment of the Agency's internal structures and, where necessary, their modification, taking into consideration the Agency's activity needs as well as having regard to sound budgetary management;
- (o) authorise the establishment of working arrangements in accordance with Article 29 (1).

2. The Management Board shall adopt, in accordance with Article 110 of the Staff Regulations, a decision based on Article 2(1) of the Staff Regulations and on Article 6 of the Conditions of Employment of Other Servants, delegating relevant appointing authority powers to the Executive Director and defining the conditions under which this delegation of powers can be suspended. The Executive Director shall be authorised to sub-delegate those powers.

Where exceptional circumstances so require, the Management Board may by way of a decision temporarily suspend the delegation of the appointing authority powers to the Executive Director and those sub-delegated by the latter and exercise them itself or delegate them to one of its members or to a staff member other than the Executive Director.

Article 6 – Annual and multi-annual programming

1. Each year, the Executive Director shall, in line with Article 11(5) c, draw up a programming document containing multiannual and annual programming in line with Article 32 of the Commission delegated Regulation (EU) No 1271/2013⁹ and taking into account guidelines set by the Commission.
2. By 30 November each year, the Management Board shall adopt the programming document referred to in paragraph 1 and shall forward it to the European Parliament, the Council and the Commission no later than 31 January as well as any later updated version of that document.

The programming document shall become definitive after final adoption of the general budget of the Union and if necessary shall be adjusted accordingly.

3. The annual work programme shall comprise detailed objectives and expected results including performance indicators. It shall also contain a description of the actions to be financed and an indication of the financial and human resources allocated to each action, in accordance with the principles of activity-based budgeting and management. The annual work programme shall be coherent with the multi-annual work programme referred to in paragraph 4. It shall clearly indicate tasks that have been added, changed or deleted in comparison with the previous financial year.
4. The Management Board shall amend the adopted annual work programme when a new task is given to the Agency. The Management Board may delegate the power to make non-substantial amendments to the annual work programme to the Executive Director. Any substantial amendment to the annual work programme shall be adopted by the same procedure as the initial annual work programme.
5. The multi-annual work programme shall set out overall strategic programming including objectives, expected results and performance indicators. It shall also set out resource programming including multi-annual budget and staff. It shall include a strategy for relations with third countries and international organisations referred to

⁹ Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (OJ L 328, 7.12.2013, p. 42).

in Article 29, the actions linked to this strategy, and a specification of associated resources.

The resource programming shall be updated annually. The strategic programming shall be updated where appropriate, and in particular to address the outcome of the evaluation referred to in Article 27.

Article 7 – Chairperson of the Management Board

1. The Management Board shall elect a Chairperson and three Deputy Chairpersons as follows – one from amongst the members representing Member States, one from amongst the members representing employers' organisations, one from amongst the members representing employees' organisations and one from amongst the members representing the Commission. The Chairperson and the Deputy Chairpersons shall be elected by a majority of two-thirds of members of the Management Board with voting rights.
2. The term of office of the Chairperson and the Deputy Chairpersons shall be two years. Their term of office may be renewed once. If, however, their membership of the Management Board ends at any time during their term of office, their term of office shall automatically expire on that date.

Article 8 – Meetings of the Management Board

1. The Chairperson shall convene meetings of the Management Board.
2. The Executive Director of the Agency shall take part in the deliberations, without the right to vote.
3. The Management Board shall hold one ordinary meeting a year. In addition, it shall meet on the initiative of its Chairperson, at the request of the Commission or at the request of at least one-third of its members.
4. The Management Board may invite any person whose opinion may be of interest to attend its meetings as an observer.
5. The Agency shall provide the secretariat for the Management Board.

Article 9 – Voting rules of the Management Board

1. Without prejudice to Articles 5(1)(a) and (b) and Article 18(7), the Management Board shall take decisions by majority of members with voting rights.
2. Each member with voting rights shall have one vote. In the absence of a member with the right to vote, his/her alternate shall be entitled to exercise his/her right to vote.
3. The Chairperson shall take part in the voting.
4. The Executive Director shall take part in the deliberations, without the right to vote.

5. The Management Board's rules of procedure shall establish more detailed voting arrangements, in particular the circumstances in which a member may act on behalf of another member.

SECTION 2

EXECUTIVE BOARD

Article 10 – Executive Board

1. The Management Board shall be assisted by an Executive Board.
2. The Executive Board shall:
 - (a) prepare decisions to be adopted by the Management Board.
 - (b) monitor, together with the Management Board, adequate follow-up to the findings and recommendations stemming from the internal or external audit reports and evaluations, as well as from investigations of the European Anti-fraud Office (OLAF);
 - (c) without prejudice to the responsibilities of the Executive Director, as set out in Article 11, assist and advise him/her in the implementation of the decisions of the Management Board, with a view to reinforcing supervision of administrative and budgetary management.
3. Where necessary, because of urgency, the Executive Board may take certain provisional decisions on behalf of the Management Board, in particular on administrative management matters, including the suspension of the delegation of the appointing authority powers and budgetary matters
4. The Executive Board shall be composed of the Chairperson of the Management Board, the three Deputy Chairpersons, the coordinators of the three groups referred to in Article 4(5) and one representative of the Commission. Each group referred to in Article 4(5) may designate up to two alternates to attend the meetings of the Executive Board, in the absence of the full members. The Chairperson of the Management Board shall also be the Chairperson of the Executive Board. The Executive Director shall take part in the meetings of the Executive Board, but shall not have the right to vote.
5. The term of office of members of the Executive Board shall be two years. That term shall be extendable. The term of office of members of the Executive Board shall end when their membership of the Management Board ends.
6. The Executive Board shall meet three times a year. In addition, it shall meet on the initiative of its Chairperson or at the request of its members.
7. The Management Board shall lay down the rules of procedure of the Executive Board.

SECTION 3

EXECUTIVE DIRECTOR

Article 11 – Responsibilities of the Executive Director

1. The Executive Director shall manage the Agency. The Executive Director shall be accountable to the Management Board.
2. Without prejudice to the powers of the Commission, the Management Board, and the Executive Board, the Executive Director shall be independent in the performance of the duties and shall neither seek nor take instructions from any government nor from any other body.
3. The Executive Director shall report to the European Parliament on the performance of his/her duties when invited to do so. The Council may invite the Executive Director to report on the performance of his/her duties.
4. The Executive Director shall be the legal representative of the Agency.
5. The Executive Director shall be responsible for the implementation of the tasks assigned to the Agency by this Regulation. In particular, the Executive Director shall be responsible for:
 - (a) the day-to-day administration of the Agency;
 - (b) implementing decisions adopted by the Management Board;
 - (c) preparing the programming document and submitting it to the Management Board after consulting the Commission;
 - (d) implementing the programming document and reporting to the Management Board on its implementation;
 - (e) preparing the consolidated annual report on the Agency's activities and presenting it to the Management Board for assessment and adoption;
 - (f) preparing an action plan following-up conclusions of internal or external audit reports and evaluations, as well as investigations by the European Anti-fraud Office (OLAF) and reporting on progress twice a year to the Commission and regularly to the Management Board and the Executive Board;
 - (g) protecting the financial interests of the Union by applying preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by recovering amounts wrongly paid and, where appropriate, by imposing effective, proportionate and dissuasive administrative and financial penalties;
 - (h) preparing an anti-fraud strategy for the Agency and presenting it to the Management Board for approval;

- (i) preparing draft financial rules applicable to the Agency;
 - (j) preparing the Agency's draft statement of estimates of revenue and expenditure and implementing its budget.
6. The Executive Director shall also be responsible for deciding whether it is necessary for the purpose of carrying out the Agency's tasks in an efficient and effective manner to establish one or more local offices in one or more Member States. That decision requires the prior consent of the Commission, the Management Board and the Member State where the local office is to be established. That decision shall specify the scope of the activities to be carried out at that local office in a manner that avoids unnecessary costs and duplication of administrative functions of the Agency.

CHAPTER III

FINANCIAL PROVISIONS

Article 12 – Budget

1. Estimates of all revenue and expenditure for the Agency shall be prepared each financial year, corresponding to the calendar year, and shall be shown in the Agency's budget.
2. The Agency's budget shall be balanced in terms of revenue and of expenditure.
3. Without prejudice to other resources, the Agency's revenue shall comprise:
 - (a) a contribution from the Union entered in the general budget of the Union;
 - (b) any voluntary financial contribution from the Member States;
 - (c) charges for publications and any service provided by the Agency;
 - (d) any contribution from third countries participating in the work of the Agency, as provided for by Article 29.
4. The expenditure of the Agency shall include staff remuneration, administrative and infrastructure expenses and operational expenditure.

Article 13 – Establishment of the budget

1. Each year, the Executive Director shall draw up a provisional draft estimate of the Agency's revenue and expenditure for the following financial year, including the establishment plan, and send it to the Management Board.
2. The Management Board shall, on the basis of that provisional draft, adopt a draft estimate of the Agency's revenue and expenditure for the following financial year.

3. The draft estimate of the Agency's revenue and expenditure shall be sent to the Commission by 31 January each year.
4. The Commission shall send the draft estimates to the budgetary authority together with the draft general budget of the Union.
5. On the basis of the draft estimates, the Commission shall enter in the draft general budget of the Union the estimates it considers necessary for the establishment plan and the amount of the contribution to be charged to the general budget, which it shall place before the budgetary authority in accordance with Articles 313 and 314 of the Treaty.
6. The budgetary authority shall authorise the appropriations for the contribution to the Agency.
7. The budgetary authority shall adopt the Agency's establishment plan.
8. The Agency's budget shall be adopted by the Management Board. It shall become final following final adoption of the general budget of the Union. Where necessary, it shall be adjusted accordingly.
9. For any building project likely to have significant implications for the budget of the Agency the provisions of Delegated Regulation (EU) No 1271/2013 shall apply.

Article 14– Implementation of the budget

1. The Executive Director shall implement the Agency's budget.
2. Each year the Executive Director shall send to the budgetary authority all information relevant to the findings of evaluation procedures.

Article 15 – Presentation of accounts and discharge

1. By 1 March of the following financial year, the Agency's accounting officer shall send the provisional accounts to the Commission's Accounting Officer and to the European Court of Auditors
2. By 31 March of the following financial year, the Agency shall send the report on the budgetary and financial management to the European Parliament, the Council and the European Court of Auditors.

By 31 March of the following financial year, the Commission's accounting officer shall send the Agency's provisional accounts, consolidated with the Commission's accounts, to the European Court of Auditors.
3. On receipt of the European Court of Auditors' observations on the Agency's provisional accounts pursuant to Article 148 of the Financial Regulation, the Executive Director shall draw up the Agency's final accounts under his/her own responsibility and submit them to the Management Board for an opinion.
4. The Management Board shall deliver an opinion on the Agency's final accounts.

5. The accounting officer shall, by 1 July following each financial year, send the final accounts to the European Parliament, the Council, the Commission and the Court of Auditors, together with the Management Board's opinion.
6. The final accounts shall be published in the *Official Journal of the European Union* by 15 November of the following year.
7. The Executive Director shall send the European Court of Auditors a reply to its observations by 30 September. The Executive Director shall also send this reply to the Management Board.
8. The Executive Director shall submit to the European Parliament, at the latter's request, any information required for the smooth application of the discharge procedure for the financial year in question, in accordance with Article 165(3) of the Financial Regulation.
9. On a recommendation from the Council acting by a qualified majority, the European Parliament shall, before 15 May of year N + 2, give a discharge to the Executive Director in respect of the implementation of the budget for year N.

Article 16 – Financial rules

The financial rules applicable to the Agency shall be adopted by the Management Board after consulting the Commission. They shall not depart from Regulation (EU) 1271/2013 unless such a departure is specifically required for the Agency's operation and the Commission has given its prior consent.

CHAPTER IV

STAFF

Article 17 – General provisions

1. The Staff Regulations and the Conditions of Employment of Other Servants and the rules adopted by agreement between the institutions of the Union for giving effect to those Staff Regulations and the Conditions of Employment of Other Servants shall apply to the staff of the Agency.
2. The Management Board shall adopt appropriate implementing rules for giving effect to the Staff Regulations and the Conditions of Employment of Other Servants in accordance with Article 110 of the Staff Regulations.

Article 18 – Executive Director

1. The Executive Director shall be a member of staff and shall be engaged as a temporary agent of the Agency under Article 2(a) of the Conditions of Employment of Other servants.

2. The Executive Director shall be appointed by the Management Board, from a list of candidates proposed by the Commission, following an open and transparent selection procedure.

For the purpose of concluding the contract with the Executive Director, the Agency shall be represented by the Chairperson of the Management Board.

3. The term of office of the Executive Director shall be five years. Before the end of that period, the Commission shall undertake an assessment that takes into account an evaluation of the Executive Director's performance and the Agency's future tasks and challenges.
4. The Management Board, acting on a proposal from the Commission that takes into account the assessment referred to in paragraph 3, may extend the term of office of the Executive Director once, for no more than five years.
5. An Executive Director whose term of office has been extended may not participate in another selection procedure for the same post at the end of the overall period.
6. The Executive Director may be removed from office only upon a decision of the Management Board acting on a proposal from the Commission.
7. The Management Board shall reach decisions on appointment, extension of the term of office or removal from office of the Executive Director on the basis of a two-thirds majority of its members with voting rights.

Article 19– Seconded national experts and other staff

1. The Agency may make use of Seconded national experts or other staff not employed by the Agency.
2. The Management Board shall adopt a decision laying down rules on the secondment of national experts to the Agency.

CHAPTER V

GENERAL PROVISIONS

Article 20 – Legal status

1. The Agency shall be a body of the Union. It shall have legal personality.
2. In each of the Member States the Agency shall enjoy the most extensive legal capacity accorded to legal persons under their laws. It may, in particular, acquire and dispose of movable and immovable property and be party to legal proceedings.
3. The seat of the Agency shall be Thessaloniki, Greece.

4. The Agency may establish local offices in one or more Member States, subject to their consent and in accordance with Article 11(6).

Article 21 – Privileges and immunities

The Protocol on the Privileges and Immunities of the European Union shall apply to the Agency and its staff.

Article 22 – Language arrangements

1. The provisions laid down in Regulation No 1 shall apply to the Agency.
2. The Management Board can decide on the languages to be used by the Agency in its internal functioning.
3. The translation services required for the functioning of the Agency shall be provided by the Translation Centre of the bodies of the European Union.

Article 23 – Transparency

1. Regulation (EC) No 1049/2001 of the European Parliament and of the Council¹⁰ shall apply to documents held by the Agency.
2. The Management Board shall, within six months of the date of its first meeting, adopt the detailed rules for applying Regulation (EC) No 1049/2001.
3. The processing of personal data by the Agency shall be subject to Regulation (EC) No 45/2001. The Management Board shall, within six months of the date of its first meeting, establish measures for the application of Regulation (EC) No 45/2001 by the Agency, including those concerning the appointment of a Data Protection Officer of the Agency. Those measures shall be established after consultation of the European Data Protection Supervisor.

Article 24 – Combating fraud

1. In order to facilitate combating fraud, corruption and other unlawful activities under Regulation (EC) No 1073/1999 of the European Parliament and of the Council¹¹ within six months from the date of application of this Regulation, it shall accede to the Interinstitutional Agreement of 25 May 1999 concerning internal investigations by the European Anti-fraud Office (OLAF) and adopt appropriate provisions applicable to all employees of the Agency using the template set out in the Annex to that Agreement.

¹⁰ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents (OJ L 145, 31.5.2001, p. 43).

¹¹ Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) (OJ L 136, 31.5.1999, p.1).

2. The European Court of Auditors shall have the power of audit, on the basis of documents and on the spot, over all grant beneficiaries, contractors and subcontractors who have received Union funds from the Agency.
3. OLAF may carry out investigations, including on-the-spot checks and inspections with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant or a contract funded by the Agency, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999 and Regulation (Euratom, EC) No 2185/96.
4. Without prejudice to paragraphs 1, 2 and 3, cooperation agreements with third countries and international organisations, contracts, grant agreements and grant decisions of the Agency shall contain provisions expressly empowering the European Court of Auditors and OLAF to conduct such audits and investigations, according to their respective competences.

Article 25 – Security rules on the protection of classified and sensitive non-classified information

The Agency shall adopt own security rules equivalent to the Commission's security rules for protecting European Union Classified Information (EUCI) and sensitive non-classified information, as set out in the Commission Decisions (EU, Euratom) 2015/443¹² and 2015/444¹³, when required. The security rules of the Agency shall cover, inter alia and where appropriate, provisions for the exchange, processing and storage of such information.

Article 26 – Liability

1. The Agency's contractual liability shall be governed by the law applicable to the contract in question.
2. The Court of Justice of the European Union shall have jurisdiction to give judgment pursuant to any arbitration clause contained in a contract concluded by the Agency.
3. In the case of non-contractual liability, the Agency shall, in accordance with the general principles common to the laws of the Member States, make good any damage caused by its departments or by its staff in the performance of their duties.
4. The Court of Justice of the European Union shall have jurisdiction in disputes over compensation for damages referred to in paragraph 3.
5. The personal liability of its staff towards the Agency shall be governed by the provisions laid down in the Staff Regulations or Conditions of Employment applicable to them.

¹² Commission Decision (EU, Euratom) 2015/443 of 13 March 2015 on Security in the Commission (OJ L 72, 17.3.2015, p. 41).

¹³ Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

Article 27– Evaluation

1. No later than 5 years after the date referred to in Article 36, and every 5 years thereafter, the Commission shall perform an evaluation in compliance with the Commission guidelines to assess the Agency's performance in relation to its objectives, mandate and tasks. The evaluation shall, in particular, address the possible need to modify the mandate of the Agency, and the financial implications of any such modification.
2. Where the Commission considers that the continuation of the Agency is no longer justified with regard to its assigned objectives, mandate and tasks, it may propose that this Regulation be amended accordingly or repealed
3. The Commission shall report to the European Parliament, the Council and the Management Board the evaluation findings. The findings of the evaluation shall be made public.

Article 28 – Administrative inquiries

The activities of the Agency shall be subject to the inquiries of the European Ombudsman in accordance with Article 228 of the Treaty.

Article 29 – Cooperation with third countries and international organisations

1. In so far as is necessary in order to achieve the objectives set out in this Regulation, and without prejudice to the respective competences of the Member States and the institutions of the Union, the Agency may cooperate with the competent authorities of third countries and/or with international organisations.

To this end, the Agency may, subject to prior approval by the Commission, establish working arrangements with the authorities of third countries and international organisations. These arrangements shall not create legal obligations incumbent on the Union and its Member States.

2. The Agency shall be open to the participation of third countries that have entered into agreements with the Union to this effect.

Under the relevant provisions of the agreements referred to in paragraph 1, arrangements shall be developed specifying, in particular, the nature, extent and manner in which the third countries concerned will participate in the work of the Agency, including provisions relating to participation in the initiatives undertaken by the Agency, financial contributions and staff. As regards staff matters, those arrangements shall, in any event, comply with the Staff Regulations.

3. The Management Board shall adopt a strategy for relations with third countries or international organisations concerning matters for which the Agency is competent.

Article 30 – Headquarters Agreement and operating conditions

1. The necessary arrangements concerning the accommodation to be provided for the Agency in the host Member State and the facilities to be made available by that Member State together with the specific rules applicable in the host Member State to the Executive Director, members of the Management Board, Agency staff and members of their families shall be laid down in a Headquarters Agreement between the Agency and Member State where the seat is located.
2. The Agency's host Member State shall provide the best possible conditions to ensure the functioning of the Agency, including multilingual, European-oriented schooling and appropriate transport connections.

CHAPTER VI

TRANSITIONAL PROVISIONS

Article 31 - Transitional provisions concerning the Management Board

1. The term of office of the members of the Governing Board of Cedefop as established on the basis of Article 4 of Regulation (EEC) 337/75 shall terminate on ... [date of entry into force of this Regulation].
2. The Governing Board established on the basis of Article 4 of Regulation (EEC) 337/75 shall within the period between ...[date of entry into force of this Regulation] and ... [date of application of this Regulation] exercise the functions of the Management Board as referred to in Article 5 of this Regulation.

Article 32 - Transitional provisions concerning the staff

The Director of the Agency appointed on the basis of Article 6 of Regulation (EEC) 337/75 shall, for the remaining periods of his/her term of office, be assigned to the responsibilities of the Executive Director as provided for in Article 11 of this Regulation. The other conditions of his contract shall remain unchanged.

Article 33 -Transitional budgetary provisions

The discharge procedure in respect of the budgets approved on the basis of Article 11 of Regulation (EEC) 337/75 shall be carried out in accordance with the rules established by the Regulation (EEC) 337/75.

CHAPTER VII

FINAL PROVISIONS

Article 34 – Repeal

Regulations (EEC) No 337/75 is repealed as from [date of application of this Regulation] and all references to the repealed Regulation shall be construed as references to this Regulation.

Article 35 - Maintenance in force of the internal rules adopted by the Governing Board

Internal rules adopted by the Governing Board on the basis of Regulation (EEC) 337/75 shall remain in force after [date of application of this Regulation], unless otherwise decided by the Management Board in the application of this Regulation.

Article 36– Entry into force

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.
2. It shall apply from [date of application].
3. However, Articles 31, 32, 33 shall apply from [the date of entry into force of this Regulation].
4. This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

*For the European Parliament
The President*

*For the Council
The President*

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

2. MANAGEMENT MEASURES

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
 - 3.2.1. *Summary of estimated impact on expenditure*
 - 3.2.2. *Estimated impact on Cedefop's human resources*
 - 3.2.3. *Compatibility with the current multiannual financial framework*
 - 3.2.4. *Third-party contributions*
- 3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Regulation of the European Parliament and of the Council establishing the European Centre for the Development of Vocational Training (Cedefop)

1.2. Policy area(s) concerned in the ABM/ABB structure¹⁴

04: Employment, social affairs and inclusion

04 03: Employment, social affairs and inclusion

04 03 13: European Centre for the Development of Vocational Training (Cedefop)

1.3. Nature of the proposal/initiative

The proposal/initiative relates to **a new action**

The proposal/initiative relates to **a new action following a pilot project/preparatory action**¹⁵

The proposal/initiative relates to **the extension of an existing action**

The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objective(s)

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

Objectives/EU added value in line with Europe 2020 Strategy, the ET 2020 Strategic framework for European cooperation in education and training, as updated by the 2015 Joint Report adopted by Council and Commission in November 2015, Riga Conclusions from June 2015 and the newly adopted New Skills Agenda for Europe¹⁶:

- Promote work-based learning in all its forms, with special attention to apprenticeships, by involving social partners, companies, chambers and VET providers, as well as by stimulating innovation and entrepreneurship;

- Further develop quality assurance mechanisms in VET in line with the EQAVET recommendation and, as part of quality assurance systems, establish continuous information and feedback loops in I-VET and C-VET systems based on learning outcomes;

¹⁴ ABM: activity-based management; ABB: activity-based budgeting.

¹⁵ As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

¹⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions COM(2016) 381/2

- Enhance access to VET and qualifications for all through more flexible and permeable systems, notably by offering efficient and integrated guidance services and making available validation of non-formal and informal learning;
- Further strengthen key competences in VET curricula and provide more effective opportunities to acquire or develop those skills through I-VET and C-VET;
- Introduce systematic approaches to, and opportunities for, initial and continuous professional development of VET teachers, trainers and mentors in both school and work based settings;
- Facilitate learning mobility;
- Strengthen and simplify EU transparency and recognition tools;
- Improve skills intelligence and address skills shortages in specific economic sectors, including by strengthening the anticipation of skills needs for the labour market taking into account technological developments.

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objective No

The Centre shall assist the Commission in shaping and implementing vocational education and training and skills and qualifications policies.

ABM/ABB activity(ies) concerned

04 03 13 - European Centre for the Development of Vocational Training (Cedefop) – Contribution under Titles 1, 2 and 3.

1.4.3. *Expected result(s) and impact*

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The revision of the Founding Regulation aims:

- To adapt the Founding Regulation of Cedefop to the provisions of the Common Approach on Decentralised Agencies.
- To adapt the mandate and tasks of the Agency to current policy priorities and strategies, taking into account recent policy developments in the field of vocational education and training, skills and qualifications as well as societal, institutional and economic developments occurred in the EU since the creation of the Centre in 1975.

The Cedefop's mission set out in the 1975 Founding Regulation is:

The aim of the centre shall be to assist the Commission in encouraging, at Community level, the promotion and development of vocational training and of in-service training.

To that end, within the framework of the guidelines laid down by the Community, it shall contribute, through its scientific and technical activities, to the implementation of a common vocational training policy.

It shall, in particular, encourage the exchange of information and the comparison of experience.

Cedefop works to strengthen European cooperation and provide the evidence on which to base European VET, skills and qualifications policies. Cedefop's added value is the high quality of its comparative analyses and expertise gathered through research and networking.

Cedefop works closely with the European Commission, Member States' governments, representatives of employers and trade unions, VET researchers and practitioners. It provides them with up-to-date information on developments in VET as well as opportunities for policy debate.

Cedefop disseminates its information through its website, publications, social media, networks, conferences and seminars. Cedefop's activities are guided by its mission and medium-term priorities.

The Agency strives to provide the public with the widest possible access to documents held by it through its website.

1.4.4. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

A comprehensive monitoring and evaluation system both ex-ante and ex-post of the multi-annual work programmes is already in place. This will be completed by the evaluation and review carried out by the Commission every five years.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

Article 166(4) refers to a vocational training policy which shall support and supplement the action of the Member States, while fully respecting the responsibility of the Member States for the content and organisation of vocational training. Article 165(4) refers to the contribution of the Union to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action, while fully respecting the responsibility of the Member States for the content of teaching and the organisation of education systems.

Cedefop contributes to the Commission long-term policy work for/in:

- Providing new knowledge and evidence in VET and skills and qualifications policies;
- Monitoring policy trends and providing policy analysis of developments in VET and skills and qualifications policies;

- Promoting better anticipation of future skills needs, including in the light of technological developments, and developing better matching between skills and labour market needs;
- In the short-term, contributing to implementation of a common vocational training policy and European tools in the field of education and following the EU Priorities for vocational education and training (2011-2020), as updated in the 2015 Joint Report under the ET 2020 Strategic framework for European cooperation in education and training and the newly launched new Skills Agenda for Europe.

1.5.2. *Added value of EU involvement*

Cedefop's added value relies on its tripartite nature which enables it to develop the high quality comparative analyses and expertise in the field of vocational education and training, skills and qualifications policies based on input coming from a variety of actors at national and European level. This rich expertise translates into concrete support for EU and national policy development and implementation through the following tasks:

- (a) analyse developments and provide comparative analyses of policies and practices across countries;
- (b) analyse labour market trends in relation to skills and qualifications;
- (c) analyse and contribute to developments related to the design and award of qualifications, their organisation into framework, and their function in the labour market with a view to enhance their transparency and recognition;
- (d) analyse and contribute to developments in the field of validation of non-formal and informal learning;
- (e) undertake or commission studies and carry out research on relevant socio-economic developments and related policy issues;
- (f) provide forums for exchange of experiences and information between governments, social partners and stakeholders at national level, and support implementation of reforms, and policies at national level;
- (g) disseminate information as a contribution to policies and to raise awareness and understanding of the potential of vocational education and training in promoting and supporting the employability of people, productivity in companies and lifelong learning;
- (h) manage and make available tools, datasets and services for skills, occupations and qualifications to citizens, companies, policy makers, social partners and other stakeholders.

1.5.3. *Lessons learned from similar experiences in the past*

The Commission undertakes an external evaluation of Cedefop every five years. Previous evaluations confirmed that Cedefop makes a substantial contribution to the analytical and

policy work of the Commission in the field of VET. The latest external evaluation of Cedefop was performed in 2013 (covering the period from 2007 until mid-2012)¹⁷. According to the evaluation report, the Centre has further moved towards focus on policy support aside from its more traditional open source function. Cedefop's Founding Regulation should be amended to include the Agency's work on skills and qualifications as one of its tasks and to integrate more clearly the work on policy reporting and common European tools and initiatives.

1.5.4. *Compatibility and possible synergy with other appropriate instruments*

Cedefop cooperates with other EU Agencies working in related fields. Cooperation agreements exist with the European Agency for Safety and Health at Work (EU OSHA), the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and the European Training Foundation (ETF). These agreements foresee early consultation on work programme development and are complemented by yearly action plans that agree further forms of exchange and, where appropriate, joint activities. This ensures complementarity of activities and allows for synergies to be achieved.

¹⁷

<http://www.cedefop.europa.eu/en/content/final-report-external-evaluation-cedefop-9-december-2013>

1.6. Duration and financial impact

Proposal/initiative of **limited duration**

– Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY

– Financial impact from YYYY to YYYY

Proposal/initiative of **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

1.7. Management mode(s) planned

Direct management by the Commission through

– executive agencies

Shared management with the Member States

Indirect management by entrusting budget implementation tasks to:

international organisations and their agencies (to be specified);

the EIB and the European Investment Fund;

bodies referred to in Articles 208 and 209;

public law bodies;

bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

Comments

N/A

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

All EU agencies work under a strict monitoring system involving an internal control coordinator, the Internal Audit Service of the Commission, the Governing Board, the Commission, the Court of Auditors and the Budgetary Authority. The system as laid down in the Cedefop Founding Regulation will continue to apply.

2.2. Management and control system

2.2.1. Risk(s) identified

none

2.2.2. Control method(s) envisaged

N/A

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

Article 24 of the proposal includes provisions on combatting fraud.

Cedefop adopted its Anti-Fraud Strategy on 22 October 2014, along with the Policy on prevention and management of conflicts of interests at Cedefop. Attached to the Anti-fraud strategy is an internal procedure on reporting on irregularities, including legal framework and basic principles.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
			from EFTA countries ¹⁹	from candidate countries ²⁰	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	Heading 1A – Competitiveness for growth and jobs	Diff./Non-diff. ¹⁸				
	15 02 11 European Centre for the Development of Vocational Training (Cedefop)	Diff.	YES	NO	NO	YES

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
			from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	Heading 1A – Competitiveness for growth and jobs	Diff./Non-diff.				
	04 03 13 European Centre for the Development of Vocational Training (Cedefop)	Diff	YES	NO	NO	YES

¹⁸ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

¹⁹ EFTA: European Free Trade Association.

²⁰ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

The impact on expenditure as presented below is in line with Commission Communication (2013)519.

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework		1A	Competitiveness for growth and jobs								TOTAL
			2013	2014	2015	2016	2017	2018	2019	2020	
European Centre for the Development of Vocational Training (CEDEFOP)	• Operational appropriations										
	Number of budget line	(1)	17,434	17,434	17,434	17,434	17,434	17,434	17,783	18,138	123,091
	Number of budget line	(2)	17,434	17,434	17,434	17,434	17,434	17,434	17,783	18,138	123,091
	Appropriations of an administrative nature financed from the envelope of specific programmes ²¹	(1a) (2a)									
	Number of budget line	(3)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
TOTAL appropriations for European Centre for the Development of Vocational Training (CEDEFOP)	Commitments	=1+1a +3	17,434	17,434	17,434	17,434	17,434	17,434	17,783	18,138	123,091
	Payments	=2+2a +3	17,434	17,434	17,434	17,434	17,434	17,434	17,783	18,138	123,091

²¹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.2. Estimated impact on Cedefop's human resources

3.2.2.1. Summary

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	2016	2017	2018	2019	2020	TOTAL
Officials (Total AD and AST Grades)	16	15	14	14	14	
Contract staff	25	25	25	25	25	
Temporary staff	78	77	77	77	77	
Seconded National Experts	4	4	4	4	4	
TOTAL	123	121	120	120	120	

3.2.2.2. Estimated requirements of human resources for the parent DG

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

	2016	2017	2018	2019	2020		
• Establishment plan posts (officials and temporary staff)							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	1.5	1.5	1.5	1.5	1.5		
XX 01 01 02 (Delegations)							
XX 01 05 01 (Indirect research)							
10 01 05 01 (Direct research)							

• External staff (in Full Time Equivalent unit: FTE)²²								
XX 01 02 01 (AC, END, INT from the 'global envelope')								
XX 01 02 02 (AC, AL, END, INT and JED in the Delegations)								
XX 01 04 yy ²³	- at Headquarters ²⁴							
	- in Delegations							
XX 01 05 02 (AC, END, INT – Indirect research)								
10 01 05 02 (AC, END, INT – Direct research)								
Other budget lines (specify)								
TOTAL								

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	Coordination and representation of the Commission's position towards the Agency.
External staff	

²² AC = Contract Staff; AL = Local Staff; END = Seconded National Expert; INT = agency staff; JED = Junior Experts in Delegations.

²³ Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

²⁴ Mainly for the Structural Funds, the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF).

3.2.3. *Compatibility with the current multiannual financial framework*

- The proposal/initiative is compatible the current multiannual financial framework.
- The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework²⁵.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.4. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.
- The proposal/initiative provides for the co-financing estimated below:

EUR

	2017	2018	2019	2020
Norway and Iceland contributions	475 949	475 949	485 480	495 170
TOTAL appropriations co-financed	475 949	475 949	485 480	495 170

²⁵ See Articles 11 and 17 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020.

3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
 - on own resources
 - on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ²⁶					Enter as many years as necessary to show the duration of the impact (see point 1.6)		
		Year N	Year N+1	Year N+2	Year N+3				
Article									

For miscellaneous 'assigned' revenue, specify the budget expenditure line(s) affected.

[...]

Specify the method for calculating the impact on revenue.

[...]

²⁶ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25 % for collection costs.