



**CEDEFOP**

European Centre for the Development  
of Vocational Training

EXECUTIVE DIRECTOR

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**CEDEFOP**

**CONSOLIDATED ANNUAL ACTIVITY REPORT (CAAR) 2020**

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CEDEFOP'S MANAGEMENT BOARD ANALYSIS AND ASSESSMENT OF CEDEFOP'S CONSOLIDATED ANNUAL ACTIVITY REPORT (CAAR) 2020
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Article 5 of Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training and Article 48 of Cedefop's Decision of 16 July 2019 on the Financial Regulation require the Management Board to send to the Court of Auditors, the European Commission, the Parliament and the Council the Consolidated Annual Activity Report (CAAR) of the previous financial year together with its assessment, no later than 1 July. The Management Board, based on its analysis and assessment of the Executive Director's Consolidated Annual Activity Report 2020:

- takes note of Cedefop's report on the implementation of the annual work programme 2020, and in particular:
- congratulates and thanks Cedefop's staff and management for their resilience and agility and their achievements in 2020 beyond those planned in the work programme despite the challenges posed by the Covid-19 pandemic as regards performance, control, audit and assurance in relation to the 2020 budget; more specifically,
  - the additional research, analyses and real-time insights to inform its stakeholders and the general public on the impact of the pandemic on VET, skills and qualifications, and the labour market on a dedicated website landing page, thus enabling the Agency to provide timely evidence to help policy-makers and social partners prepare for a new reality;
  - its successful crisis management ensuring business continuity and the high priority it gave to minimise the health risk and ensure well-being of its staff;
  - the effective deployment of new digital solutions and successful shift to virtual events which led to higher attendance;
  - staff's social activities to support its host country in dealing with the health crisis;
- commends Cedefop on its multiple contributions to EU policy-making, notably the European Skills Agenda for sustainable competitiveness, social fairness and resilience, the first ever Council recommendation on VET and the Osnabrück declaration; and notes with satisfaction:
  - that these reflect specifically the stronger focus on VET as an enabler, skills intelligence and continuing VET that Cedefop had made the case for in [The importance of being vocational](#), the discussion paper drafted jointly with ETF;
  - the success of Cedefop's virtual high-level conference jointly hosted with ETF, under the auspices of the Croatian and German Presidencies which informed the Osnabrück declaration; and Vice President Schinas' and Commissioner Schmit's acknowledgment that Cedefop's support in the effort to achieve the necessary skills revolution is of high value;
  - the fruitful cooperation with the Croatian and the German presidencies;

- the monitoring mandate entrusted to Cedefop in the VET recommendation and the Osnabrück declaration and the invitation to the European Commission to continue making good use of Cedefop's evidence and support in areas such as skills intelligence, apprenticeships and skills development;
- acknowledges the effective collaboration with EU Agencies in the context of the European network of Agencies and the particular focus set on identifying and harvesting inter-Agency synergies, in the area of administration; as well as in core business activities and performance management indicator methodology with ETF, Eurofound and EU-OSHA; in particular
  - the new Service Level Agreement with the European Union Agency for Cybersecurity (ENISA);
  - the continued cooperation with ETF on the monitoring of VET policy developments within the 'Copenhagen process', the EQF implementation, career guidance, work-based learning and adult learning, and with Eurofound on the European Company Survey and the joint presentation of its results; also acknowledges Cedefop's cooperation with the European Economic and Social Committee supporting countries' key stakeholders in their work on upskilling pathways;
- takes note of the efficiency gains through the Agency's collaboration with EU and international partners within the interagency working group with representatives of UNESCO, ILO, OECD, the European Commission and ETF; in particular the international survey Cedefop led on [Career guidance policy and practice in the pandemic](#);
- invites the Agency to continue its efforts to achieve efficiency gains, both through further synergies and exploring additional possibilities of sharing services within the network of EU Agencies and with EU institutions, and by continuing to implement its strategy for cooperation with international organisations, which is an integral part of its Programming Document 2021-23;
- congratulates the Agency on its overall performance as attested by its performance indicators which
  - confirm that it is a highly acknowledged centre of expertise on VET, skills and qualifications policies with high impact in these fields and beyond thanks to the uniqueness of its research and policy analysis;
  - demonstrate a very high key stakeholders' satisfaction rate of 94%, displaying a 17 percentage points increase as compared to 2017;
  - show a 30% increase in publications downloads and a significant increase of the number of followers across social media platforms;
  - show that Cedefop pursues its efforts to reduce the organisation's environmental footprint and monitors its environmental performance;
  - demonstrate that the establishment plan's occupation of 97% met the set target and that a good gender balance is achieved both among Agency staff and in the Management Board;

- demonstrate the Agency's excellent budget implementation rate of 100% attesting the effective management of the identified risk on budget execution;
- congratulates Cedefop on the fact that the European Court of Auditors' final report on the annual accounts for the financial year 2019 confirms the reliability of the Agency's accounts as well as the regularity and legality of the underlying transactions in all material aspects; invites the Agency to address the observation of the Court regarding the calculation of the contributions of Iceland and Norway;
- congratulates Cedefop for having successfully implemented the last remaining recommendation of the Internal Audit Service, thus closing all recommendations of the Audit on HR Management and Ethics;
- acknowledges the European Parliament's, i.e. the Budget Authority's, positive report on discharge as regards the budget implementation for the financial year 2019 and
  - takes note of the Parliament's praise of Cedefop's performance measurement system; and its appreciation of the continued high quality of the Centre's work on VET, skills and qualifications policies, notably its OVATE platform, with the aim of promoting high-quality training tailored to the needs of individuals and the labour market;
  - welcomes the Parliament's statement that the evaluation of the Union agencies under the remit of the Commission's Directorate-General for Employment did not suggest the merger or relocation of agencies;
  - notes the Parliament's concern that the issues regarding the externalisation of Cedefop's legal service are still not resolved and welcomes the Executive Director's intention to address these concerns by reinstating an internal legal adviser;
- takes note of the declaration of assurance of the Executive Director and the information on the Internal Control system assessment underpinning the declaration; welcomes that suitable controls are in place and work as intended, that no significant weakness has been identified, risks are being appropriately assessed, monitored and mitigated and that necessary improvements and reinforcements are implemented when required;
- appreciates the Agency's continued improved communication and transparency vis-à-vis its Executive Board and the Management Board as well as staff; in particular
  - the Agency's participative approach involving management and staff as well as the Management Board in shaping its new post-2020 strategy in line with the new EU policy framework;
  - the fact that, throughout 2020, Cedefop's management kept the Executive Board and Management Board fully informed and actively involved in the finalisation of the Programming Document 2021-23 and the preparation of the following one for 2022-24; and congratulates Cedefop for the constant high quality of its programming and reporting documents;

- confirms that the Management Board's analysis of the Consolidated Annual Activity Report 2020 is positive and, in its opinion, provides the necessary assurance for the positive assessment of the results achieved by Cedefop in 2020.

22 June 2021



Barbara Dorn

Chairperson of the Management Board

## EXECUTIVE SUMMARY

### Cedefop in brief

Cedefop was one of the first EU's decentralised Agencies. Founded in 1975 and based in Greece since 1995, Cedefop supports the promotion, development and implementation of the Union policy in the fields of VET, skills and qualifications by working together with the European Commission, EU Member States and the social partners. The Agency's mission is set out in its [2019 recast Regulation](#) <sup>(1)</sup>.

In line with its mission, vision and values set for 2017-20, Cedefop's strategic areas of operation are:

- a shaping VET systems and qualifications: support the understanding of the future of VET and foster the renewal and modernisation of VET systems and institutions in response to rapidly changing policy needs and priorities; support the development and use of European tools and principles promoting lifelong and life-wide learning;
- b valuing VET to empower people: support the development and implementation of VET and continuing/adult learning policies creating the conditions for all people to gain the knowledge, competences and values required for employability, entrepreneurship, innovation and tolerant and inclusive society;
- c informing VET by offering labour market intelligence: inform the design of VET and skills policies that ensure the availability of a qualified workforce and its continuous and effective skilling in light of marked technological and social developments shaping the future of work; promote policies that can facilitate skills utilisation of individuals in alignment with changing skill needs.

Cedefop's multiannual objectives – providing new knowledge and evidence; monitoring policy trends and providing policy analysis of developments; acting as a knowledge broker for countries and stakeholders – reflect the core functions of the Agency. Combined with the thematic strategic areas of operation, they define the type and scope of the Agency's deliverables. The multiannual objectives steer the activities of Cedefop's annual work programmes and ensure continuity of its work, allowing the necessary flexibility to respond to changing needs.

In 2020, Cedefop co-shaped with its Management Board and staff a new post-2020 strategy which brings about a revised vision and values and is fully in line with the new EU policy framework. Involving members of all groups represented on the Board, ensured that this strategy reflects the tripartite nature of VET and the views and needs of Cedefop's key stakeholders. Cedefop's new strategy will support the Agency's activities as of 2021.

### Implementation of the annual work programme - The year in brief

Despite the challenges caused by the pandemic, Cedefop accomplished and even exceeded its work plan in 2020, demonstrated its flexibility to meet emerging needs and

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<sup>(1)</sup> Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation EEC No 337/75. <http://www.cedefop.europa.eu/en/about-cedefop/what-we-do/cedefop-regulation>

proved its resilience. The pandemic's disruptive impact on economic sectors, employment and learning coincided with the already planned design of a new post-2020 EU policy framework for vocational education and training (VET) and skills. The necessity to devise policies for recovery and the digital, green and fair transitions with VET as an essential component, gave Cedefop the opportunity to confirm its role at the core of EU policy making.

### **Helping to shape policy**

Following consultation with Commissioner Schmit, Cedefop evidence informed the renewed Skills Agenda and the first ever Council recommendation on VET, as reflected in its performance indicators. The Skills Agenda includes specific actions on upskilling and reskilling of adults, the Pact for Skills initiative, and on strengthening skills intelligence—an area where Cedefop's expertise has been high in demand, from the EU-level forecasts to its recent real-time overviews on skill demand based on big data.

Building upon work started under the Croatian Presidency, the German Presidency invited Cedefop to share its expertise in the shaping of the Osnabrück declaration which accompanies the recommendation and sets out concrete actions within European cooperation on VET. As in the past, since its launch in 2002, Cedefop has again been entrusted with supporting and analysing this process. Its new monitoring mandate relates to both the declaration and the recommendation.

The new EU VET and skills policy largely reflects a stronger focus on continuing VET (CVET), as advocated by Cedefop in [The importance of being vocational](#), a discussion paper drafted jointly with ETF to inform the 2020 policy-making processes. Highlighting key challenges emerging from the pandemic's impact, future trends and the changing world of work and VET's potential as an enabler of recovery and successful transitions, it argued for making CVET the 'new normal' for all adults to empower citizens to up- and reskill throughout their lives. The discussion paper and the [Cedefop/ETF monitoring report on the 2015-20 cycle of the Copenhagen process](#) underpinned the debate at the high-level conference [Enhancing European cooperation in VET: looking back – planning ahead](#), co-hosted with the ETF. Over 190 experts, stakeholders, European Commission, government and social partner representatives joined the event held under the auspices of the Croatian and German Presidencies. The Education Ministers of Croatia, Germany and Greece reflected on their initiatives to put VET centre stage. Vice President Schinas and Commissioner Schmit stressed the value of Cedefop's support in the effort to achieve the necessary skills revolution, referring to its work as 'a real goldmine to tap into'. The conference was one milestone on the road to the Osnabrück declaration, as its key take-aways informed the German Presidency's work.

### **Supporting CVET and upskilling as a path for jobs and life**

Skills development of adults was at the core of Cedefop's and Eurofound's cooperation on the European company survey – an example of how joint ventures not only help to add value to complementary expertise but also aid saving costs. Survey findings were presented in the Cedefop-Eurofound report [Workplace practices unlocking employee potential](#) and discussed in joint seminars. How to shape workplaces to help staff learn

and use skills to their full potential is a crucial question, considering the massive need for up-reskilling and the still low participation in adult learning.

The latter is in contrast to the [findings of Cedefop's most recent opinion survey](#) released in 2020. It focuses on [how adults perceive continuing training and learning](#). Nearly all respondents stated that their jobs require them to keep their skills constantly up to date and this need will increase in the future. People also believe that CVET and adult learning bring them benefits and at least two-thirds in every Member State see adult learning as important as school or university. They also agree that their governments should prioritise investment in adult learning and have a positive view on the offers available. Nevertheless, 'no need' is the most important reason for non-participation besides lack of time and costs.

Why participation in adult learning is low and how the ambitious targets of the renewed Skills Agenda could be reached was discussed at Cedefop's and the German Presidency's co-organised seminar, [Attractiveness of CVET in the EU](#). It brought together representatives from the European Commission, Parliament, EU social partners, Member States and other stakeholders. They concluded that establishing a CVET culture is a necessity. For CVET to become the new norm for all adults, requires coordinated systems that consider learner and employer needs, based on strong partnerships and shared responsibilities underpinned by incentives and support measures for citizens and employers.

These principles, Cedefop's opinion survey and its most recent research on low skilled informed the discussions at the policy learning forum [Upskilling pathways: a vision for the future](#). Even before the outbreak of the pandemic, [Cedefop research](#) suggested that 46% of the adult population in the EU-27, Iceland, Norway and the UK would have to update their skills or gain new ones. Against this backdrop, and Covid-19-induced labour market disruption, this event discussed how to progress further in putting upskilling pathways in place and translate [Cedefop's analytical framework](#) into practice. This requires a systematic approach bringing tailored offers together with support systems, such as guidance, skills validation and financing. As part of a series that Cedefop organises together with the European Economic and Social Committee (EESC) to help countries make upskilling pathways a reality, these forums contribute directly to the follow up of the related Council recommendation and the European social rights pillar.

### **Digging deeper into skills and skill needs**

Empowering people to learn throughout their lives, help shape and manage change and develop personally, requires a strong foundation. Key competences provide this foundation, as the 2020 skills agenda and the renewed EU VET policy reiterate. Cedefop's [study on digital, multilingual and literacy competences](#) confirmed that their promotion in IVET is usually linked to these broad objectives. However, strategies often failed to guide implementation. The findings were timely given the fast shift to digital learning and working caused by the pandemic.

To foster the skills learners need to succeed in work and life, VET policy and provision require sound skills intelligence. Generating unique and policy-relevant quantitative and

qualitative data relevant to the current and future world of work has been one of Cedefop's main ambitions. In 2020, this included research on [the impact of technological change, automation and artificial intelligence on EU labour markets and jobs](#) and insights into countries' responses. The report highlights how important human-resource practices and social dialogue is for ensuring a smooth transmission of businesses and workers towards a new digital future.

Besides the update of regular long-term [skills forecast](#) entrusted to Cedefop by the Council since 2010 <sup>(2)</sup>, information on current trends through EU-level real-time labour market information based on big data technologies continued. This ground-breaking work has attracted considerable interest by the European Commission and other stakeholders. 2020 saw important steps forward to develop [Cedefop's skills online vacancy analysis tool \(OVATE\)](#) further to inform smart European statistics. The collaboration with Eurostat for this purpose was set out in a Memorandum of Understanding.

### **[Rising to the Coronavirus challenge](#) - Serving emerging needs while safeguarding operations**

As the crisis unfolded, the need arose to understand its impact on the EU's labour market, workforce and VET systems. Cedefop swiftly adapted its work on skills intelligence, by adding new perspectives to existing evidence and adjusting research in the planning stage. This included a complementary scenario to the long-term forecast data generated before the outbreak of the pandemic to assess its impact and insight on how recruitment changed in different sectors through the OVATE platform. Together with Eurofound a follow-up to the European company survey was designed to collect empirical data on how organisations dealt with the challenges of the pandemic.

New work and instant surveys in collaboration with its ReferNet and thematic networks – apprenticeships, early leaving and career guidance – enabled Cedefop to provide speedy information across its portfolio of activities: from labour market disruptions and changing skills needs to countries' general crisis management in VET, the pandemic's impact on apprenticeships, to new demands on VET and career guidance.

To avoid duplication of work and improve relevance and value of the information collected, Cedefop joined forces with other EU and international organisations. Besides supporting a global survey investigating the pandemic's impact on training of employees, apprentices and interns in all types of jobs, Cedefop coordinated an international survey on career guidance. The report [Career guidance policy and practice in the pandemic](#) provides a snapshot on early responses and gives an outlook into the potential role of guidance in recovery policies.

With this new research, data and in-depth analyses Cedefop aimed to assist policy makers and social partners as they prepare for a new reality. Involving its networks and adopting new working methods to tap the combined in-house potential proved valuable. A wealth of instant information was made available and continuously updated

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<sup>(2)</sup> [https://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/lisa/114962.pdf](https://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/lisa/114962.pdf)

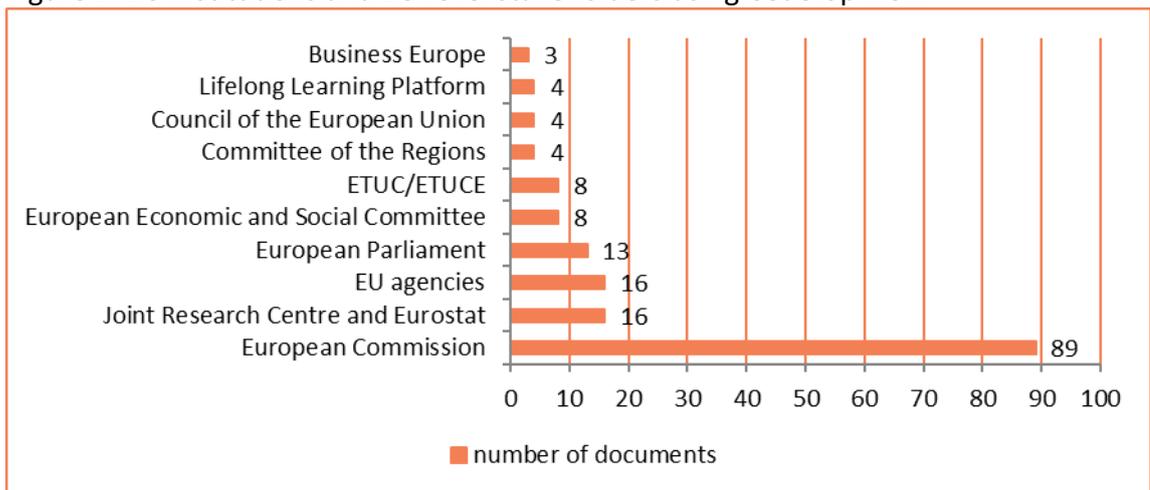
in [a dedicated landing page](#) on the web portal. An interactive flyer offers a structured overview of the rich information generated.

### Assessing the use of Cedefop’s outcomes in 2020

Take-up of Cedefop’s contribution to EU policy-making is evident from the policy documents adopted in 2020. The [VET recommendation](#) and the [Osnabrück declaration](#) not only entrust Cedefop with monitoring countries’ follow-up; they also invite the Commission to make use of Cedefop’s evidence and support, in areas such as skills intelligence, apprenticeships and skills development. Cedefop evidence is also reflected in the [Council conclusions on reskilling and upskilling](#) and the [Council’s and Commission’s joint employment report](#). The Commission’s work on [lifelong guidance](#) and [validation of non-formal learning](#) has made most extensive use of Cedefop sources and findings.

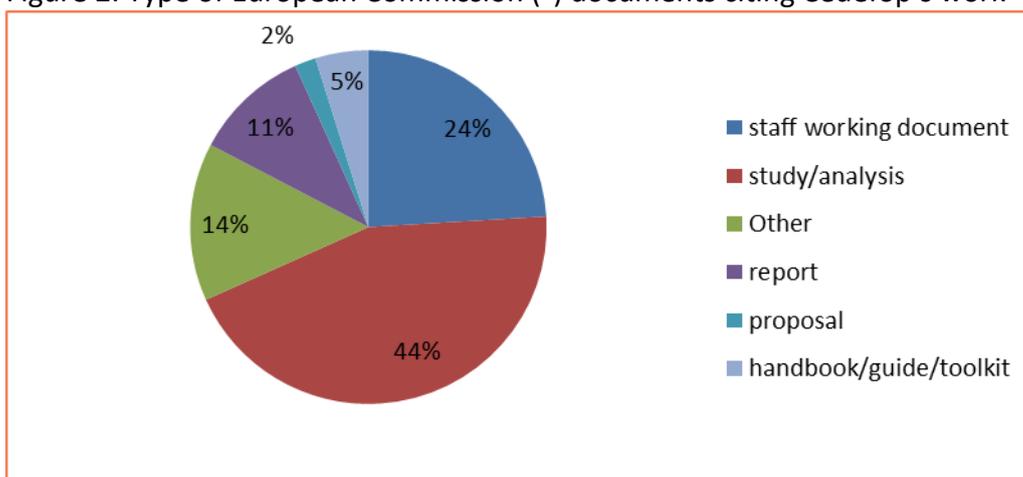
Once again, Cedefop evidence was used by various DGs besides DG Employment and DG EAC, for instance the DGs for research, growth, economic and financial affairs. Nearly half of the country-specific European semester reports cited at least one Cedefop source. Themes covered included the EU’s climate ambition, barriers for the single market or the European strategies for the Danube and Adriatic regions. This demonstrates the importance of skills development across the board and the value of Cedefop’s work beyond the immediate VET community. Once again, Cedefop’s work on skills anticipation and matching made up the highest share of references, followed by monitoring VET developments and promoting access to and attractiveness of VET. References in documents and reports issued by international organisations show a similar picture whereby OECD accounts for around half of those citing Cedefop work, followed by ILO and UNESCO.

Figure 1: EU institutions and EU-level stakeholders using Cedefop work



Source: Cedefop performance measurement, indicator 1: EU-level documents citing Cedefop.

Figure 2: Type of European Commission <sup>(3)</sup> documents citing Cedefop’s work



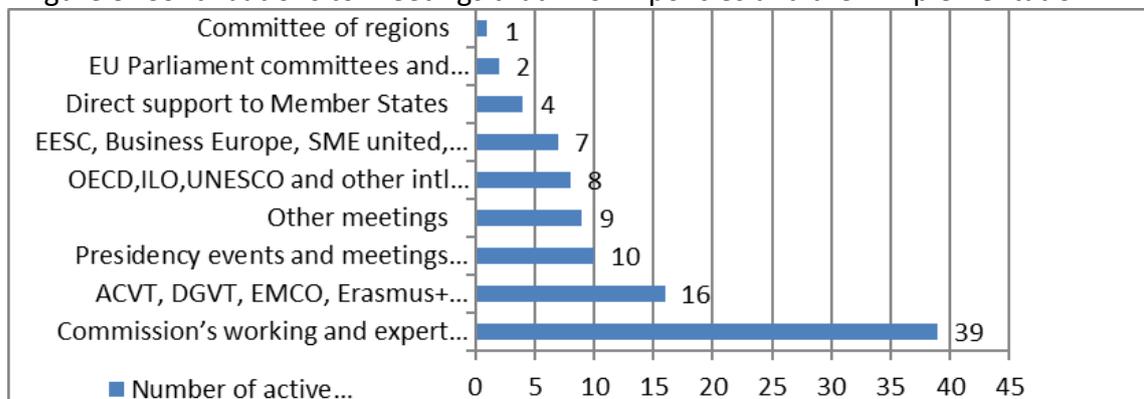
Source: Cedefop performance measurement, indicator 1: EU-level documents citing Cedefop.

N.B. ‘Other’ includes background documents for discussion by policy makers and experts, for instance in Commission working groups; working papers, executive summaries, brochures, policy and economic briefs, newsletters etc.

Cedefop contributed substantially to EU-level meetings that inform policies and their implementation and events held by EU, international and national organisations, even though fewer took place in 2020 due to the pandemic and some working groups reached the end of their mandates. This included EU-wide conferences by the Presidency countries on teachers and trainers (Croatia) and artificial intelligence in the world of work and platform work (Germany); the European skills week conference on VET excellence for green and digital transitions; and continued support to the EQF advisory group, ACVT, General Directors for VET as well as social partners.

Cedefop was also invited to share its findings in: a joint conference on guidance by the Spanish education and employment ministries; several events by the education ministry and other organisations in its host country, Greece; a Greek TV programme on labour market shifts induced by the pandemic and future prospects.

Figure 3: Contributions to meetings that inform policies and their implementation



<sup>(3)</sup> Including publication from the Joint Research Centre and Eurostat

As participants' satisfaction rates prove, Cedefop managed the shift to virtual events speedily and successfully. Several of the events attracted a considerably higher number of participants than originally planned. Fully virtual dissemination of publications led to a substantial rise in visits to Cedefop's web portal and higher publication downloads. Frequent communication activities through social media went hand in hand with increasing numbers of followers on Facebook and Twitter.

### Key performance indicators

37 publications – 553 000 downloads including country specific reports
29 meetings – 1 647 external participants
94 contributions to EU-level documents, notably the Osnabrück declaration and the related Commission staff working document and the Skills Agenda; 3 to documents by international organisations
535 references to Cedefop work in 165 EU-level policy documents and 260 references to Cedefop work in 126 documents issued by international organisations (OECD, UNESCO, Council of Europe, ILO, IMF, World Bank, WHO/Commission, UNICEF)
94 contributions to meetings that inform policies and their implementation
1 103 000 Website visits (+40%), 1 768 000 page views (+33%)
38 contributions to other conferences and major events, including keynote speeches and participation in discussion panels
Around 351 000 EU skills panorama total number of page-views
956 citations in academic literature 2019-2020. Most frequently quoted themes: skills supply and demand, qualification frameworks, validation of non-formal and informal learning, lifelong guidance, early school leaving and learning outcomes
97% occupation rate of the establishment plan
100% budget implementation rate
Cedefop's consultation with key stakeholders <sup>(4)</sup> 94% satisfaction rate

### Key conclusions on Financial management and Internal control

Cedefop's administration and internal services support core business effectively and efficiently. Cedefop conducts its operations in compliance with the applicable rules and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

In 2020, Cedefop continued to use its funds effectively and efficiently with a budget implementation rate of 100% which the Agency achieved by systematically tracking the current and anticipated expenditures.

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<sup>(4)</sup> The term 'key stakeholders' refers to the groups represented in Cedefop's Management Board - social partners, governments, European Commission - and the European Parliament

With regard to legality and regularity of the underlying transactions, all costs are subject to audits by both the European Court of Auditors (ECA) and the external auditors. All Title 3 costs must comply with the procurement plan which is an integral part of the Programming Document adopted by the Management Board as well as the annual management plan (AMP). All costs are signed off by the authorising officer(s) (by delegation) who has(have) a specific remit to ensure regularity. External parties monitor and audit Cedefop rigorously. No irregularities were found.

The Agency reports on a regular basis to its (Extended) Executive Board and Management Board on risks and control issues. Updates on audit, evaluation and internal control activities (ECA, IAS, and other sources of assurance) are standing items on the agenda of all meetings.

Cedefop follows up closely on the implementation of the action plan agreed as a follow-up to the last external evaluation carried out by the European Commission. All actions are progressing according to plan and one recommendation is fully implemented and was closed. To track the progress of the external evaluation action plan and more generally of the Agency's consolidated action plan, Cedefop uses the 'degrees of implementation' logic which the Commission considered exemplary. End 2020, a dedicated tool was designed to support 'degrees of implementation' monitoring and reporting, which will be gradually deployed and enhanced throughout 2021.

Ex-ante evaluations were carried out for procurement procedures above EUR 500,000 concluding that they were compliant with the requirements of ex-ante evaluation. Ex-post evaluations for projects/activities that came to an end and entailed a total budget expenditure of above EUR 500,000 focused on two activities.

The European Court of Auditors (ECA) published its final report on Cedefop's annual accounts for the financial year 2019 on 22 October 2020. It states that Cedefop's annual accounts 2019 present fairly, in all material respects, the financial position of the Agency at 31 December 2019. The transactions underlying the annual accounts 2019 are legal and regular in all material respects. The Court included one observation on the legality and regularity of transactions and one observation on budgetary management.

On the annual accounts for the financial year 2020, ECA conducted its audit remotely in October 2020 and submitted its clearing letter (preliminary finding) in November 2020. The ECA's final report is expected in autumn 2021.

The Internal Audit Service (IAS) conducted a full risk assessment remotely in June 2020, covering Cedefop's administrative, financial, operational and IT processes. In October, the IAS sent the 2021-2023 Strategic Internal Audit Plan with prospective audit topics for that period <sup>(5)</sup>. The six recommendations resulting from the IAS Audit on HR Management and Ethics were closely followed up and implemented in accordance with the agreed action plan under the supervision of the Internal Control Coordination (ICC)

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<sup>(5)</sup> Cedefop surveys and ReferNet, and IT strategy as a reserve topic.

team. All recommendations from the agreed action plans resulting from previous IAS audits had been implemented by end 2020 according to the agreed deadlines.

The overall assessment of the internal control system was performed by using the tool provided by DG BUDG to Agencies' Internal Control Coordinators. DG BUDG and IAS also delivered a specific training session to EU Agencies' ICC teams.

Based on this assessment, Cedefop's Management has reasonable assurance that, overall, suitable and effective controls are in place and working as intended. Risks are being appropriately monitored and mitigated. Necessary improvements and reinforcements are implemented where required. Awareness-raising activities on ethics, integrity, internal control and good governance are organised regularly and well received by staff members.

### **Specific actions on COVID-19**

The impact of the Covid-19 pandemic raised challenges as regards performance, control, audit and assurance in relation to the 2020 budget.

From the very beginning of the outbreak, Cedefop successfully shaped and promptly activated a crisis management plan. All precautionary measures were taken and sustained to minimise the health risk for its staff, in due consideration of instructions by national, EU and international authorities, including teleworking, cancellation of missions and physical events and their replacement by virtual meetings. In the 2021 hearing of the agencies' directors in the European Parliament's Employment committee, their independent expert on Cedefop's Management Board referred to the way the Agency took care of its staff as exemplary.

Cedefop successfully ensured business continuity, achieving and even exceeding the targets and deliverables set in its work programme 2020 and respecting its statutory obligations.

The pandemic triggered a necessary revision of Cedefop's risk assessment for the year 2020 to identify new/increased risks which could possibly jeopardise the achievements of some of the objectives set in the work programme 2020. In this connection, management identified two additional risks which were flagged as critical: (a) budget implementation and (b) occupation rate of establishment plan. The adequate actions identified and put in place allowed for effective mitigation of both risks.

To provide the necessary assurance to its staff, Cedefop contracted a private-accredited European Inspection and Certification company to audit the measures taken in response to the Covid pandemic. Following an onsite inspection, Cedefop received an attestation of conformity for complying with the requirements of the reference of Health Protocols and Instructions established by the competent Public Authorities which determine the necessary measures to limit the transmission of the SARS-COV2 virus.

Throughout the crisis, Cedefop also ensured all communication and representation needs, including the successful organisation of virtual conferences, workshops and

webinars. All Covid-19 related initiatives have been regularly reported to the Executive and Management Boards.

The number of outputs over and above those agreed in the work programme and the reorganisation of and shift to online business and administrative processes confirm the increased productivity of Cedefop staff since the beginning of the crisis. As evident from its achievements and performance indicators, Cedefop did not only prove its agility and flexibility in responding to socioeconomic developments and emerging challenges. The Agency also manifested its role as a proactive central provider of intelligence for EU policies on VET, skills and qualifications. The interactive flyer [\*Rising to the Coronavirus challenge exemplifies the richness of\*](#) new research, data and in-depth analyses Cedefop produced to help policy makers and social partners understand the pandemic's impact on the EU's labour market, workforce and VET systems and prepare for a new reality.

To support its host country in dealing with the health crisis, Cedefop staff organised a donation to a local hospital and supported various charity organisations.

## PART I Policy achievements of the year

### 1.1 Operational activity: shaping VET by modernising VET systems and institutions and by supporting the use of EU tools and principles

<b>Performance</b>	
<b>197 references in EU policy documents</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• Council Recommendation on VET for sustainable competitiveness, social fairness and resilience and the related Commission staff working document</li> <li>• European Commission 2020 country reports on the European Semester</li> <li>• Education and Training monitor country analyses</li> <li>• ET2020 Working Group report on innovation and digitalisation</li> <li>• European Parliament analysis on the future of tertiary education in Europe.</li> <li>• Business Europe position paper on EU Skills and Youth Package</li> </ul>
<b>22 contributions to meetings that inform policies and their implementation</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• Meetings of the EQF advisory group on horizontal comparisons of qualifications, international qualifications and national qualifications frameworks</li> <li>• EQAVET annual and steering committee meetings and policy learning activity on evaluation and review</li> <li>• ESCO maintenance committee and Member States working group meetings</li> </ul>
<b>73 contributions to EU-level documents</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• Commission proposal for a VET recommendation and accompanying staff working document and Osnabrück declaration</li> <li>• Education and Training Monitor 2020 and European semester-related country analyses</li> <li>• Joint documents with the Commission in the context of the EQF advisory group</li> </ul>
<b>94 000 downloads of Cedefop publications</b>	<p>Top three publications:</p> <ul style="list-style-type: none"> <li>• Defining, writing and applying learning outcomes (7 380)</li> <li>• Vocational education and training in Romania (6 153)</li> <li>• Vocational education and training in Europe, 1995-2035 (4 650)</li> </ul>

### Reporting on European cooperation in VET

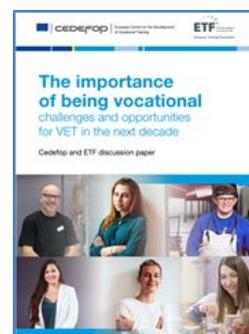
2020 was an important landmark in Cedefop’s contribution to the **European cooperation in modernising VET**, known as ‘Copenhagen process’. As in previous years since 2002, Cedefop analysed countries’ progress towards the achievement of the common priorities for VET agreed in 2015 for Member States, Iceland and Norway, and the candidate countries. The joint Cedefop-ETF report [Enhancing European cooperation in VET: outcomes of the Riga cycle](#) shows that countries have taken new steps to develop and expand apprenticeships, systematise school-business cooperation, and establish wide-scale graduate tracking and training needs anticipation. Retraining a growing range of vulnerable groups has become the norm. Awareness of identifying and promoting key competences has also raised. Considerable attention has been paid to strengthening VET teacher and trainer professional development.



Outcomes of this analysis informed discussions of the Commission’s Advisory Committee and Directors General for VET and [the Commission’s Staff Working Document](#) accompanying the proposal for the Council Recommendation on VET.

### Discussing the economic and societal challenges ahead

It also served as a starting point for the debate at the high-level virtual conference [Enhancing European cooperation in VET: looking back – planning ahead](#) jointly hosted with the ETF. Discussions also focused on the key challenges and opportunities for VET in light of the pandemic’s impact, future trends and the changing world of work, as outlined in the Cedefop-EFT discussion paper [The importance of being vocational](#). Held under the auspices of the Croatian and German Presidencies on 30 June and 1 July, the conference was one key milestone on the road to the Osnabrück declaration.



Over 190 experts, European Commission, government and social partner representatives joined forces to debate the role and future of VET at a time of unprecedented challenge. Among the speakers were European Commission Vice President Margaritis Schinas, Commissioner Nicolas Schmit, the Croatian, German and Greek Ministers for Education. The conference highlighted that digitalisation, the green deal, demographic shifts and economic uncertainty place VET in the foreground as a flexible means to prepare people for a changing world of work. Continuing VET is critical for upskilling and reskilling EU citizens and creating a dynamic workforce, ready to respond to the economic and societal challenges ahead and allow a smooth transition to a digital and greener economy.

### Providing country-based information

As an integral part of its work to support policy implementation with country-based evidence and analysis, Cedefop drafted 27 country fiches on the latest developments in VET, with a special focus on digital education and digital competence. This fed directly the Commission’s annual publication on recent policy measures in education and training - the [2020 Education and training monitor](#). In addition, Cedefop contributed to the European Commission’s work on the preparation of country-specific recommendations in the context of the European semester.



For the **Croatian and the German Presidencies** of the EU, [short descriptions](#), [spotlights](#) and animated [videos](#) on VET in Croatia and Germany were released and disseminated at several high-level meetings, including the meeting of Directors General for VET and the European vocational skills week. A best seller of Cedefop publications, the ‘Compilation of Spotlights on VET in Europe’ was updated and will be published in the first quarter of 2021.

### VET systems responses to COVID-19

Cedefop’s ongoing efforts to support its European network of expertise on VET - ReferNet - were successful in developing quality criteria and guidelines for [national news items](#) on recent developments in VET and VET-related labour market issues available on Cedefop’s website. The 2020 special included an analysis on [EU countries’ response to the effect of Covid-19 on their education and training systems](#). 33 news items from 28 countries provide insights into their main challenges, including transition to distance learning, arrangements to keep students engaged, organisation of graduates’ final exams and planning for the 2020/21 school year in the midst of the Covid-19 crisis.

### Focus on key competences

The results of Cedefop’s study on [digital, multilingual and literacy competences in initial VET](#) in the Member States are encouraging and concerning at the same time. Many policy actions promote key competences in initial VET, which were reflected in most qualification types between 2011 and 2018, with an increasing attention on digital competences. While most policies have an agenda-setting purpose and longer-term visions, fewer focus on short-term, practical implementation plans. Around a third of those promoting digital competence, lack an explicit objective of embedding it in IVET. Two-thirds of



policies contributed to observable changes in programme delivery, reference documents, teacher/trainer training and assessment standards. Although national policies only occasionally referred directly to the EU VET agenda, many of those have been in line with and even guided by EU priorities.

Cedefop's study confirmed that promoting key competences in VET is usually linked to broader societal objectives, e.g. policies on multilingual competence to supporting lifelong learning; those promoting literacy to social inclusion and promotion of digital competence to employability.

### *Supporting EQF implementation*

As in the past, Cedefop worked closely with the Commission in **supporting the implementation of the European qualifications framework (EQF)** based on learning outcomes in line with the priorities of the 2017 revised recommendation. Cedefop commented on Ireland's and Serbia's (updated) reports relating their national frameworks to the EQF and provided conceptual input to the EQF Advisory Group (AG) meetings in February, June and November, with a focus on: how to further develop and deepen the role and impact of the EQF, notably through interconnected databases and a more systematic use of learning outcomes; support to the group's work on validation of non-formal and informal learning, aiming for an update of the 2015 guidelines by the European Commission and Cedefop. The Agency also contributed to the work of several AG project groups, in particular on the horizontal comparison of qualifications and the third country dimension of the EQF. The work on horizontal comparison of qualifications explored how contextual factors and learning outcomes descriptions can be systematically used to improve comparisons of qualifications, relate them to the EQF as well as for other purposes. The work on the other theme explores possibilities for the development and use of criteria and procedures to enable, in accordance with international agreements, the comparison of third countries' national and regional qualifications frameworks with the EQF. Cedefop's conceptual work on qualification frameworks, their development stages and progress indicators served as initial reference point.

### *Analysing NQFs developments in Europe*

In 2020, Cedefop continued reviewing and analysing progress in the implementation of



national qualifications frameworks and how they relate to the EQF. The report [National qualifications frameworks developments in Europe 2019](#) was drafted in-house in close cooperation with national stakeholders. It illustrates the state of play of the 43 frameworks created to date in the EU, EFTA, candidate and potential candidate countries and the UK. A concise [NQF overview](#) was released to capture the latest developments.



Cedefop's analysis shows that comprehensive frameworks are expanding in Europe and are becoming maps for lifelong learning: more countries have opened their frameworks to include qualifications acquired outside formal/regulated education and training and made progress in creating, filling and mainstreaming their national qualification databases to support end-users. Many NQFs are now fully operational, are being updated and support guidance and validation.

As part of its work to make qualifications easier to understand, Cedefop took a closer look at qualifications acquired through initial VET with a [focus on qualifications at EQF levels 3 and 4](#). The study explored what they have in common and in what way they differ. It analysed their purpose and value on the labour market or for further learning, and how they are assigned to NQF and EQF levels. It also sheds light on the different weighting of occupational and transversal skills and competences and levels of complexity, and between qualifications at both levels within the same occupational area. The results show that EQF level 3 and 4 qualifications have distinct profiles, market value and progression possibilities. While learning outcomes are key to understand and compare vocational qualifications across borders, social and contextual considerations also play an important role.



#### *Supporting ESCO and EQAVET developments*

Cedefop supported the revision and further development of the terminology of skills and competences in ESCO for the release of its new version in 2021 by coordinating the development of the updated terminology on transversal skills and competences.

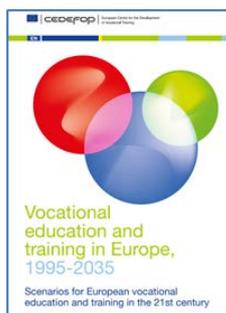
As regards the implementation of the recommendation on a European quality assurance framework for VET (EQAVET), Cedefop provided advice and expertise to the respective steering committee, peer learning activities and the annual meeting.

The European community of learning providers reached the final stage of its work. The [three reports](#) on (a) the challenge of technology-enhanced learning: enhancing teachers' and trainers' e-skills, b) EU mobility: reinforcing learning, attractiveness and employability and c) migration: empowerment and integration through learning, were published on Cedefop web-site.

#### *Comparing VET qualifications*

The main results of the work on a methodology for comparing the content and profile of VET qualifications became available in 2020. The methodology aims at supporting mutual learning between countries by focussing on how a more systematic analysis and comparison of learning outcomes can support the review and renewal of qualifications. This work is closely coordinated with the EQF AG working group on horizontal comparison of qualifications and the work of UNESCO on world reference levels.

## *Understanding the future of VET*



Building upon the work on comparing VET qualifications, the synthesis report on [Future of VET](#) provides a steppingstone for: (a) analysing the changing content and profile of VET programmes and qualifications; and (b) better understanding the institutional implications of these changes. This focus reflects important changes at national level, notably through broader profiles and fewer qualifications. We can also see a changing relationship between occupation-specific skills, general subjects and transversal skills and competences. Cedefop developed an analytical model allowing for a systematic analysis and comparison of VET content, initially tested in 2020. Cedefop's ReferNet helped to identify relevant national sources and data.

Cedefop's research on the changing role and future of VET informed various EU policy initiatives, including the 2020 European skills agenda, the Council recommendation on VET, the European education area and the Osnabrück declaration.

## 1.2 Operational activity: valuing VET to empower people to achieve competences and skills for work and life

Performance	
<b>111 references in EU policy documents</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• Council conclusions on reskilling and upskilling as a basis for increasing sustainability and employability</li> <li>• Commission proposal for a recommendation on VET for sustainable competitiveness, social fairness and resilience</li> <li>• Commission communication and staff working document accompanying the proposal for a Recommendation to reinforce the Youth Guarantee</li> <li>• Commission study on lifelong guidance policy and practice</li> <li>• European Parliament study on rethinking education in the digital age</li> <li>• ETUCE report ‘Your Turn! Teachers for Trade Union Renewal’</li> </ul>
<b>38 contributions to meetings that inform policies and their implementation</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• EAfA/Apprenticeship Support Services</li> <li>• EU social partners: Labour Market Integration of Migrants: A Multi-Stakeholder Approach</li> <li>• OECD webinar: New insights on teacher and school leader professionalism: What to expect from the latest TALIS 2018 results</li> </ul>
<b>16 contributions to EU-level documents</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• Commission proposal for a VET recommendation and accompanying staff working document and Osnabrück declaration</li> <li>• Commission staff working document and study on the evaluation of the Recommendation on the validation of non-formal and informal learning</li> <li>• Reports of the ET 2020 VET and adult learning working groups</li> </ul>
<b>32 000 downloads of Cedefop publications</b>	<p>Top three publications:</p> <ul style="list-style-type: none"> <li>• Empowering adults through upskilling and reskilling pathways (4 674)</li> <li>• Apprenticeship schemes in European countries: a cross-nation overview (2 488)</li> <li>• Handbook of ICT practices for guidance and career development (2 352)</li> </ul>

### *Covid-19 related outputs*

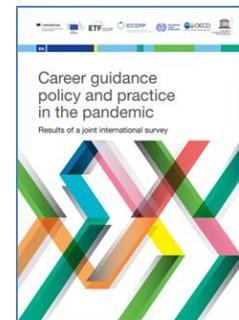
Capitalising on its three networks – [Cedefop’s community of apprenticeship experts](#), [CareersNet](#) and Cedefop’s [ambassadors tackling early leaving from VET](#) – Cedefop timely provided evidence on how VET and career guidance adapted to the Covid-19 pandemic.



Drawing on inputs from Cedefop’s ambassadors tackling early leaving from VET, Cedefop’s report on [Digital gap during Covid-19 for VET learners at risk in Europe](#) presented the challenges faced and the efforts made to ensure that learning continues for all VET learners.

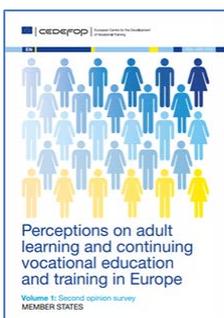
The report [How countries are managing apprenticeship in the Covid-19 crisis](#), based on input from the Community of apprenticeship experts, provides evidence about continuation or discontinuation of the school-based and workplace components, early responses, and other aspects on how apprenticeship provision was affected by the 1<sup>st</sup> Covid-19 wave. The main findings were widely cited in the Commission’s proposal for the Council Recommendation on VET and in the adopted [Council Recommendation](#).

A note by CareersNet members gathering [early insights on career guidance adaptation due to the pandemic](#) was released in April. It was followed by an international survey coordinated by Cedefop and carried out in cooperation with six international and EU organisations, which led to the report [Career guidance policy and practice in the pandemic](#). The survey gathered information from more than 90 countries across the globe. It provided insights on: (a) how the pandemic forced the adaptation of guidance services provision and stakeholder collaboration; (b) the key challenges in maintaining services across sectors and settings; and (c) the critical policy aims for guidance during the crisis recovery, as seen by survey respondents.



### *Increased focus on upskilling, reskilling and CVET for adults*

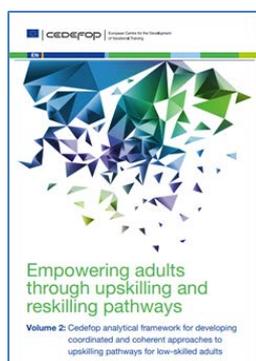
Anticipating the importance of focusing policy efforts in enhancing adult participation in education and training, Cedefop strengthened its focus on their upskilling and reskilling. In line with the new priorities identified in its [discussion paper drafted jointly with ETF](#) and reflected in the updated EU policy framework for VET and skills, Cedefop intensified its conceptual work on promoting the establishment, upscaling and upgrading of CVET systems supporting a systematic approach to continuous learning for adults in a lifelong learning perspective. As part of this work, Cedefop drafted the background paper ‘Shaping a new learning culture in CVET’ for the DGVT meeting held under the German Presidency on 10-11 November 2020.



Cedefop’s second opinion survey brings new insights on citizens’ perceptions on [awareness, attractiveness and perceived effectiveness of adult learning and CVET in Europe](#). To complement existing data sources, the survey delivered data from more than 40.000 interviews with European workers, learners and citizens about adult learning and CVET at EU and national level. Cedefop’s data analyses show that people in all Member States value adult learning and CVET. They regard them as important and associate them with real practical benefits, such as finding a job, career progression and personal development. Importantly, people in all Member States

believe that adult learning and CVET will become more important over the next years and should be a priority for public investment in their country.

In 2020, Cedefop continued its aid to the implementation of the recommendation on upskilling pathways for low skilled adults and the European pillar of social rights by supporting the development of systematic and coordinated approaches. The first volume of Cedefop research [Empowering adults through upskilling and reskilling pathways](#) focused on understanding the magnitude of the low-skilled adult population and identifying which groups of adults are most at risk of low skills, and in which skills. The second volume focused on supporting the development of coordinated and coherent approaches to upskilling pathways for low-skilled adults by putting forward an [analytical framework](#) assisting policy makers and stakeholders. Cedefop also continued to provide a platform for countries and social partners to learn from each other and explore common challenges. The [third policy learning forum on upskilling pathways](#)



jointly held with the European Economic and Social Committee took place as a virtual event on 5-6 November, focusing on upskilling pathways implementation and future directions. It triggered cooperation with Member States to undertake in-depth thematic country reviews of their national approach to implementing the recommendation.

Together with the Germany's Presidency of the Council of the EU, Cedefop organised its 9th event within its series of Brussels-based seminars with a special focus on CVET. There was consensus among participants that CVET is a key instrument that is needed now as millions of jobs are changing or disappearing around the world. To take up the challenge, a shift is needed from understanding CVET mainly as addressing short-term skill needs to adopting CVET as a systematic norm for all adults, and establishing a European CVET culture.

### *Early leaving from VET and teachers' and trainers' professional development*

The Covid-19 crisis challenged VET teachers and trainers in new ways. They have been called to teach both *on site* and *online*, keeping students in their learning journey.

Both DGVT meetings under the Croatian and the German Presidencies discussed the challenging roles of VET teachers and trainers. Cedefop provided three background papers: (a) New roles of teachers and trainers in VET and adult learning; (b) Attractiveness of VET teachers and trainers' profession; (c) Preparing teachers, trainers and students for green and digital transitions.

Cedefop also supported the Croatian Presidency Conference on [Teachers and Trainers for the Future: Towards the 'New Normal'](#) with a speech on 'The evolving roles of teachers and trainers in VET and adult learning in Europe' and the note [Digital gap during Covid-19 for VET learners at risk in Europe](#). The executive summary was made available in EN, ES, FR, IT and GR.

Prior to the pandemic, EU countries had made significant progress in lowering the rates of [early leaving from education and training](#). Cedefop's [VET toolkit for tackling early leaving](#) supports policy makers and VET practitioners who fear a dramatic increase of the early leaving rates from education worldwide due to the pandemic. This was widely acknowledged during [the Skillman International Forum 2020 on 'Redefining the future of learning'](#) (over 400 participants), where the toolkit was presented.

To support the European Commission, Member States and social partners in implementing the newly adopted [Council conclusions on European teachers and trainers for the future](#), Cedefop launched a feasibility study for a [pan-European survey](#) on teachers, learners and principals in IVET at ISCED level 3 as well as on in-company trainers. As evidence on these target populations is scarce in the EU, Cedefop aims to close this gap and inform policy making for supporting VET teachers and training in current and future learning environments as well as in monitoring the learning conditions of students and apprentices.

#### *Continuing the work on apprenticeships*

Cedefop's long-standing work on apprenticeships is fully in line with the priorities of the Osnabrück declaration and the Council Recommendation on VET. The update of the [European database of apprenticeship schemes](#) continued, with the contribution of Cedefop's [Community of apprenticeship experts](#) to reflect the state-of-play in legal frameworks and changes in enrolment. The database is a key information source for Cedefop's work, supporting analysis of EU level policies and initiatives, such as the European framework for quality and effective apprenticeships.

Cedefop continued collecting and analysing information to support the EU policy priority on the long-term geographical mobility of apprentices, also a key dimension in the Osnabrück declaration. Articles on [international long-term mobility in apprenticeships](#) were published for 28 countries. They identify and analyse framework and system-level mobility enablers and disablers.

Building upon its study [Apprenticeship for adults - Results of an explorative study](#), Cedefop published a [briefing note](#). The main message is that all EU Member States have taken steps in opening apprenticeship provision to adults and their participation is clearly on the rise. This does not imply new types of apprenticeship or radically new concepts. It is rather about policies and initiatives like promoting more flexible learning options considering adults' life situations and learning needs.

The emerging economic crisis caused by the pandemic together with long-term structural trends that affect our economies will entail a profound transformation of the world of work. Prior to the pandemic and anticipating the importance for apprenticeships to be prepared and agile to respond to external changes, Cedefop and the OECD had invited researchers and practitioners from across the world to submit research papers exploring future scenarios for apprenticeship. The joint publication [The next steps for apprenticeships](#) includes 16 papers on the impact of technological change at the workplace and the repercussions of policy choices in apprenticeship design and provision.



In 2020, Cedefop published its report on [Financing apprenticeships in the EU](#) which draws on the wealth of information presented in its [online database](#). While the database provides detailed information for each of the apprenticeship schemes in EU countries and the UK, the report focuses on the main findings and offers comparisons. To better understand the patterns and contribute to policy learning, the report demonstrates the wide variety of ways in which apprenticeships are financed and proposes a typology of arrangements.

### *Further integrating the work on guidance, validation and incentives*

Cedefop provided input and expertise to the drafting of the final report on the follow-up of the [2012 Council recommendation on the validation of non-formal and informal learning](#), largely based on information from the respective European inventory. Cedefop worked in close cooperation with the European Commission also for the [accompanying study](#) supporting the evaluation. In 2020, Cedefop also published the [executive summary of the 2018 edition of the European inventory on validation](#), contributed to different events, e.g. within the vocational skills week, and continued providing input to the EQF AG on validation.



Cedefop is working towards a better understanding of how validation and guidance could be integrated within a comprehensive learning support system for adults, and how financing and incentives for individuals and companies relate to the two services. The briefing note [Empowering people to cope with change](#) emphasises how support structures and offers can help people manage major social and economic changes.

The ongoing study on 'support and incentives for adults to their learning and careers' explores the interconnectivity of the different supporting systems and services. During 2020 Cedefop gathered information on initial costs associated with services for career support for individuals and on financial and non-financial incentives to support training activities in micro-, small and medium-sized

enterprises. Also, work started on the update of Cedefop's [database on financing adult learning](#).

Cedefop's [European inventory on lifelong guidance policies and practices](#) was launched in February 2020, providing a rich, structured source of information on the career guidance systems in Europe. It also provides a basis for assessing progress in relation to the 2008 Council resolution and the European guidelines. New country records were uploaded throughout the year, including special updates following the pandemic. An interactive version of the decision-making tool for the transferability of ICT and labour market information practices for decision-makers, guidance managers and professionals was added to Cedefop's [web-based resources and tools dedicated to developing quality lifelong guidance](#).

The Covid-19 pandemic intensified the challenges and forced innovations and steep learning of new technologies among guidance practitioners and users. The October annual [CareersNet meeting](#) discussed both the urgent need to enhance career practitioners professional competences in the new digital and social context, and on revisiting relevant frameworks to guide policy development and action.

### 1.3 Operational activity: informing VET by offering labour market intelligence and skill needs analysis

<b>Performance</b>	
<b>217 references in EU policy documents</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• Joint employment report by the Commission and the Council</li> <li>• European Commission staff working document and report on Employment and Social Developments in Europe 2020</li> <li>• European Commission Communication on the European Skills Agenda for sustainable competitiveness, social fairness and resilience</li> <li>• European Commission report on Blueprint for sectoral cooperation on skills</li> <li>• Commission micro-credentials higher education consultation group report</li> <li>• EESC own-initiative opinion: Towards an EU strategy for enhancing green skills and competences for all</li> <li>• Business Europe position paper on Reforming active labour market policies in turbulent times</li> <li>• ETUC Position paper on the European Skills Agenda and future skills strategies</li> </ul>
<b>12 contributions to meetings that inform policies and their implementation</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• European Commission sector skills councils: meetings for Blueprint projects</li> <li>• Executive Agency for SMEs: skills supply and demand in advanced technologies for industry</li> <li>• Direct support to Member States: meeting related to country review on skills governance in Estonia</li> </ul>
<b>3 contributions to EU and international level documents</b>	<p>For example:</p> <ul style="list-style-type: none"> <li>• European Commission Skills Agenda for sustainable competitiveness, social fairness and resilience</li> <li>• ILO report on the feasibility of using big data in anticipating and matching skill needs</li> </ul>
<b>45 000 downloads of Cedefop publications</b>	<p>Top three publications:</p> <ul style="list-style-type: none"> <li>• Briefing note - Artificial or human intelligence? (6 193)</li> <li>• Insights into skill shortages and skill mismatch (5 611)</li> <li>• Briefing note - The skills employers want! (4 478)</li> </ul>
<b>168 000 EU skills panorama website visits</b>	<p>Page-views: approx. 351 000.</p> <p>Most popular content: dashboards with quantitative data/indicators and analytical highlights; sector, occupation and country landing pages.</p> <p>Most popular dashboards: Cedefop Skills Forecast, the European Skills Index and the Skills in online job advertisements.</p>

## *Covid-19, digital transformation and the future of work and VET*

The Covid-19 pandemic is accelerating the digital transformation in EU labour markets.

As [many EU workers had to work and learn remotely from home](#),

the vast opportunities of digital technologies for individual learners and firms came to the fore. The trends brought about by the pandemic are also clearly visible in the ongoing development of the EU skills policy context. In its

[Communication of 27 May 2020 on the next EU budget](#),

the European Commission reiterated its commitment to ‘help boost competitiveness and

technological sovereignty’ by ‘investing in digital infrastructure and skills’, stating that ‘the crisis has (shown) the importance of digital skills, for children, students, teachers, trainers and all of us to communicate and work’. The [2020 EU Skills Agenda](#) placed strong emphasis on the medium-term goal of EU countries achieving the digital and green transition and recovery from the Covid-19 crisis.



At the same time, concerns about the Covid-19 crisis accentuating automation have resurfaced, highlighting the importance of CVET for reskilling and upskilling individuals affected by technological disruption. Cedefop research shows that HR and management practices have considerable impact on the relationship between automation and employment. The report [Assessing the employment impact of technological change and automation: the role of employer practices](#) suggests that firms which adopted new technologies early were more likely to experience employment gains and also more successful in implementing human-centred HR management policies.



[Thematic insights on VET for the future of work](#) showed that the transition from analogue to digital VET systems is progressing steadily in EU Member States. They highlighted that with increased distance learning, more EU countries have been looking into developing [artificial intelligence \(AI\) technologies to build learner-centred solutions and open education resources](#). Key insights on the impact of AI technologies on EU job markets were presented by Cedefop at the German EU Council Presidency symposium on ‘Artificial Intelligence in the World of Work’ on 1 October.

### *Evidence on the labour market impact of the pandemic*

Cedefop used data from the first [European skills and jobs survey](#) to reflect on the negative **impact of the Covid-19 pandemic on work and incomes**. The working paper [EU jobs at highest risk of social distancing](#) highlights the threat of rising inequalities in learning and work opportunities due to the pandemic. The [Covid-19 social distancing risk index](#) showed that vulnerable groups in the EU workforce are disproportionately affected by the Covid-19 social distancing risk. Cedefop also provided insight into [skills developments and trends in the tourism sector](#) in the wake of the pandemic. The skills forecasts were used to make the case for continued [investment in human health and social work](#) – crucial sectors for dealing with the impact of the pandemic where the scope for automating core tasks is relatively limited.



The [skills OVATE](#) platform helped provide real-time insight into the extent to which employers scaled down and adapted their recruitment efforts in response to the challenges brought about by the pandemic. With [European employers advertising 35% fewer jobs on online job portals](#) in the second quarter of 2020 compared to 2019, the analysis showed the dramatic impact of the first wave and [a recovery in most EU countries in summer 2020 while in many sectors the situation remained depressed](#). Skills OVATE also showed that the [pandemic is transforming the skills profile of jobs](#). It not only increased demand for ICT skills linked to digitalisation and the massive shift to telework, but also led employers to place more emphasis on sales and marketing skills for online shops or digital sales strategies and on engineering, architecture and construction skills to make production or service delivery coronavirus-proof.

Cedefop used examples of policy programmes and initiatives available in its [‘Matching skills’ online webtool](#) to draw valuable [lessons for policy makers wishing to tackle the adverse labour market and social consequences](#) of the coronavirus pandemic.

### *Skills development and utilisation in a changing world of work*

The first report based on the [European Company Survey - Workplace practices unlocking employee potential](#) jointly prepared by Cedefop and Eurofound helped shed light on the contribution of HR and workplace practices to skills development and utilisation. Despite the perceived importance of workplace learning for skills utilisation and development, [only a minority of organisations coherently combines workplace practices that optimise skills use and support skills development](#). This suggests organisations should be supported in adopting suitable workplace practices. Measures could focus on education to make the next generation of managers aware of such practices, and on backing governments and social partners in developing networks and support structures to provide targeted advice to organisations. The report was presented at a [joint Cedefop-Eurofound launch event](#) held



on 13 October. A Covid-19 online follow up to the European Company Survey – aimed to collect empirical data on how organisations dealt with the challenges of the pandemic – was jointly developed by Eurofound and Cedefop and fielded end 2020.



People engaged in work outside a standard employment arrangement face different circumstances and challenges. Cedefop pointed out that during the pandemic, gig or crowd-workers enjoyed a home field advantage, as interacting digitally already was their prevailing work mode. The report [Skills development and matching in online platform work](#) and briefing note [Online working and learning in the coronavirus era](#) concluded that key lessons

learned from crowdwork can also inform future-oriented debates on VET, qualifications and algorithmic skills matching in a wider sense. Insights from this work were presented in the Berlin's Senate Department for Integration, Labour and Social Services European conference 'Platform Economy - Decent Work in Times of Digital Transformation' on 21 September.



### *Understanding skills and labour market trends and skills systems*

Skills intelligence mapping overall current and future trends and contextualising developments remained a key pillar of Cedefop's work. Updates of the [European skills forecast](#) and European skills index were released in 2020. As the skills forecast was developed before lockdowns were imposed in many countries, the short-term outlook is likely to be over-optimistic. However, population ageing, automation and artificial intelligence, globalisation, resource scarcity and the move towards a carbon-neutral economy and other [long-term trends will still continue to drive change](#) as EU Member States put plans in place to deal with the pandemic and to help their economies recover. An exploratory analysis of the long-term impact the pandemic suggested the [crisis may speed up retirement](#). To complement information on long-term trends, a forecast scenario to assess the impact of Covid-19 was developed. In 2020 Cedefop also ran a 'green' skills forecast scenario to assess the likely impact of the [European Green Deal](#) on the sectoral employment structure in the EU-27 as a whole and at sectoral level and started a skills foresight project to reflect on the consequences of implementing the green deal in selected sectors.

A new release of the [European Skills Index](#), which for the first time also included Norway, Iceland and Switzerland, was published in March. ReferNet members were asked to reflect on the results and to disseminate the index nationally in their respective languages. The index was also used to explore the [links between skills systems and gender equality](#).

[Skills Panorama](#) continued offering updated labour market and skills indicators and qualitative analysis on tasks and skills, future employment trends, automation risks and other topics. In 2020, 37 indicators and 29 analytical occupational highlights were updated and published.

### *Strengthening the evidence base – data collection and survey development*

Work on Cedefop’s **real-time labour market information** progressed steadily throughout the year. Activities focused on further developing, updating and quality-proofing the [skills OVATE platform](#), formalising Cedefop-Eurostat cooperation in a Memorandum of Understanding and a joint procurement procedure to organise the maintenance and further development of the European online job advertisements system, and arranging the transfer of the data production system to Eurostat’s big data infrastructure. An expert workshop gathered user feedback on skills OVATE feeding into the further development of the platform. These steps set the stage for further development of skills OVATE in the context of Eurostat’s Web Intelligence Hub and strengthened inter-institutional cooperation to develop web-based and big data powered skills analysis.



Cedefop prepared the roll-out of the [second European Skills and Jobs Survey](#) in the first half of 2021. The survey aims to inform the ongoing policy debate about the potential enriching or destructive impact of digitalisation on jobs and the future of work, as well as concerns about long-term, [impact of the Covid-19 crisis on EU job markets](#). It will inform EU skills policy development, in particular the [2020 Skills Agenda for Europe and the Digital Agenda for Europe](#).

Jointly with a technical expert group, Cedefop developed the survey questionnaire and tested it in 2020. Cedefop agreed to cooperate with the European Training Foundation (ETF), so that after the fieldwork in all EU Member States in 2021, the survey can be carried out in some of the EU accession countries.

### *Supporting stakeholders – direct support and skills policy intelligence*

Cedefop completed its work with four EU member states aimed at strengthening their governance of skills anticipation and matching systems and arrangements. Building on its own comprehensive [skills governance analytical framework](#) and in close consultation with national steering committees, Cedefop collected in-depth information on national development priorities and stakeholders’ views on how to best achieve them.

The findings of the four **skills governance reviews** are laid down in dedicated reports on [Bulgaria](#), [Estonia](#), [Greece](#), and [Slovakia](#). Following the request for assistance by Slovenia, Cedefop developed a ‘light’ support activity aimed at strengthening the country’s capacity in skills forecasting and providing skills intelligence.



Cedefop prepared the [2021 update of Matching skills](#), an online tool providing information on how skills intelligence can be put to use in skills policies and practices. Following renewed conceptual work and consultation with experts, guidelines were developed for collecting targeted information on national skills assessment/anticipation activities in each EU Member State and on training programmes, policies and measures that rely on skills intelligence.

Cedefop continued to develop resources for policy makers wishing to develop or strengthen national skills anticipation systems and practices. As coordinator of the inter-agency TVET group's thematic activity 'skill mismatch in digitalised labour markets', Cedefop led the development of an inter-institutional publication on the value and challenges of using big data for skills policies aimed at policy makers. Guides on methods for identifying the implications of technological change for emerging skill demands were prepared. A working paper on the opportunities and pitfalls of using matched employer-employee surveys to identify skill mismatches was also prepared. Cedefop also led the development of a background paper on the role of skills intelligence for policy and practice for the DGVT meeting held under the German Presidency on 10-11 November.

### 1.4 Communication, information and dissemination

Performance	
<b>88 000 downloads of Cedefop briefing notes</b>	Continued, systematic and targeted promotion and dissemination of Cedefop publications succeeded in a high demand for briefing notes targeting policy makers. Downloads increased by 22% (since 2019)
<b>598 articles referring to Cedefop in European media</b>	Over 52% refer to skills anticipation and matching, approx. 20% to the Skills index and approx. 14 % to Cedefop’s work on the pandemic’s impact on VET and skills.
<b>15 400 followers on Facebook</b> - increased by 11.14% since 2019 Over 392 000 views of Cedefop video clips and interviews released 2020, including animations (e.g. VET systems in Croatia and Germany). <b>10 400 followers on Twitter</b> - increased by 18.21% since 2019	
<b>29 events</b> organised by Cedefop – 13 virtually	More than 97% of respondents considered them as good or very good and 88% gave the same rating to audience engagement/interactivity. 52% were policy-makers at EU/national level 18% researchers 8% social partners 4% practitioners 2% representatives of enterprises

This activity focuses on communicating Cedefop’s key messages on VET, skills and qualifications to its stakeholders and on promoting a positive image of the Agency at European, national and local levels. In 2020, Cedefop communication responded swiftly to the coronavirus pandemic, adapting very efficiently to the pressing information needs of an unprecedented emergency and managing to deliver additional value by reshuffling, retargeting and even reinforcing its communication activities.



As an intermediate crisis response Cedefop radically refocused its event strategy and switched to virtual events using professional online meeting tools. This enabled Cedefop to bring together more than 800 participants by carrying out successfully 13 virtual events between June and December 2020, starting with the high-level Cedefop-ETF conference [\*Enhancing European cooperation in VET –\*](#)

[\*Looking back planning ahead\*](#) and ending with a joint seminar with the German Presidency on [\*Attractiveness of continuing vocational education and training in the EU.\*](#)

Regular crisis communication and Kanban board meetings triggered additional pandemic-related publications, web headlines, news items and social media activities.

In total 77 news items, publications and videos were published in 2020 on a [Covid-19-specific landing page](#) on Cedefop's Web portal. Media and stakeholder communication activities were complemented by 11 press releases, three issues of the magazine Skillset and match, 10 issues of Cedefop's electronic newsletter - including a thematic newsletter on coronavirus impact - 68 website headlines, 187 Facebook posts and over 1260 tweets and retweets. Twelve Cedefop videos and two animations on the VET systems in the Presidency countries Croatia and Germany were published, achieving an excellent outreach with a total of over 392 000 views on Facebook, YouTube and Twitter.



Several interviews with Cedefop management and staff complemented the communication activities, e.g. interviews on the 'Impact of coronavirus on the labour market', 'Coronavirus and the gig economy' and on 'Which jobs the pandemic hit hardest' with the Athens/Macedonian News Agency and its radio station, on 'Automation and coronavirus impact' with the Greek public radio station ERT 102, on 'VET and the coronavirus pandemic' on Spain's educaWeb.com and on 'Skills and job openings in the wake of the pandemic' live on TV at the Greek public broadcaster ERT3.

An interview related to the Cedefop/ETF conference on 'European cooperation in VET' with Greece's SKAI radio, a podcast about the 'Future of VET' with Emerald Publishing, and a wide-ranging interview published by Germany's Federal Institute for Vocational Education and Training (BIBB) in its magazine and as a podcast, are worth mentioning.

Cedefop published seven briefing notes, covering [Cedefop's 2019-20 highlights](#), the topics '[On the move but not there yet](#)' on mobility policies in IVET, '[Apprenticeships for adults](#)', '[Online working and learning in the coronavirus era](#)', '[NQF developments 2019](#)', '[Adult learning and continuing vocational education and training valued by Europeans](#)' and '[Empowering people to cope with change](#)'. All are available online as pdf and eBook in eight languages plus the language of the EU Presidency countries (DE, EL, EN, ES, FR, IT, PL, PT and HR). As pandemic-related safety measure, Cedefop suspended the distribution of hard copy publications, and encouraged stakeholders to visit its web portal, where all titles are free to download, and users can subscribe to alerts for new content. In total [more than 40 new publications](#), plus language versions and formats like pdf and epub, were produced and made available online in 2020.

2020 has also been a crucial year for [Cedefop's web portal](#), a cloud-based platform, which continued to focus on online tools and new data visualisation functionalities for increased usability and outreach. Major technical developments were achieved for the launch of a new generation web portal with a strong focus on data visualisation, online tools and cross-thematic interconnectivity. The preparations for the launch of the new Cedefop web portal in 2021 included an intensive user consultation, the development

and implementation of a new technical platform based on Drupal 8 <sup>(6)</sup> and the migration of current content, core functionalities, existing online tools and data visualisations. Aiming at providing a dedicated entry point on the new web portal, the migration of the Skills Panorama datasets started. Another important milestone has been the implementation of a web-based contact database, integrating Cedefop’s legacy customer relationship management system and its registered web portal user contacts, fully compliant with the General Data Protection Regulation (GDPR) recommendations.

The close collaboration between Cedefop and DG EMPL continued mainly in the area of online events and social media activities. Extensive communication support was provided to the virtual European vocational skills week from 9 to 13 November, including the production of video contributions and live social media coverage throughout its duration (#DiscoverYourTalent, #EUVocationalSkills). The #CedefopPhotoAward initiative, endorsed by the European Commission and recognised as an integral part of the week’s ‘Awards for VET excellence’ since 2016, proved once again to be an excellent tool to raise VET visibility, engage stakeholders and reach out to EU youth in IVET and learners in CVET.

Even though the 2020 [#CedefopPhotoAward](#) had been heavily affected by school closures during the pandemic, 43 teams of 143 VET learners and 39 teachers/trainers, representing 34 learning providers from 13 EU countries, took part in a revised competition, featuring also optional video contributions. Award celebrations for the winning teams from Poland, Greece, Czech Republic and Slovakia had to be held virtually, and physical photo exhibitions were replaced by an online slideshow. Video messages were produced for the Executive Director’s virtual interventions at the VET excellence awards ceremony within the European vocational skills week and a local online celebration event, organised by the 2<sup>nd</sup> VET School of Thessaloniki OAED.



Concerning Cedefop’s Research Support Centre, a review of service portfolio and staff needs was concluded, aimed at streamlining processes and achieving further efficiency gains.

<sup>(6)</sup> Open Source Content Management System

## PART II a) MANAGEMENT

### II.1 Management Board

Throughout the year, Cedefop reported on a regular basis to its (Extended) Executive Board and Management Board members on risks and control issues. Updates on audit and evaluation activities - ECA, IAS, and other sources of assurance - are a standing agenda item at all meetings. Due to the Covid-19 pandemic all meetings of the (Extended) Executive Board and the Management Board in 2020 were held virtually.

#### Key decisions adopted by the Management Board:

- Endorsement of first draft Programming Document 2021-2023 <sup>(7)</sup>;
- Annual Report 2019 <sup>(8)</sup>;
- Cedefop's implementing rules concerning the Data Protection Officer pursuant to Article 45(3) of Regulation (EU) 2018/1725 <sup>(9)</sup>;
- Internal rules concerning restrictions of certain rights of data subjects in relation to processing of personal data in the framework of the functioning of Cedefop <sup>(10)</sup>;
- Confirmation of the Executive Director in his function <sup>(11)</sup>;
- Decision repealing GB decision RB(2013)02344 on rules of reimbursement of experts invited to Cedefop meetings <sup>(12)</sup>;
- Consolidated Annual Activity Report (CAAR) 2019 <sup>(13)</sup>;
- Opinion of the Management Board on Cedefop's final Annual Accounts 2019 <sup>(14)</sup>;
- Decision Amending Budget no. 01-2020 <sup>(15)</sup>;
- Minutes of the Management Board meeting 2020 <sup>(16)</sup>;
- Decision amending Financing Decision 2020 <sup>(17)</sup>;
- Decision on deputising Cedefop's Accounting officer <sup>(18)</sup>;
- Adoption of Programming Document 2021-2023 <sup>(19)</sup>;
- Adoption of Cedefop's Budget 2021.

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<sup>(7)</sup> RB(2020)00183

<sup>(8)</sup> RB(2020)00441

<sup>(9)</sup> RB(2020)00507

<sup>(10)</sup> RB(2020)00654

<sup>(11)</sup> RB(2020)00662

<sup>(12)</sup> RB(2020)00669

<sup>(13)</sup> RB(2020)00775

<sup>(14)</sup> RB(2020)00776

<sup>(15)</sup> RB(2020)01357

<sup>(16)</sup> RB(2020)01435

<sup>(17)</sup> RB(2020)01456

<sup>(18)</sup> RB(2020)01507

<sup>(19)</sup> RB(2020)01565

## Key issues discussed with the Executive Board and Management Board included:

### a) Executive Board meeting on 11 March 2020

- Results of the Management Board reflection group on Cedefop's strategy post-2020 <sup>(20)</sup>;
- Implementation of the Work Programme 2020 <sup>(21)</sup>
- Discharge 2018 <sup>(22)</sup>;
- Draft Annual Report 2019 <sup>(23)</sup>;
- Reporting from the Executive Board to the Management Board <sup>(24)</sup>;
- Audits and Evaluations <sup>(25)</sup>.

### b) Extended Executive Board meeting on 29 and 30 June 2020

- Cedefop's post-2020 strategy as part of the revised draft Programming Document 2021-2023 <sup>(26)</sup>;
- Implementation of the Work Programme 2020, including impact of Covid-19 <sup>(27)</sup>;
- Cedefop's Performance Measurement System <sup>(28)</sup>;
- Update on action plan following the 2019 staff engagement survey <sup>(29)</sup>;
- Restructuring of Cedefop's legal service <sup>(30)</sup>;
- Cedefop's Appeals Committee <sup>(31)</sup>;
- Audits and evaluations, including update on the progress of the action plan as a follow up to the external evaluation <sup>(32)</sup>;
- Discharge 2018.

### c) Executive Board meeting on 7 October 2020 preceding the Management Board meeting

- Preparation of the Management Board meeting of 8 and 9 October 2019 with special attention to items submitted for decision (see point e) below).

### d) Management Board meeting on 8 and 9 October 2020

- Implementation of Work Programme 2020 including impact of Covid-19 <sup>(33)</sup>;

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<sup>(20)</sup> RB(2020)00296\_item 5

<sup>(21)</sup> RB(2020)00275\_item 4

<sup>(22)</sup> RB(2020)00253\_item 6b

<sup>(23)</sup> RB(2020)00292\_item 3a

<sup>(24)</sup> RB(2020)00257\_item 3b

<sup>(25)</sup> RB(2020)00255-item 6a

<sup>(26)</sup> RB(2020)00734-item 5

<sup>(27)</sup> RB(2020)00706-item 3

<sup>(28)</sup> RB(2020)00705-item 7

<sup>(29)</sup> RB(2020)00718-item 9

<sup>(30)</sup> RB(2020)00642 and RB(2020)00643-Sensitive-item 6

<sup>(31)</sup> Cedefop's Appeals Committee-item 8

<sup>(32)</sup> RB(2020)00646 and RB(2020)00681-item 10b

<sup>(33)</sup> RB(2020)01026-item 3

- Revised draft Programming Document 2021-2023 including Cedefop's strategy post-2020 <sup>(34)</sup>;
- Cedefop's Performance Measurement System <sup>(35)</sup>;
- Restructuring of Cedefop's legal service <sup>(36)</sup>;
- Cedefop's Appeals Committee <sup>(37)</sup>;
- Reporting from the Executive Board to the Management Board <sup>(38)</sup>;
- Audits, evaluations and other sources of assurance <sup>(39)</sup>;
- Follow-up of the action plan of the 2019 staff engagement survey and impact of Covid-19 crisis to staff <sup>(40)</sup>;
- Transfers of commitment and payment appropriations in 2020 <sup>(41)</sup>
- Elections of the Chairperson and Deputy Chairpersons of the MB and composition of the Executive Board / Extended Executive Board <sup>(42)</sup>.

e) Executive Board meeting on 1 December 2020

- Implementation of Work Programme and budget 2020 <sup>(43)</sup>;
- Final draft Programming Document 2021-2023 including Cedefop's post-2020 strategy <sup>(44)</sup>;
- First draft Programming Document 2022-2024 <sup>(45)</sup>
- Format of the Executive Director's future reporting to the Executive Board on follow up on Appeals Committee decisions <sup>(46)</sup>;
- Audits and Evaluations <sup>(47)</sup>.

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<sup>(34)</sup> RB(2020)01066-item 4

<sup>(35)</sup> RB(2020)01070-item 5

<sup>(36)</sup> RB(2020)00643-Sensitive– Item 6

<sup>(37)</sup> RB(2020)00267 and RB(2020)01075-item 7

<sup>(38)</sup> RB(2020)00972-item 8

<sup>(39)</sup> RB(2020)01036-item 9b

<sup>(40)</sup> RB(2020)01067 -item 9d

<sup>(41)</sup> RB(2020)01035-item 9f

<sup>(42)</sup> RB(2020)01032-item 10

<sup>(43)</sup> RB(2020)01283 -item 3

<sup>(44)</sup> RB(2020)01297 – item 4

<sup>(45)</sup> RB(2020)01301- item 5

<sup>(46)</sup> RB(2020)01288– item 6

<sup>(47)</sup> RB(2020)01276- item 7b

## II.2 Major developments

2020 was marked by the unprecedented challenges caused by the Covid-19 pandemic and a strong EU policy making focus. Virtually overnight, it put Cedefop's resilience, agility and ability to fulfil its workplan to test. At the same time, it provided Cedefop with the opportunity to demonstrate its flexibility to meet emerging user needs, creativity and reliability as the 'EU's port of call for vocational education and training (VET)'.

Work on following-up the [Green Deal](#) – the new growth strategy and the refocused European semester on competitive sustainability – and the EU's new digital and SME strategies had only just started. Together with the new employment guidelines and the [Commission's communication on a strong social Europe](#), this framework gave a key role to skills development and VET more generally in line with the European Council's 2019-24 strategy and the Commission's political guidelines. In 2020, the start of a new policy cycle within European cooperation on VET was due. For almost 20 years, this so-called Copenhagen process, which Cedefop has supported since the outset, has helped modernising VET and, thus, also contributed towards the EU's overarching goals.

The work on the new VET policy coincided with the launch of the EU's overarching policy and funding package to boost recovery and fast-track the digital and green transitions to a fair economy and society. The pandemic's impact further emphasised the role of VET as a key policy lever to support transformation across various policy domains. Hence, the Commission embedded the new VET policy in the renewed skills agenda with close links to sectoral cooperation on skills, the [reinforced youth guarantee](#), [the 2021-27 digital education action plan](#) and the [efforts to build a European education area](#). The design of this new policy framework and related initiatives, such as the [Council conclusions on European teachers and trainers for the future](#), stretched throughout the year.

In this intensive policy-making period Cedefop's expertise was high in demand: a consultation meeting with Commissioner Schmit and subsequent request by the Commission for written contributions to inform the renewed Skills Agenda, the first ever Council recommendation on VET and the accompanying Commission staff working document; the German Presidency's invitation to contribute to the shaping of the Osnabrück declaration; DG Employment's invitation to contribute to the reflections on the social rights pillar action plan which was to be released in 2021.

In addition to the evidence it provided on individual thematic areas, Cedefop joined forces with the ETF to prepare a discussion paper drawing on the intelligence, research and evidence across the portfolios of both agencies. This output came on top of those included in its 2020 work programme, as, at the time of planning, it had not been possible to anticipate how the policy-making process would evolve and in what way Cedefop would be involved. Drafted in spring 2020, this paper informed the Osnabrück declaration expected to be discussed by ministers in the autumn of 2020 and other steps in EU-level policy making related to VET and skills. [The importance of being vocational: challenges and opportunities for VET in the next decade](#), advocated a policy shift in the light of the pandemic's impact, future trends and the changing world of work: to put more emphasis on continuing VET (CVET) in view of the immediate massive up- and

reskilling need; and the necessity to promote a lifelong learning culture underpinned by systematic CVET and comprehensive learning support to ensure a dynamic workforce and ensure that citizens and businesses successfully manage transitions. The joint Cedefop-ETF paper and the high-level conference discussing past achievements in VET and future steps proved an efficient and effective means to make the case.

The new EU policy framework reflects Cedefop's evidence and policy proposals. It stresses the role of social partners in taking VET forward. The direct access to national social partners through the tripartite composition of its Management Board allows Cedefop to fulfil its mission by supporting them and considering their needs in its work. The [renewed Skills Agenda](#), [the VET recommendation](#) and the [Osnabrück declaration](#), they all highlight VET as an enabler of recovery and innovation, based on strong skills intelligence, not just a remedy. And they place more emphasis on advancing continuing VET, specifically in the [Pact for skills](#). These were key aspects put forward in Cedefop's discussion paper.

The monitoring mandate Cedefop has been entrusted with and the invitation to the Commission to make use of Cedefop's evidence and support, in areas such as skills intelligence, apprenticeships and skills development will take effect as of 2021. With several of the twelve actions of the Skills Agenda scheduled still in the pipeline, Cedefop expects increased demand for its expertise throughout 2021 and 2022. This relates specifically to strengthening skills intelligence – an area where Cedefop's expertise has been high in demand, from the EU-level forecasts it pioneered over a decade ago to its recent real-time overviews on skill demand based on big data. 2020 saw important steps forward to develop Cedefop's skills online vacancy analysis tool further to inform smart European statistics in the context of Eurostat's Web Intelligence Hub. For this purpose, a Memorandum of Understanding was concluded with Eurostat. The collaboration aims at a joint procurement procedure to organise the maintenance and further development of the European online job advertisements system and the transfer of the data production system to Eurostat's big data infrastructure.

To fulfil its mission Cedefop needs to be agile and at the cutting edge of developments. The challenging context and the new policy cycle made it necessary to re-orient its work. Given the multiple challenges, Cedefop opted for a fully participatory approach to shape its own post-2020 strategy. This inclusive reflection process involved Cedefop's Management Board, staff and management throughout 2020, in parallel with the evolving overarching policy framework, the process of setting new EU policy priorities for VET and skills and the decision-making on the 2021-2027 financial framework.

Cedefop's conviction that CVET, supported by a skills guarantee and individual learning rights, needs to become the 'new normal' for all adults to help make lifelong learning a reality underpins its newly designed strategy. To support proactive, learner-centred, enabling and flexible VET throughout people's lives – this new strategy, which the Management Board adopted at the end of the year, fully supports the EU policy framework objectives and reflects the wider remit assigned to Cedefop in 2019. The fact that its strategic area of operations of the past years also proved valid for the coming

period demonstrates that the Agency has been on the right track and its forward-looking approach and readiness to explore untrodden paths have paid off.

Cedefop's post-2020 strategy is based on a comprehensive approach: besides vision, mission, values, multi-annual objectives and strategic areas of operation, it includes the underpinning portfolio, ICT and human resource strategies endorsed in 2020 and its long-standing performance measurement system. The strategy also reflects the actual scope of the Agency's role and tasks at the intersection between education and the labour market in the context of VET, skills and qualifications policies as set out in its recast Founding Regulation. And it corroborates the principle of close partnerships between governments and social partners – a key ingredient for successful VET and mirrored in Cedefop's tripartite Executive and Management Boards.

Besides Covid-19 related developments, major internal developments included the unanticipated departure of the head of service for human resources in autumn which required team members to take on additional tasks until a replacement will be recruited in 2021; the cancellation of the selection procedure for head of operational department that had become vacant in 2019 and the decision to instead appoint coordinators for the two departments currently managed by one head of department.

### **Response to Covid-19 crisis**

As the crisis unfolded, the need arose to understand its impact on the EU's labour market, workforce and VET systems. This required adjusting Cedefop's core business to serve its stakeholders' emerging needs while safeguarding operations. The specific [landing page](#) on its website and the interactive flyer [Rising to the Coronavirus challenge](#) are proof of the additional outputs Cedefop generated throughout the year, thus exceeding its originally planned work programme.

To meet this challenge and tap the expertise and creative potential of staff, both for content creation and social activities, Cedefop adopted the Kanban board methodology in spring, which, subsequently, has been used more generally to meet more granular information needs, create ad-hoc information on specific issues and promote cross-department collaboration.

The Covid-19 pandemic also meant reorganising all planned events as virtual meetings and conferences and conducting procurement procedures fully digitally. Cedefop addressed these challenges successfully, as well as its HR management and processes. Management supported the shift to working remotely through more frequent all staff meetings than usual before moving to monthly virtual sessions.

Following retirement and departure of several Cedefop staff in early 2020, selection procedures and on-boarding of new staff members also had to be organised remotely. Likewise, after a physical follow-up 'away-day' to the 2019 Staff Engagement Survey, the subsequent staff working groups had to be conducted online.

To support the well-being of staff, a health and well-being plan was put in place to support effective communication and team management, to foster resilience and provide access to psychological support and counselling.

Cedefop's response to the Covid-19 crisis followed the steps defined in its Business Continuity Plan and Crisis Communication strategy. Throughout, the priority has been to protect staff while ensuring business continuity.

The response, designed and managed by the Business Continuity team, was divided in several phases. On 14 March the Executive Director activated the crisis plan and Cedefop started operating offsite as of 17 March. During this period, the Business Continuity team ensured the full and continuous operation of the Agency. The Agency also prepared a 4-phase strategy towards a progressive return to normal operation, in line with the evolution of the pandemic.

Since the end of the first lockdown on 4 May, Cedefop operated in alignment with the restrictions and measures decided by the Greek authorities.

	Activation of the crisis plan (17 March-3 May 2020)	Cedefop started operating offsite. Regular meetings of the Business Continuity team to prepare the de-escalation strategy: <ul style="list-style-type: none"> <li>• regular communication to staff to inform on announcements of Greek Authorities;</li> <li>• communication with external stakeholders on the measures taken by Cedefop to protect staff while ensuring business continuity;</li> <li>• virtual General Staff Assemblies;</li> <li>• provision of remote ICT Helpdesk services to staff;</li> <li>• preparations to conduct HR selection procedures remotely;</li> <li>• conducting all internal meetings virtually;</li> <li>• providing online training.</li> </ul>
	De-escalation - Phase 1 (4 May - 17 May 2020)	<ul style="list-style-type: none"> <li>• Teleworking compulsory</li> <li>• access to the building permitted only for staff executing premises-dependent tasks.</li> <li>• Cedefop's selection procedures started to be processed fully remotely.</li> </ul>
	De-escalation - Phase 2 (18 May - 30 June 2020)	<ul style="list-style-type: none"> <li>• Teleworking advised.</li> <li>• Staff allowed to come to the office in pre-defined shifts.</li> <li>• Action plan on staff well-being prepared by the HR service.</li> </ul>
	De-escalation - Phase 3 (1 July - 6 September 2020)	<ul style="list-style-type: none"> <li>• Teleworking advised.</li> <li>• Staff allowed to come to the office in pre-defined shifts.</li> <li>• Organisation of meetings allowed, as well as business-critical visits from and business-critical missions to areas with low Covid-19 incidence.</li> </ul>
	Escalation - Phase 2 (7 September - 29 October 2020)	Given the evolving situation in Greece and across Europe, Cedefop decided to move back to Phase 2. <ul style="list-style-type: none"> <li>• Teleworking advised as the Agency's default working mode.</li> <li>• Staff allowed to come to the office in pre-defined shifts.</li> <li>• Use of masks mandatory in Cedefop's building.</li> </ul>

	<ul style="list-style-type: none"> <li>• Visits, meetings and missions not allowed.</li> <li>• Exceptionally, business critical missions allowed in areas with low incidence of Covid-19.</li> </ul>
 <p>Escalation – Phase 1 (As of 30 October)</p>	<p>Given the increased level of risk for the Thessaloniki region announced by the Greek authorities on 30 October, followed by a local lockdown as of 3 November and a national lockdown as of 7 November, Cedefop decided to move back to Phase 1.</p> <ul style="list-style-type: none"> <li>• Only essential staff allowed on premises.</li> <li>• Teleworking for other staff.</li> </ul> <p>The Agency has been operating under this regime since then.</p>

### **Digital transformation and information management**

Significant efforts were deployed by Cedefop to ensure seamless remote working for all staff. This entailed equipping staff with proper home office ICT hardware as well as ensuring the deployment of IT tools that enabled and facilitated collaboration in remote teams. In 2020, Cedefop’s management endorsed a new ICT strategy aiming at the further digitalisation of the Agency; deploy the next generation of corporate services; harmonise the IT landscape of the Agency with that of other EU institutions; upgrade ICT support to business; enhance cyber-security and deploy a data architecture best able to support the Agency’s core business.

### II.3 Budgetary and Financial management

The Covid-19 crisis resulted in significant savings <sup>(48)</sup> in the 2020 budget due to cancellation of all travels, missions, and the shift to virtual events.

However, Cedefop's careful monitoring of the budget implementation allowed for the proactive reshuffling of activities and the reallocation of funds to finance core business activities principally, as well as some investments in hardware rendered necessary to equip all staff with a proper home office. Cedefop also provided support to all staff in the form of a lump-sum to help them setting up home office infrastructure. Within core business, available funds have been targeted in priority to studies and projects aimed at supporting the further alignment of the Agency's work programme with the renewed Skills Agenda, the Council Recommendation on VET and the Osnabrück Declaration.

Despite the challenge, Cedefop reacted with agility and effectiveness and managed to achieve 100% execution of commitment appropriation and 99,23% execution of payment appropriations and, thus, effectively managed the identified risk on budget execution.

This section summarises information presented in Cedefop's Report on Budgetary and Financial Management for the financial year 2020.

#### ***Rate and type of implementation of appropriations***

In 2020, Cedefop continued to utilise essentially all of its available funding with an overall budget implementation rate of 100.00%. In particular:

- from a total final Title 1 budget of EUR 10 646 375 commitments to the value of EUR 10 646 375 were raised, representing an execution rate of 100%;
- from a total final Title 2 budget of EUR 1 880 148 commitments to the value of EUR 1 880 148 were raised, representing an execution rate of 100%;
- from a total final Title 3 budget of EUR 5 751 367 commitments to the value of EUR 5 751 267 were raised, representing an execution rate of 100%.

The budget revenue available and executed in 2020 of EUR 17 177 890 included, besides the EU contribution of EUR 16 738 000, an amount of EUR 429 890 of contributions from associated countries Norway and Iceland, and an amount of EUR 10 000 of miscellaneous own revenue.

#### **Indication of commitments for actions that will extend for more than one financial year (major items only)**

Title 3 appropriations are differentiated appropriation and multi-annual in nature.

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<sup>(48)</sup> Around EUR 900.000

The main contracts <sup>(49)</sup> signed in 2020 which gave rise to commitments extending for more than one financial year, which were booked on Title 3 (Operational activities) of the budget, are listed below:

Budget line	Title of procedure	Expires	Amount (committed in 2020)
3240	Order Form No 7 Skills Intelligence	31/12/2022	101,437.50
3240	Order Form No 8 Skills Intelligence	31/12/2022	170,650.00
3240	Order Form No 9 Skills Intelligence	30/11/2022	124,800.00
3240	Order Form No 2 ESJS	31/12/2021	699,600.00
3340	Order Form No 3 (WA 3) - The future of VET in Europe	18/06/2022	113,350.00
3340	Order Form No 4 (WA 4) - The future of VET in Europe	18/06/2022	114,625.00
3340	Order Form No 5 (WA 5) - The future of VET in Europe	18/12/2022	145,950.00
3340	Order Form No 1 - The role of micro-credentials in facilitating learning for employment	21/12/2021	178,050.00
3340	Order Form No 2 - The role of micro-credentials in facilitating learning for employment	21/06/2022	140,050.00
3440	Promoting lifelong learning of adults through CVET systems and upskilling pathways - Lot 2: Thematic country reviews (TCRs) on upskilling pathways	22/12/2023	311,500.00
3440	Promoting lifelong learning of adults through CVET systems and upskilling pathways-Lot 1: Strategies and partnerships for CVET	22/12/2023	480,250.00
3440	Feasibility study for surveying principals, teachers, learners and in-company trainers in initial vocational education and training	20/02/2022	399,993.00
3541	Order Form No 20 - Web Portal Services	31/03/2021	181,150.00

### Information on transfers and amending budgets

The transfers authorised in 2020 by the Executive Director between budget items are summarised below (net effect between Titles):

- a **decrease** in Title 1 (staff expenditure) appropriations by EUR 462 961;
- an **increase** in Title 2 (administrative expenditure) appropriations by EUR 230 248;
- an **increase** in Title 3 (operational expenditure) appropriations by EUR 232 713.

Additional transfers were authorised by the Management Board within the amending budget from Titles 1 and 2 to Title 3 for a total EUR 237 000 <sup>(50)</sup>.

<sup>(49)</sup> Only major contracts are shown, with the threshold set at EUR 100 000

<sup>(50)</sup> RB(2020)01357

All transfers directed the surplus created in Title 1, attributed to the departure of staff and ongoing recruitment procedures for vacant posts, to Titles 2 and 3. The transferred funds were successfully invested in key core business activities (Title 3) contracted before the end of the year and in new ICT equipment (Title 2) related to upgrades of existing infrastructure and facilitation of remote work arrangements.

The transfers of commitment appropriations to Title 3 to fund new core business activities – which was the result of the reshuffling of activities Cedefop implemented due to the pandemic – did not make it possible to disburse the corresponding amounts before the yearend. Therefore, in November 2020 the Agency requested an amending budget reducing payment appropriations by a value of Euro 1 100 000. This resulted in decreased operational payments in Title 3. Budget transfers were authorised within the amending budget.

The effect of the amending budget and transfers performed in 2020 is demonstrated in the tables below.

<b>2020 Budget (C1) in Euro</b>	<b>Initial budget (Commitment Appropriations)</b>	<b>Amending budget</b>	<b>Transfers (authorised by the ED)</b>	<b>Final budget</b>
Title I	11,293,336	-184,000	-462,961	10,646,375
Title II	1,702,900	-53,000	230,248	1,880,148
Title III	5,281,654	237,000	232,713	5,751,367
<b>TOTAL</b>	<b>18,277,890</b>	<b>0</b>	<b>0</b>	<b>18,277,890</b>

<b>2020 Budget (C1) in Euro</b>	<b>Initial budget (Payment Appropriations)</b>	<b>Amending budget</b>	<b>Transfers (authorised by the ED)</b>	<b>Final budget</b>
Title I	11,293,336	-184,000	-462,961	10,646,375
Title II	1,702,900	-53,000	230,248	1,880,148
Title III	5,281,654	-863,000	232,713	4,651,367
<b>TOTAL</b>	<b>18,277,890</b>	<b>-1,100,000</b>	<b>0</b>	<b>17,177,890</b>

### **Appropriations carried forward to the following financial year**

In 2020, no non-automatic carry overs were needed.

The appropriations carried forward to 2021 in order to honour commitments made in 2020, are summarised below:

- Title 1 appropriations carried forward to 2021 were EUR 264 787 or 2.49% of the final Title 1 funds for the year;
- Title 2 appropriations carried forward to 2021 were EUR 914 930 or 48.66% of the final Title 2 funds for the year. As per common practice, Cedefop informed on 23 December 2020 the European Court of Auditors on the list of planned carry overs 2020 for Title 2;
- Title 3 appropriations are differentiated appropriation and multi-year in nature.

## Implementation of appropriations carried forward from the previous financial year

Of Euro 184 123 Title 1 appropriations brought forward from 2019, Euro 26 245 were cancelled.

Of Euro 610 149 Title 2 appropriations brought forward from 2019, Euro 32 016 were cancelled.

Title 3 appropriations are differentiated appropriation and multi-year in nature.

## Percentage of procurement procedure types used

26 procurement procedures were processed in 2020.

Type of procedure	2020		
	Number	%	Comments
Open	11	38%	Of which 2 were call for proposals
Negotiated	18	62%	Of which 1 was call for proposals
<b>Total</b>	<b>29</b>	<b>100%</b>	

## Information on interest charged by suppliers through late payments (> 30 days)

Not applicable.

## Cost and benefits of controls

Cedefop assesses the cost and benefits of controls on the basis of: the indicators of its Internal Control Framework; direct and indirect costs of the Internal Control function; and control results.

### Costs

Direct costs are those of outsourced audits, evaluations and control activities. In 2020, Cedefop outsourced the audit of its 2019 accounts and the ex-post evaluation of two activities for a total amount of EUR 51,704.

Indirect costs are those of staff members assigned to the ICC function. In 2020, Cedefop's ICC team was composed of four staff members <sup>(51)</sup> accounting for a total of 1.1 FTEs. Based on the annual average cost of Cedefop staff <sup>(52)</sup>, it is estimated that the indirect costs of the control activities in 2020 amount to EUR 98,062.

Amounting to EUR 149,766, the total cost of control in Cedefop for the year 2020 represents about 0.82% of the Agency's 2020 budget <sup>(53)</sup> and is considered to be proportionate to the attained objectives.

<sup>(51)</sup> ICC, deputy ICC and two assistants

<sup>(52)</sup> EUR 7,428.91/Month or 89,146.92/Year

<sup>(53)</sup> EUR 18,277,890

## Benefits

As defined in its Internal Control Framework, internal control helps achieve Cedefop's objectives and sustain operational and financial performance whilst respecting rules and regulations. Internal control supports sound decision-making by considering risks in the achievement of objectives and where necessary reducing them to acceptable levels through cost effective controls. Internal control applies to all activities, irrespective of whether they are financial or non-financial.

Cedefop's internal control framework is designed to provide reasonable assurance regarding the achievement of objectives, including:

- effectiveness and efficiency of operations;
- reliability of reporting and safeguarding of assets and information;
- prevention, detection, correction and follow-up of fraud and irregularities;
- adequate management of the risks relating to the legality and regularity of the underlying transactions.

To identify internal control strengths and deficiencies, Cedefop uses several tools, including:

- internal assessments;
- improvement actions / internal control strengths and weaknesses reported by staff;
- analysis of risks reported during the risk assessment exercise;
- Cedefop risk register (macro level);
- exceptions registered in the register of exceptions;
- accounting Officer's report on the validation of financial management systems;

Cedefop also relies heavily on the work of the European Court of Auditors, and of the Internal Audit Service of the European Commission in ensuring a reasonable balance between the internal cost and the effectiveness of the control environment.

As reported in Part III, the overall assessment of the internal control systems shows that it is effective, all its components are in place and functioning well and for their intended purpose. Its benefits, although difficult to quantify, lie principally in the sustained regularity and legality of all transactions and accounts in all material aspects.

The benefits of an internal control system are qualitative in nature and cannot be quantified in monetary terms. A properly designed and effective internal control system can prevent irregularities before they materialise, protect organisations' resources against mismanagement or fraud, and more generally support compliance, diligence and regularity of operation through increasing awareness and expertise of staff. The benefits of internal controls concern outcomes in terms of legality and regularity that are the result of joint processes involving other services, such as finance and procurement, that cannot be disentangled from each other. Nevertheless, in terms of cost-effectiveness it is possible to say that the overall cost of Cedefop internal controls, which remains below 1% of Cedefop's total budget including all direct and indirect costs, appears largely

justified and proportionate to the objectives of ensuring legality and regularity while safeguarding efficiency and effectiveness of operations.

Cedefop will further reflect on ways to report on the cost and benefit of controls in the future, in consultation with comparable EU Agencies and in particular those under the remit of DG EMPL.

### **Summary information on budgetary operations**

Cedefop continues to use its funds effectively and efficiently with a budget implementation rate of 100%. To achieve these exceptionally high figures, Cedefop utilises bespoke systems to constantly track its current and anticipated expenditures to ensure all funds are utilised by the end of the year.

With regard to legality and regularity of the underlying transactions, all costs are subject to audits by both the European Court of Auditors (ECA) and the external auditors whose remit specifically include such testing. All Title 3 costs are required to comply with the procurement plan which is an integral part of the Programming Document adopted by the Management Board as well as the annual management plan. Similarly, all costs are signed off by the authorising officer(s) (by delegation) who has(have) a specific remit to ensure regularity.

The internal controls are effective. External parties monitor and audit Cedefop rigorously. No irregularities were found. The cost of the external audit company which audits Cedefop's annual accounts <sup>(54)</sup> - borne by the Agency - is considered reasonably low compared to the work they undertake and the value of the business they audit.

### **II.4 Delegation and sub-delegation of the powers of budget implementation to agency's Staff**

Delegation of the powers of budget implementation are prepared in accordance with Article 11(5)(j) of the Regulation (EU) No 2019/128 of the European Parliament and of the Council of 16 January 2019, establishing the European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) 337/75, as well as Articles 39(1), 41(1), 43(1), 45 and 46 of Cedefop's financial regulation, adopted by the Management Board on 16 July 2019 (Decision RB(2019)1034).

The Executive Director, who is the Authorising Officer (AO) of Cedefop, delegates the powers of budget implementation to the Deputy Director and the Heads of Departments, who are acting as Authorising Officers by Delegation (AOD). The powers delegated include:

- making budgetary and legal commitments as well as carrying out the preliminary actions for these commitments;
- validating and authorising expenditure;

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<sup>(54)</sup> According to the arrangements for the annual audits under Article 208 (4) and Article 107 of its Financial Regulation, Cedefop contracted an external audit company (MAZARS) to audit Cedefop's accounts 2020, based on a DG BUDG framework contract.

- establishing amounts receivable (including making financial corrections), and issuing recovery orders, waiving recovery and cancelling established amounts receivable;
- taking individual decisions on the award of public procurement contracts, grants or prizes; and
- proposing transfers of appropriations.

The Executive Director delegated the powers of budget implementation to the Deputy Director and the Heads of Departments for all budget lines. Such delegations are limited to the appropriations available under the specific budget lines and up to the ceiling of 1 000 000 Euros per transaction, with two exceptions: the delegation to the Deputy Director, which is for unlimited amount for the purpose of ensuring business continuity, and the delegation for transactions in Title 1 (Staff expenditure, including salaries) to the Head of Department for Resources and Support, which is capped at 1 500 000 Euros. No sub-delegation decisions were in place in 2020.

The implementation of delegation decisions is monitored by Cedefop's Finance Service, which is in charge of drafting, amending, or repealing a delegation based on instructions received by the Authorising Officer. Specific controls are implemented accordingly in the Agency's accounting and budget system (Fibus), safeguarding that the budget lines and ceilings established by individual delegations are respected.

## **II.5 Human Resources Management**

In 2020, Cedefop achieved the closure of all recommendations from the Internal Audit Service (IAS) 2018 audit report on HR management and ethics, by implementing several actions to modernise staff selections and updating its HR scoreboard. Importantly, Cedefop drafted its first ever multi-annual HR strategy, which is composed of 3 building blocks: (a) talent acquisition and matching; (b) talent management; and (c) staff well-being. Adopted by the Executive Director in June 2020, the HR strategy foresees as critical enabler the modernisation and digitalisation of HR processes to free resources and enable HR to increasingly focus on business partnering and alignment with the Agency's core business activities in order to enhance their impact. Implementation of the strategy is ongoing.

The Covid-19 pandemic brought unique challenges which Cedefop successfully addressed. More specifically, all HR processes were adjusted to be delivered remotely, including onboarding of new staff members. Selection procedures were adapted to allow for remote assessment of candidates while maintaining the quality and integrity of the process. Six selection procedures were organised fully remotely. The approach has turned to be not only effective but also efficient and remote selections might remain in the future. Despite the challenge, Cedefop managed to achieve by 31 December 2020 an occupation rate of the establishment plan of 97 % <sup>(55)</sup>, above the 95% target set in the work programme.

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<sup>(55)</sup> of 91 authorised posts in the establishment plan 88 posts were filled

To support the well-being of staff, Cedefop put in place a health and well-being plan comprising of actions including effective communication, virtual awareness-raising and resilience fostering. The plan also supports managers in strengthening their capacity to guide and support remote teams. In December, based on the results of a staff survey on the impact of Covid-19, the plan was further enriched by offering to all staff and their spouses access to an employee assistance programme giving 24/7 access to psychological support and counselling in Greek and in English.

The overall gender balance at Cedefop was 57% female to 43% male. At the management level, there were 2 females and 4 males. Cedefop continued its efforts to attract applicants from a broader geographical base to ensure an even more balanced geographical distribution of staff.

Follow-up activities to the 2019 Staff Engagement Survey were ongoing throughout 2020 and will be pursued in 2021, putting emphasis on actions supporting a respectful work environment and dignity at work. The confidential counselors remained available to staff virtually during the default teleworking mode.

The learning and development strategy 2018-2020 was extended for one year. A new strategy will be developed in 2021 in alignment with the priorities of the programming document 2022-24 and the implementation of other initiatives under the multi-annual HR strategy.

Two implementing provisions entered into force by adopting by analogy decisions of the Commission <sup>(56)</sup>. The consultation process for the new model decision on Administrative inquiries and disciplinary procedures is ongoing.

In November, the Executive Director approved the Equal Opportunities and Diversity policy which communicates Cedefop's commitment to equal opportunities and diversity for existing and potential staff members and outlines activities to promote them. Already in December 2020, staff were offered an opportunity to participate in workshop on unconscious bias in the workplace.

Cedefop is also taking part in the interagency working group which is preparing EUAN Charter on Diversity and Inclusion.

## **II.6 Strategy for efficiency gains**

Cedefop systematically considers further scope for efficiency gains to inform directly management decisions on core business, staff and budget.

Already in 2009, it introduced a performance management system (PMS), which the European Parliament has acknowledged as exemplary in the discharge reports for the financial years 2017, 2018 and 2019. By measuring project, activity and organisational level performance, the PMS helps Cedefop manage and evaluate its impact, efficiency,

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<sup>(56)</sup> CEDEFOP/DGE/342/2020 General implementing rules on procedures for dealing with professional incompetence and CEDEFOP/DGE/43/2020 Amendment of Decision C (2019)9051 of 16 December 2013 on leave

effectiveness and relevance, and strengthens the alignment of the organisation's activities with its strategic objective and priorities. The PMS thus provides a system for tracking and improving performance and efficiency throughout its activities.

Moreover, Cedefop carries out systematic reviews of its portfolio of activities and outputs with a view to streamlining and focusing them further. In 2020, Cedefop introduced a new approach. The new review provides a broad idea on the direction of change in the period 2021-23 implied by the thematic corporate priorities. It addresses current activities with an increased focus on clusters of thematic activities, how they are prioritised and synergised through cooperation and shared focus. The clusters are considered in a dynamic perspective combining continuity and consolidation with future investment necessary to deepen and expand expertise in line with evolving priorities, also reflecting Cedefop's relative strengths and needs for capacity building. Outcomes of the prioritisation exercise carried out in 2020 are already informing management decisions on staff and budget. This approach also proved valuable in dealing with the uncertainty of the EU's 2021-27 budget throughout the planning phase.

In 2020, Cedefop continued its cooperation on content-related issues with the other Agencies that operate under the remit of DG EMPL, in particular through cooperation agreements with ETF and Eurofound and exchange of comments and sections of each other's programming documents. Most noteworthy were: the joint event and publication of the European Company survey results, a cooperation with Eurofound both content-wise and financially that has stretched over several years; the joint discussion paper and high-level conference with ETF to inform VET policy making; exchange of information with Eurofound, ETF and EU-OSHA on commonalities and differences regarding administrative performance indicators and the creation of a task force to explore alignment of indicator methodologies as recommended by the European Commission <sup>(57)</sup>; Cedefop's observer role on ELA's Management Board and its participation in/contribution to ELA's dialogue with other Agencies to identify areas for potential cooperation. In addition, Cedefop was invited to participate as observer on the Management Board of the European Institute for Gender Equality (EIGE) to assess where information exchange or joint initiatives are possible.

Cedefop also continued its cooperation with the European Economic and Social Committee on assisting countries in devising upskilling pathways for low-skilled adults and its collaboration with EU and international partners within the interagency working group with representatives of UNESCO, ILO, OECD, the European Commission and ETF; in particular the international survey Cedefop coordinated on career guidance policy and practice in the pandemic.

At administrative level, to increase efficiency and reduce overheads, Cedefop joined several Commission's and other Agencies' inter-institutional framework contracts and organised joint procurement procedures with other Agencies. As of December 2018 already, Cedefop uses e-tendering/e-submission for its open procedures.

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<sup>(57)</sup> Recommendation 5 of its staff working document on the agencies' external evaluation, see also Part II b

The internal redeployment of staff from administration to core business is being continuously examined, as demonstrated by the results of the job screening exercise which show a consistent increase of staff allocated to core business since 2015.

To increase productivity and efficiency, Cedefop is continuously seeking to boost staff potential through learning and development. In January 2020, a knowledge building seminar on 'Implications of Artificial Intelligence (AI) for jobs, skills and learning' was organised at Cedefop premises as a cross departmental, learning co-creation initiative. The overarching aims of this seminar were to improve the skills and professional development of Cedefop's experts, elevating their ability to interpret the implications of AI for their current and prospective research and for informing future Cedefop activities. It also aimed at strengthening the organisation's capacity to foster synergies and cross-fertilisation among projects and departments.

Streamlining and digitising procedures and harmonisation of the IT landscape with the European Commission and other Agencies are driving the modernisation of Cedefop's ICT and digitalisation strategy and its administrative processes. Cedefop's new ICT strategy – shaped in 2020 and approved formally in April 2021 – aims at generating greater efficiency and enhancing productivity across the organisation as well as boost collaboration and knowledge sharing with external stakeholders.

Also in 2020, Cedefop continued to be an active member of the EU Agencies' network (EUAN) and to share services and enhance synergies with other Agencies. On top of the joint call for tenders and participation in inter-institutional calls for tenders, this took the form of exchange of knowledge and expertise across Agencies, on matters such as IT system, cyber-security and HR practices. In 2020, a EUAN task force, of which Cedefop was a member, proposed strategic directions for the next generation of shared services. Since May 2020, Cedefop is also member of the EUAN working group on new ways of working, which discussed on a weekly basis needed adaptation in response to the Covid-19 crisis.

On 4 May 2020, a new service-level agreement was signed with ENISA <sup>(58)</sup>. Resource-sharing opportunities have been identified and are taking place between the two Agencies. Knowledge, expertise and capabilities are so far shared in the fields of confidential counselling and procurement. Importantly, as of 2021 and for the first time, ENISA and Cedefop will share resources in the form of shared Data Protection Officers.

Based on a service-level agreement, Cedefop uses EUIPO <sup>(59)</sup> as a disaster recovery site for its ICT systems.

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<sup>(58)</sup> European Union Agency for Cybersecurity

<sup>(59)</sup> European Union Intellectual Property Office

## II.7 Assessment of audit and ex-post evaluation results during the reporting year

Cedefop's internal auditor is the Internal Audit Service of the European Commission (IAS) and the Agency is annually controlled by the European Court of Auditors (ECA). The Agency informs the Discharge Authority on the results of the audits.

Following each audit, Cedefop draws up an action plan for the implementation of all recommendations. A regular monitoring of actions is carried out by the Internal Control Coordinator. A consolidated action plan, which is updated systematically, is posted on Cedefop's intranet, accessible to all staff.

Cedefop also follows up closely the observations from the Discharge Authority.

In addition to the audits conducted by the IAS and ECA, Cedefop has developed several procedures and tools to allow systematic ex-post and ex-ante controls and evaluations and, thus, further ensures that the necessary control layers and actions are in place and implemented. These procedures are outlined in an overarching evaluation policy adopted by the Executive Director in 2019 <sup>(60)</sup>, and for which 2020 was the first year of full implementation.

The Executive Board and Management Board are kept regularly informed of audit, control and evaluation outcomes as well as on progress in the implementation of the agreed action plans. This is a standing agenda item in all Board meetings.

### II.7.1 Internal Audit Service (IAS)

In the week 22-26 June 2020, the IAS conducted remotely a full risk assessment covering Cedefop's administrative, financial, operational and IT processes. In the ensuing Strategic Internal Audit Plan <sup>(61)</sup>, which Cedefop received on 23 October 2020, the IAS concluded that the prospective audit topics for the period 2021-2023 are: Cedefop surveys and ReferNet. Furthermore, the IAS identified as a reserve audit topic the new Cedefop's information technology strategy which the Executive Director adopted in April 2021.

In relation to the recommendations from the IAS Audit on HR Management and Ethics, Cedefop implemented in 2020 all actions linked to the remaining open recommendation Nr 3 - HR Strategy, planning and reporting.

On 29 January 2021, the IAS conducted a follow up audit and concluded that Cedefop had implemented the recommendation adequately and effectively. Consequently, all six recommendations of the IAS Audit on HR Management and Ethics had been implemented by the end of 2020 in line with the agreed timetable.

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<sup>(60)</sup> Decision DIR 12/2019 of 14 November 2019

<sup>(61)</sup> IAS Ares (2020)5816416 of 23 October 2020

## II.7.2 Other sources of assurance

### **Risk management**

Following the request of the Commission for a peer review exercise on risk management in Agencies, as part of the exercise to align implementation of the recast Agency Regulations in line with the 'Common Approach', Cedefop's Internal Control Coordinator participated in the cluster with ETF, EU-OSHA, Eurofound and the ELA. The results were shared with the parent DGs. The main benefit for the Agencies in the cluster 'Social and employment' was the comparison of risk assessment methodologies and a common understanding of what constitutes a critical risk.

The assessment of fraud risks is an integral part of the overall annual risk assessment. In 2020, two fraud-related risks were identified: mistakes in financial management (regularity, compliance, ethical and anti-fraud framework) and mistakes in procurement/contract management. Both were properly mitigated.

The Covid-19 pandemic also triggered a necessary revision of Cedefop's risk assessment for the year 2020 to identify new or increased risks which could possibly jeopardise the achievement of work programme objectives or set targets. In this context, Management identified two additional risks which were flagged as critical and reported to the Executive Board:

- 1 risk of implementing Cedefop's budget at a lower rate than 95%, thus leading to the 2% penalty imposed by DG BUDG, considering that the delivery of Cedefop's work might be disrupted and some of the deliverables and outputs planned in the work programme 2020 might be postponed/cancelled due to the Covid-19 crisis, in particular physical meetings and missions;
- 2 risk of not reaching the establishment plan's 95% occupation rate target, considering possible disruptions of the work organisation and delays in the organisation of recruitment procedures, negatively affecting the Agency's capacity to fulfil its work programme as some posts would remain empty for an extended period.

Through proactive monitoring and implementation of the identified mitigating actions, both risks were effectively managed.

### **Awareness-raising activities on ethics, integrity and internal control**

As part of awareness-raising activities on ethics, integrity and internal control issues, Cedefop provides regular mandatory sessions on good governance for newcomers. The sessions, open to all staff members, were revamped in 2020 and the approach reshaped to target Cedefop's specificities more directly, allow interaction with staff members and adapt the concept to virtual formats.

Four virtual sessions were conducted in 2020: on ICF/data protection and handling of sensitive non-classified information (4 June 2020); on outside activities (18 June 2020);

on Anti-Fraud (9 September 2020) and on conflict of interest (3 December 2020). A user-friendly guide was also developed to acquaint staff with the DGE on outside activities.

### **Evaluation and control activities**

Cedefop followed up on the implementation of the action plan agreed as a follow-up to the last external evaluation carried out by the European Commission <sup>(62)</sup>. The state of play was discussed with the Enlarged Executive Board on 29-30 June 2020 and with the Management Board at its meeting on 8-9 October 2020. All actions are progressing according to plan. One recommendation was fully implemented and closed by the European Commission on 7 November 2019.

In compliance with its updated Evaluation Policy, Cedefop conducted evaluation and control activities according to the Annual Management Plan 2020.

Ex-ante evaluations <sup>(63)</sup> were carried out in 2020 for procurement procedures above 500,000 Euros. A report reviewing progress and lessons learned was finalised on 22 October. The report concluded that the procurement procedures were compliant with the requirements of ex-ante evaluation.

Cedefop carries out ex-post evaluations <sup>(64)</sup> for projects/activities that have come to an end and entailed a total budget expenditure of above 500,000 Euros.

For 2019/2020, ex-post evaluation focused on two activities:

- Enterprise Content Management for the period 2014-2018 and ICT Services for Livelink-Open Text Content Server 10;
- The changing nature and role of vocational education and training in Europe.

The ex-post evaluation exercise was finalised on 2 April 2021. Its outcomes and ensuing action plans will be shared with the Executive and Management Boards.

Five Cedefop payments selected at random by the Internal Control Coordinator were assessed by Cedefop's Accounting Officer to check that all procedures were followed, and that the supporting documentation was in place and in line with Cedefop's Financial Regulation. The report confirmed that all five transactions followed the correct process and the internal control objectives of: (a) compliance with Cedefop's Financial Regulation; (b) operational efficiency; and (c) accurate reporting.

Evaluations and controls are carried out with the support of external evaluators, selected through an inter-Agency call for evaluation services launched by ETF, which Cedefop has joined to further increase synergy and efficiency gains. Ex-post evaluations assess the following criteria: effectiveness, efficiency, coherence, relevance, EU added

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<sup>(62)</sup> <https://www.cedefop.europa.eu/en/about-cedefop/what-we-do/cedefop-regulation>

<sup>(63)</sup> Article 29.2 of Cedefop Financial Regulation adopted by its Management Board on 16 July 2019

<sup>(64)</sup> Article 29.3 of Cedefop Financial Regulation

value of the projects/actions. Evaluation outcomes inform management decisions on future activities.

### II.7.3 European Court of Auditors (ECA)

#### **Annual accounts 2019**

On 22 October 2020 the European Court of Auditors published its final report on Cedefop's annual accounts for the financial year 2019 <sup>(65)</sup>.

In the Court's opinion, Cedefop's annual accounts 2019 present fairly, in all material respects, the financial position of the Agency at 31 December 2019. The results of its operations, its cash flows, and the changes in net assets for 2019 are in accordance with its Financial Regulation and the accounting rules adopted by the Commission's accounting officer. The transactions underlying the annual accounts 2019 are legal and regular in all material respects.

In its report, the Court included observations and a recommendation on the legality and regularity of transactions and on budgetary management. More specifically:

#### ***Observations on the legality and regularity of transactions***

*17. 'In a procurement procedure for cleaning services for a maximum value of 400 000 euros, Cedefop had allowed one tenderer flexibility in fulfilling the terms of one significant award criterion after signature of the contract. Even though the alternative proposed by the contractor appears to be comparable with the one proposed in its offer, Cedefop accepted the change in the execution of the contract without properly documenting whether the alternative proposed by the contractor was at least equivalent to the solution proposed in the tender. Furthermore, it did not amend the framework contract concluded with that contractor in order to include such change'.*

*18. 'In future contracts, the Centre should pay particular attention when accepting modifications to the technical offers during the execution of the contract. Before agreeing to such modifications, the Centre should properly verify and document that the new solution is at least equivalent to the one proposed in the initial offer. Otherwise, such modifications may lead to unequal treatment between tenderers and significant changes in the award or technical criteria'.*

To address the Court's observation, Cedefop formalised its guidelines on contract management to complement the training given to contract managers, the workflow and the controls in place. A dedicated awareness-raising session was organised on 10 December 2020 presenting to staff the guidelines regarding ways to document modifications during contract implementation and the signature of relevant contract amendments where necessary. The guidelines together with a checklist were communicated to staff, in order to raise awareness and ensure proper and timely communication between staff managing contracts and the Procurement Service. The

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<sup>(65)</sup> [https://www.eca.europa.eu/Lists/ECADocuments/CEDEFOP\\_2019/CEDEFOP\\_2019\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/CEDEFOP_2019/CEDEFOP_2019_EN.pdf)

presentation as well as the guidelines and checklist are available to all staff on Cedefop's Intranet. In 2021 Cedefop amended the specific contract on cleaning services to address the recommendation of the Court.

### **Observations on budgetary management**

*19. 'The method for calculating contributions set out in the Statement on Cedefop- EFTA cooperation was not applied correctly. First, Norway and Iceland did not contribute 33 906 euros to the increase in revenue/payment appropriations in the amended budget (1 424 636 euros).*

*Second, although the Statement on Cedefop/ EFTA cooperation states that "the payment of EFTA cooperation partners is assessed according to their GNP contribution to the total GNP of the EEA", Norway's and Iceland's contributions in the initial budget were calculated according to their GNP share (2,24 % for Norway and 0,14 % for Iceland) of the GNP of the EU Members of the EEA, and not according to the total GNP of the EEA. As a result, Norway and Iceland contributed 9 668 euros less, and the EU contributed 9 668 euros more, to the 2019 Cedefop budget.*

*Third, although Norway and Iceland contribute to the Cedefop budget, no part of the budget surplus is returned to Norway and Iceland. In addition, there are no plans to reduce Norway's and Iceland's future contributions. Consequently, Norway and Iceland contributed 4 650 euros more than they should have done'.*

*20. 'Overall, taking into account the three items mentioned in the paragraphs above, Norway and Iceland's contributions to the 2019 Cedefop budget were 38 924 euros lower than they should have been, and the EU's contribution was 38 924 euros higher than it should have been'.*

The Agency acknowledges the observations from the Court. To address them, Cedefop is exploring options to rectify the issue, in consultation and cooperation with DG EMPL, DG BUDG and EFTA Secretariat.

### *21. Follow-up of previous years' observations*

*'The price and quality award criteria in the procurement procedure for the Centre's travel agency services was not detailed enough and does not ensure the best value for money contract. The Centre's methodology and documentation of potentially abnormally low offers was insufficient'.*

Cedefop's tender specifications for all procurement procedures were amended as regards the section on evaluation of abnormally low tenders.

### **On the annual accounts 2020**

On the annual accounts for the financial year 2020, ECA conducted its audit remotely from 12 to 16 October 2020. The ECA final report is expected by autumn 2021. According to the arrangements for the annual audits under Article 104 of its Financial Regulation

and based on a DG BUDG framework contract, Cedefop contracted an external audit company to audit Cedefop's accounts 2020.

### **II.8a Follow up of recommendations and action plans for audits and evaluations**

Following each audit and evaluation, Cedefop draws up an action plan for the implementation of all recommendations. A regular monitoring of actions is carried out by the Internal Control Coordinator. A consolidated action plan, updated at least biannually, is posted on Cedefop's intranet, accessible to all staff.

Since 2020, Cedefop uses the 'degrees of implementation' logic. For each action Cedefop indicated its status at the outset and a target date for completion to help track progress - an approach that the Commission considered exemplary and also recommended to others <sup>(66)</sup>. End 2020, a dedicated tool was designed to support 'degrees of implementation' progress tracking which will be deployed gradually in 2021 to track the progress of the external evaluation action plan and more generally of the Agency's consolidated action plan.

The following IAS recommendations were addressed by Cedefop in 2019 and 2020 and closed by IAS early 2020 and 2021:

*Critical:*

- *Recruitment procedures*

*Very important:*

- *HR strategy, planning and reporting (Year 2018 following audit of IAS)*

### **II.8b Follow up of recommendations issued following investigations by the European Anti-Fraud Office (OLAF)**

An OLAF investigation is currently ongoing since 2018 <sup>(67)</sup>. Details of OLAF's requests and Cedefop's follow-up actions are not provided in this document for sensitivity reasons. The Executive Board is kept informed in in-camera meetings.

### **II.9 Follow-up of observations from the Discharge Authority**

In accordance with Article 107 of Cedefop's decision on the Financial Regulation of 16 July 2019, Cedefop follows up promptly and systematically on the observations and comments accompanying the discharge decision. The Executive Director takes all appropriate steps to act and reports back to the Discharge Authority on measures taken.

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<sup>(66)</sup> DI 1 refers to 'problem identified', DI 2 to 'solution conceptualised', DI 3 to 'solution implementation planned in detail', DI 4 to 'solution implemented (go-live date)', and DI 5 to 'solution impact established'

<sup>(67)</sup> OC/2018/0606/A1

On 31 August 2020, the Executive Director sent its report <sup>(68)</sup> to the Discharge Authority on measures taken by Cedefop in light of the observations and comments from the Discharge Authority related to the implementation of the budget 2018 with the aim of further improving the Agency's operations.

By end 2020, Cedefop had implemented 8 of the 10 follow-up measures addressing the observations of the Discharge Authority from previous years. The table below reports on the status of the 2 actions that are still ongoing.

<b>Observation / Recommendation</b>	<b>Follow-up measures</b>
<p><b>Performance – rec.8</b></p> <p><b>Calls</b> on the Centre to pursue the digitalisation of the institution</p>	<p>Streamlining and digitising procedures and harmonisation of the IT landscape with the European Commission and other Agencies are driving the modernisation of the Agency's administrative processes and of its ICT infrastructure and services.</p> <p>In April 2021, Cedefop management endorsed an ICT strategy and roadmap with the ambition to support the digital transformation of the Agency, i.e. using ICT to enable core business, knowledge sharing and creation as well as to improve corporate services and processes. The Covid-19 crisis has also accelerated the digitisation process:</p> <ul style="list-style-type: none"> <li>- Cedefop adapted its Finance and Procurement procedures to ensure the remote processing of commitments, payments, contract amendments, contract awards and order forms;</li> <li>- Cedefop adopted e-signature and obtained EU-sign certificates from the European Commission;</li> <li>- A number of workflows in HR and in finance were fully digitised by end 2020.</li> <li>- On 26 June 2020 Cedefop signed a Service Level Agreement with DG BUDG for the migration to ABAC (the finance and accounting system of the European Commission). The project was initiated and is expected to go live by June 2021.</li> </ul>
<p><b>Staff policy – rec. 15</b> Notes that the Centre has been taking measures in light of the observations and comments from the discharge authority related to the Centre's new head of service for human resources, which took up duties in January 2019, as well as to the decision to externalise the Centre's legal service; notes with concern that, given the high number of legal cases with which the Centre is involved, the full outsourcing of legal services</p>	<p>During the Virtual Extended EB meeting of 29 and 30 June 2020, Cedefop's Executive Director reported to the Executive Board on the status of the Agency's legal function and proposed a contingent decision logic according to which Cedefop would monitor the situation thoroughly over the next twelve months before he takes a decision about re-establishing an internal legal service or not.</p> <p>The restructuring of Cedefop's legal service was also discussed during the Virtual Management Board meeting on 8 and 9 October 2020.</p> <p>After a final discussion in the Executive Board on 1 March 2021, based on a review of 2020 data, the Executive Board agreed with the Executive Director's</p>

<sup>(68)</sup> RB(2020)00958

Observation / Recommendation	Follow-up measures
creates a risk to the consistent treatment of cases and to the principle of efficiency; calls on the Centre to report to the discharge authority of any developments in that regard;	conclusion to re-establish an internal legal advisor in the coming months.

The report on discharge in respect of the implementation of the budget of Cedefop for the financial year 2019 <sup>(69)</sup>, adopted by the European Parliament on 29 April 2021, again praises Cedefop’s work on several aspects such as the budget and financial management, performance, staff policy, procurement, prevention and management of conflict of interest and internal control.

Observations and comments will be duly addressed, and follow-up actions will be reported by the end of July 2021, in accordance with Article 107 of Cedefop’s Financial Regulation.

## II.10 Environment Management

Cedefop monitors and reports its impact on various environmental and social sustainability indicators on a yearly basis.

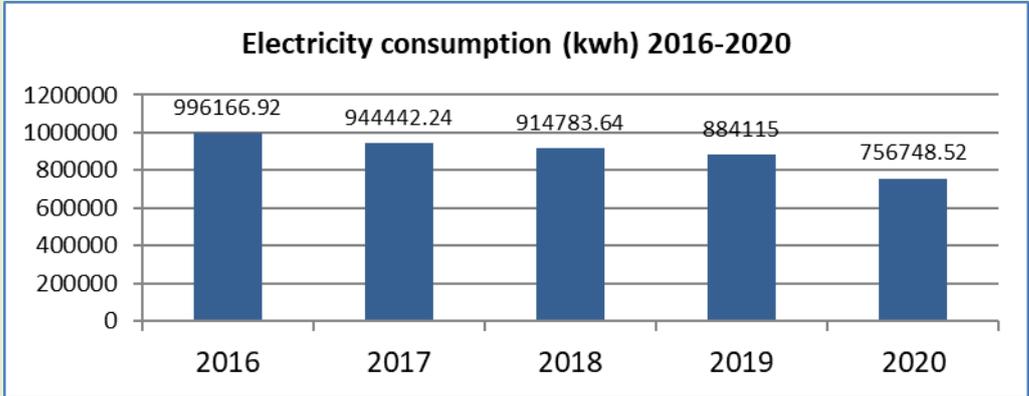
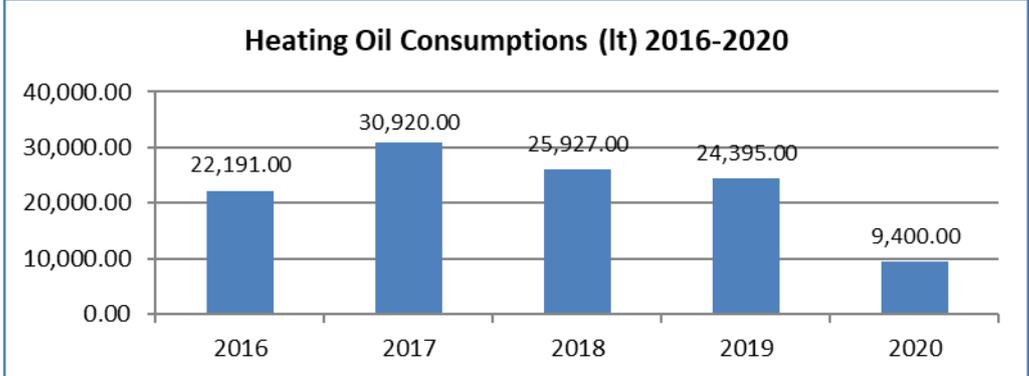
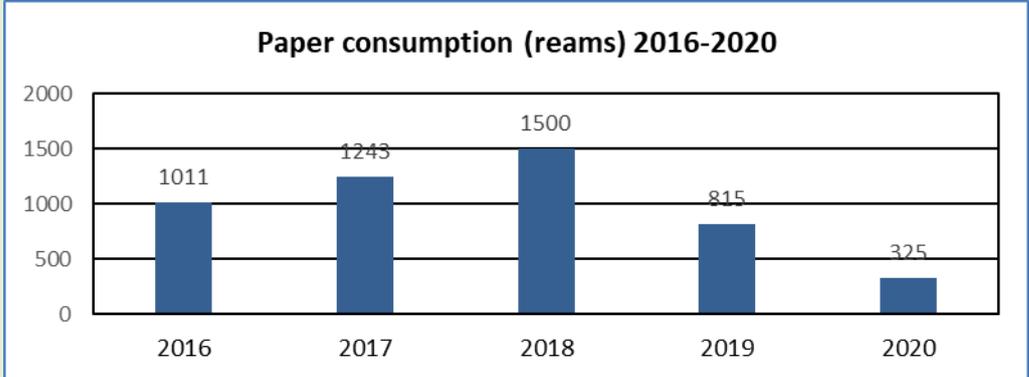
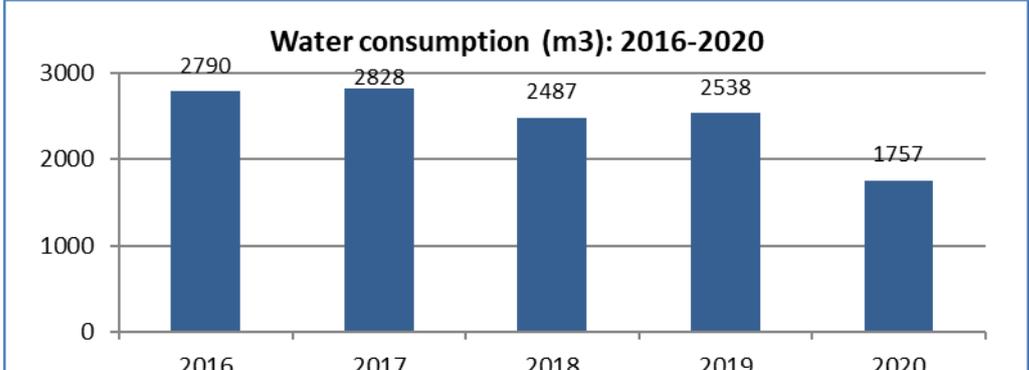
Also, as part of its core business, Cedefop maps developments in the area of ‘Skills for green jobs’, jointly with the ILO. Moreover, in 2020 Cedefop ran a ‘green’ skills forecast scenario to assess the likely impact of the European Green Deal on the sectoral employment structure in the EU-27 as a whole and at sectoral level and started a skills foresight project to reflect on the consequences of implementing the green deal in selected sectors.

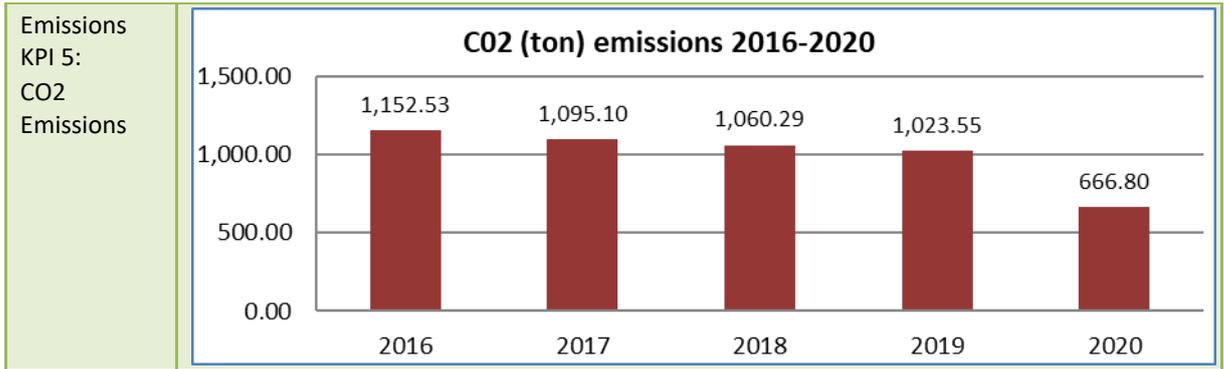
Working at the interface of VET and the labour market, Cedefop’s work as a whole contributes directly to the UN’s Sustainable Developments Goals 4 (quality education) and 8 (decent work and economic growth).

Latest results are presented below, offering a comparison across years since 2016. The target set for each indicator is to maintain (or decrease) the 2016 level of consumption/emissions.

The decreases observable for the year 2020 are mainly attributed to the fact that the building was not fully functioning due to Covid-19 pandemic restrictions and the introduction of recommended or mandatory teleworking from 17 March 2020.

<sup>(69)</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0174\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0174_EN.html)

Result/ Impact indicator	01/01/2020 - 31/12/2020												
Energy efficiency KPI 1: Electricity	<p style="text-align: center;"><b>Electricity consumption (kwh) 2016-2020</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Consumption (kwh)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>996166.92</td> </tr> <tr> <td>2017</td> <td>944442.24</td> </tr> <tr> <td>2018</td> <td>914783.64</td> </tr> <tr> <td>2019</td> <td>884115</td> </tr> <tr> <td>2020</td> <td>756748.52</td> </tr> </tbody> </table>	Year	Consumption (kwh)	2016	996166.92	2017	944442.24	2018	914783.64	2019	884115	2020	756748.52
Year	Consumption (kwh)												
2016	996166.92												
2017	944442.24												
2018	914783.64												
2019	884115												
2020	756748.52												
Energy efficiency KPI 2: Heating oil	<p style="text-align: center;"><b>Heating Oil Consumptions (lt) 2016-2020</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Consumption (lt)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>22,191.00</td> </tr> <tr> <td>2017</td> <td>30,920.00</td> </tr> <tr> <td>2018</td> <td>25,927.00</td> </tr> <tr> <td>2019</td> <td>24,395.00</td> </tr> <tr> <td>2020</td> <td>9,400.00</td> </tr> </tbody> </table>	Year	Consumption (lt)	2016	22,191.00	2017	30,920.00	2018	25,927.00	2019	24,395.00	2020	9,400.00
Year	Consumption (lt)												
2016	22,191.00												
2017	30,920.00												
2018	25,927.00												
2019	24,395.00												
2020	9,400.00												
Material efficiency KP 3: Paper	<p style="text-align: center;"><b>Paper consumption (reams) 2016-2020</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Consumption (reams)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>1011</td> </tr> <tr> <td>2017</td> <td>1243</td> </tr> <tr> <td>2018</td> <td>1500</td> </tr> <tr> <td>2019</td> <td>815</td> </tr> <tr> <td>2020</td> <td>325</td> </tr> </tbody> </table>	Year	Consumption (reams)	2016	1011	2017	1243	2018	1500	2019	815	2020	325
Year	Consumption (reams)												
2016	1011												
2017	1243												
2018	1500												
2019	815												
2020	325												
Water use KPI 4: Water	<p style="text-align: center;"><b>Water consumption (m3): 2016-2020</b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Consumption (m3)</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>2790</td> </tr> <tr> <td>2017</td> <td>2828</td> </tr> <tr> <td>2018</td> <td>2487</td> </tr> <tr> <td>2019</td> <td>2538</td> </tr> <tr> <td>2020</td> <td>1757</td> </tr> </tbody> </table>	Year	Consumption (m3)	2016	2790	2017	2828	2018	2487	2019	2538	2020	1757
Year	Consumption (m3)												
2016	2790												
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2019	2538												
2020	1757												



## II.11 Assessment by Management

This section reports and assesses the elements identified by Cedefop's management that support the assurance on the achievement of the internal control objectives.

These elements are: (a) comprehensive set of processes and documents to plan its annual work programme; (b) comprehensive set of processes to monitor and report on the implementation of its annual work programme and the deployment of its human and financial resources; (c) processes to monitor and report on legality and regularity; (d) internal control framework; and (e) safeguarding of assets.

a) comprehensive set of processes and documents to plan the annual work programme:

- i The programming document 2020-22 was adopted by the Management Board on 13 December 2019 by written procedure <sup>(70)</sup>.
- ii The annual work programme 2020 is an integral part of the programming document. Also the risk management plan - which results from an in-depth ex-ante assessment of the generic risks and risks by project and by ABB activity - is an integral part of the annual work programme. The work programme also includes a set of qualitative and quantitative indicators within Cedefop's Performance Measurement System (PMS).
- iii Along with the adoption of the annual budget (estimate of revenue and expenditure) a multi-annual staff policy plan (MASPP) sets out the human resources required for the implementation of the annual work programme. The MASPP is also designed within the framework and forms an integral part of the programming document and annual work programme.
- iv Finally, the annual management plan (AMP) 2020 comprises detailed planning for the Agency's key deliverables - e.g. conferences, publications, procurement procedures - outlined in the annual work programme. It also includes evaluation and audit plans, risk assessment and the anti-fraud strategy action plan for the year 2020.

b) comprehensive set of processes to monitor and report reliably on the implementation of annual work programme and the deployment of human and financial resources.

- i The Executive Director, Deputy Director and Heads of Departments meet on a weekly basis. The aim of these meetings, chaired by the Executive Director, is to monitor developments in operational, administrative and support activities and take strategic decisions on issues related to financial and human resource management, internal controls, outreach activities of management and experts <sup>(71)</sup> as well as the day-to-day administration of the Agency. Follow-up actions are reviewed on a weekly basis.
- ii The Executive Director, Deputy Director, Heads of Departments, Internal Control Coordinator, Head of Finance and Procurement, Head of Human Resources,

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<sup>(70)</sup> written procedure number 2019-22

<sup>(71)</sup> e.g. events, publications, briefing notes, web tools and visualisations

coordinators of services (ICT and facilities) and the accounting officer meet in Performance Monitoring Meetings (PMM) three times per year to discuss systematised reports on financial issues (budget implementation, procurements), human resources developments, and monitoring reports on achievements compared to the planned objectives. In the first yearly meeting, the PMS team and a representative of the Staff Committee are also invited. In the third meeting, budget correspondents also participate. Achievements are monitored through the performance indicators and targets set in the annual work programme. In addition, these meetings support strategic considerations and opinion exchange on policy issues, planning, and other operational and organisational issues.

- iii A budgetary mid-term review is conducted in September to discuss in detail progress on the implementation of the budget and the work programme and to agree on corrective actions as necessary. The 'budget correspondents' assigned to each Department provide regular monitoring of the budget's planned commitments and payments throughout the year.
- iv The annual report and the consolidated annual activity report are discussed with the Executive and Management Boards, besides the regular reporting to the Executive Board/Management Board on the implementation of the annual work programme, results of audits and evaluations, budget implementation, transfers of appropriations.
- v Executive and Management Board members are systematically informed on key changes that may occur in the implementation of the annual work programme. This is a standing agenda item in all meetings.
- vi As requested under Art. 31.4 of Cedefop's Financial Regulation, the Agency makes available on its website, no later than 30 June of the year following the financial year in which the funds were legally committed, information on the recipients of funds financed from the budget of the Agency, including experts contracted. The published information is easily accessible, transparent and comprehensive.

c) processes to monitor and report on legality and regularity.

- i As regards legality and regularity of underlying transactions, the objective is to ensure that the estimated annual risk of errors in commitments and payments at the time of the authorisation of the transactions is less than 2%. No deviations were recorded in 2020.
- ii As foreseen in the Commission's Anti-Fraud Strategy and in the action plan of the Inter Institutional Working Group's roadmap, Cedefop's Management Board adopted its updated Anti-Fraud Strategy on 28 January 2019, which repealed the first version from 2014.

Following the IAS audit on HR management and ethics, new guidelines on reporting potential conflicts of interests in selection and recruitment processes were adopted on 29 March 2019. Rules on the prevention and management of conflicts of interests for Management Board members, independent experts, seconded national experts and other staff not employed by Cedefop were adopted by Cedefop's Management Board on 2 October 2019.

Internal procedures on reporting irregularities/whistleblowing, including the legal framework, basic principles and steps to be followed by staff members, already in place since 2008, have been revised and complemented with Cedefop's guidelines on whistleblowing in 2019 <sup>(72)</sup>, based on the Commission's Guidelines and in compliance with the requirements set out in Art. 22c of the Staff Regulations. In September 2020, the whistleblowing guidelines made the subject of a dedicated awareness-raising session to all staff on Anti-Fraud.

d) Internal control framework. Internal Control standards are in place in Cedefop since 2009. The Agency revised its Internal Control Framework in 2019 to align it to the European Commission's own revised Framework, basing it on the highest international standards set by the COSO framework <sup>(73)</sup>. Shifting from a compliance-based to a principle-based approach, Cedefop's revised Internal Control Framework, adopted by the Management Board on 9 January 2019, is structured around five components: control environment, risk assessment, control activities, information and communication, monitoring activities. Each component consists of several principles, 17 in total.

e) With regard to safeguarding of assets, regular controls and checks are in place, which are in line with the Commission's control structures. They are tested and have proven to be sound. Procedures and recordkeeping concerned with the safeguarding of assets and reliability of financial records are designed to provide assurance that:

- i) transactions are executed in compliance with management's authorisation;
- ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with the Agency's Financial Regulation and to maintain accountability for assets;
- iii) access to assets is restricted through the hierarchical structure of verifications and in line with the Financial Regulation;
- iv) the recorded value of assets is compared with existing asset checks e.g. inventory controls and bank reconciliations at reasonable intervals.

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<sup>(72)</sup> DGE/37/2019 of 9 April 2019

<sup>(73)</sup> Committee of Sponsoring Organizations of the Treadway Commission (COSO) - Framework for internal control against which organisations measure the effectiveness of their systems of internal control

## PART II b) External Evaluations

As required by Regulation (EU) 2019/128 of the European Parliament and of the Council of 16 January 2019 establishing Cedefop and by the Financial Regulation, Cedefop is subject to periodic external evaluations which are carried out by the Commission. The most recent one was conducted in 2017 for the period 2011-16 as part of a comprehensive exercise aiming at implementing a more coherent framework for decentralised EU Agencies <sup>(74)</sup>. The evaluation covered the four Agencies that fell within the remit of DG Employment <sup>(75)</sup> and assessed them individually and in a cross-cutting perspective, considering also the European Labour Authority being planned at that time.

In April 2019, the European Commission published its conclusions on the Agencies' performance <sup>(76)</sup>. Confirming the overall assessment that they operated effectively and efficiently and contributed to EU-level policy making, the Commission highlighted some areas for improvement and issued Agency-specific as well as general recommendations addressed to the four Agencies. Cedefop received only two specific recommendations (see table below).

As requested, Cedefop drew up an action plan which was discussed by the Management Board and submitted to the Commission in October 2019. It comprises detailed actions to address Cedefop-specific recommendations:

- i continue efforts to reallocate even more resources from administration to its core operations;
- ii present the results of its performance measurement indicators that relate to informing policies and their implementation in a more detailed manner;
- iii further align the four Agencies' performance indicator methods.

Cedefop-specific recommendations	Actions to be continued	Progress - end 2020
<p><b>Continue efforts to reallocate even more resources from administration to core operations</b></p>	<p>Revisit HR situation to see whether additional staff can be deployed to operational areas</p>	<p><b>DI 3</b>            In June 2020, the Director adopted Cedefop's first ever HR strategy, including strategic workforce planning. However, the Covid-19 crisis, which put a lot of additional stress on administrative services to ensure business continuity and deliver fully online services, rendered it premature to proceed to redeployment towards operational department in the current context.</p>

<sup>(74)</sup> The 'Common Approach' on decentralised Agencies signed in 2012 by the European Parliament, Council and the Commission.

<sup>(75)</sup> European Foundation for the Improvement of Living and Working Conditions (Eurofound), the European Training Foundation (ETF) and the European Agency for Safety and Health at Work (EU-OSHA).

<sup>(76)</sup> SWD(2019) 159 final

<https://ec.europa.eu/social/main.jsp?langId=en&catId=85&furtherNews=yes&newsId=9348> [accessed 08.05.20]

Cedefop-specific recommendations	Actions to be continued	Progress - end 2020
		<p>The annual job screening exercises show an increase in the resource dedicated to operational activities (+1.39 percentage points in 2019 in comparison to 2018 and +0.4 percentage points in 2020 in comparison to 2019).</p> <p>Revised target date for DI 4 (in-depth review of HR situation): 1 July 2021.</p> <p>DI5 will be established at the end of 2024 to assess whether the original plan was implemented (note: workforce planning is rolling exercise revisited on a yearly basis)</p>
	<p>Identify transfer opportunities from administrative to operational budget lines 2020 target: EUR 20 000 (budget and/or FTEs)</p>	<p><b>DI 5</b> <i>In 2020, following substantial savings linked to Covid-19 across budget titles, the amount of EUR 469,713 was transferred to operational budget lines. This action is considered closed in relation to the 2020 budget. As it is a rolling activity, the identification of transfer opportunities from administrative to operational budget lines takes place every year.</i></p>
	<p>Further streamline administrative workflows and procedures using more electronic tools (NB: investments in automation may lead to temporary cost increases)</p>	<p><b>DI 2</b> The ICT and Digitalisation strategy 2021-2024 was drafted in view of its adoption in 2021. It includes a strategic initiative aiming at deploying the next generation of corporate services. As part of this initiative, the full digitisation of workflows and procedures is planned. The project has started and a tool for automation of workflows has been selected and acquired. A first set of workflows will be deployed by June 2021. The final list of workflows to be automated will be ready by July 2021 (DI3 target date). From that point onwards, new workflows will be gradually deployed, with the aim to fully implement all digital workflows (DI4) by end of 2022. Target date for DI 4: end 2022</p>

Cedefop-specific recommendations	Actions to be continued	Progress - end 2020
	<p>Collaborate with other Agencies to achieve further efficiency gains through shared services (e.g. using the Agencies' catalogue of shared services) and joint procurement procedures, e.g. for ICT helpdesk services with ENISA in 2018</p> <p>Some of the ongoing actions have already reached DI 5 (e.g. joint company survey with Eurofound)</p>	<p><b>DI 3</b></p> <p>A service-level agreement was signed with ENISA on 4 May 2020. Resource-sharing opportunities have been identified and are taking place. To date capabilities are shared in the fields of: Data Protection, Confidential Counselling, Procurement (joint procurement, and mutual support).</p> <p>Cedefop is a member of the EUAN working group on new ways of work following the Covid-19 pandemic. The group meets on a bi-weekly basis to share experience and knowledge and cooperate on any relevant manner.</p> <p>Following the 2020 task force on shared services of the EUAN, all EUAN subnetworks have been mandated to identify opportunities for sharing services and capabilities in their respective fields of work.</p> <p>Target date for DI 4: 30 September 2021 -unchanged</p> <p>Note: this is a rolling activity.</p>
<p><b>The Agency could provide greater detail when presenting indicators relating to evidence, to inform policies and their implementation. In particular, it is advised that the indicators 'Policy documents citing Cedefop work' and 'Participation in Presidency events and meetings of senior stakeholders, or which support policy', would not present aggregated figures for items of a very different nature.</b></p>	<p><i>Indicator on citations in policy documents:</i> present disaggregated data showing the different nature of the EU-level policy documents and reports that cite/use/refer to Cedefop work</p>	<p><b>DI 5</b></p> <p><i>Recommendation closed as per DG EMPL letter ref. EMPL E/SC/ps(2020)4712160 of 4.8.2020</i></p>
	<p><i>Indicator on contributions to policy-relevant meetings of senior stakeholders:</i> present indicator in disaggregated manner</p>	<p><b>DI 5</b></p> <p><i>Recommendation closed as per DG EMPL letter ref. EMPL E/SC/ps(2020)4712160 of 4.8.2020</i></p>
<p><b>Recommendation 5: [...] Therefore the agencies could work to further align their performance indicator</b></p>	<p>Cedefop, Eurofound, EU-OSHA and ETF have agreed to:</p> <ol style="list-style-type: none"> <li>1. Compare administrative indicators and their methodologies with the aim to align them where</li> </ol>	<p><b>ad 1: DI: 4</b></p> <p>Initial discussions took place in October 2019 in the context of the agencies' PDN meeting. A task force with representatives</p>

Cedefop-specific recommendations	Actions to be continued	Progress - end 2020
<p><b>methodologies. They are advised to consider developing a more systematic approach to measuring use of their outputs at national level, while taking account of individual agencies' mandates and the cost-effectiveness of the additional investments this requires.</b></p>	<p>feasible. Most of these indicators are already included in the list to measure Directors' performance (COM SWD 2015, 62 final). 2. Consult with other PDN members, e.g. EUIPO, ECA, regarding the indicators on uptake in and contributions to policy documents (Cedefop indicators 1 &amp; 3), including national level ones.</p>	<p>of Cedefop, ETF, EU-OSHA and Eurofound was created to discuss administrative indicators. On 26/11/2020 the group agreed to align their methodologies for the indicator on budget implementation.</p> <p><b>ad 2: DI: 2</b> Initial discussions took place in October 2019. Further actions are planned for 2021.</p> <p>Target date for DI 4: 31 December 2021 (postponed due to different priorities and agendas of the Agencies and the complexity of aligning the different approaches)</p>
	<p>Drawing on other Agencies' experience, Cedefop has designed a survey to understand how its outputs and services are perceived and used, i.e.: publications, online interactive tools, databases, peer learning activities and networking capacity.</p>	<p><b>DI 5</b> Survey findings analysed, reported to management and summary included in 2019 annual/CAAR reports. To be continued every two years.</p>

## **PART III Assessment of the effectiveness of the internal control systems**

### **III.1 Effectiveness of the Internal Control systems**

The methodology applied for the assessment of Cedefop's Internal Control Framework is compliant with the Implementation Guide of the European Commission (2018 updated version of Ares(2017)3293999-30/06/2017).

The assessment of the Internal Control Framework is founded both on ongoing continuous monitoring and on specific periodical assessments and was carried out at three levels:

- the principles - based on the analysis of the detected strengths and deficiencies;
- the components - based on an analysis of the results at principle level;
- the internal control framework as a whole - based on an analysis of the results at component level. See section III.2.

The final conclusion, based on professional judgement, assessed also whether the components are operating well together in an integrated manner.

Ongoing monitoring is built into business processes and performed on a real-time basis at all levels of the organisation. This enables the Agency to timely react to changing conditions and to correct deviations from intended performance and effectiveness levels. The Internal Control Framework is monitored by performance and specific indicators adopted by the Management Board.

Cedefop updated its policy on reporting of exceptions, non-compliance events and notes to the file on 5 November 2020 <sup>(77)</sup> in line with the Commission's guidelines and Cedefop's Internal Control Framework adopted by its Management Board on 9 January 2019.

Deficiencies identified in the context of the ongoing monitoring activities and actions are registered in a 'Deficiencies Register'. Appropriate mitigating actions addressed the identified issues. In 2020, Cedefop registered 25 non-compliance events and exception requests linked to issues of contract and financial management. Recommendations issued by the ICC were implemented to help avoid reoccurrence.

### **III.2 Conclusions of assessment of internal control systems**

The goal of the annual internal control assessment is to provide reasonable assurance that Cedefop's internal control principles are functioning, deficiencies are communicated and corrected in a timely manner, with serious matters reported as appropriate.

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<sup>(77)</sup> Decision DIR 07/2020 - RB(2020)01239

The assessment of the overall Internal Control Framework shows that it is effective, all its components are in place and functioning well and for their intended purpose.

The overall assessment was performed by using the tool (excel file) provided by DG BUDG to Agencies' Internal Control Coordinators. DG BUDG and IAS delivered a specific training session to ICC teams of EU Agencies on the annual assessment of the internal control system.

The assessment tool comprises:

- a a register of deficiencies populated from different internal sources: register of non-compliance events and exception requests, recommendations from IAS, ECA, OLAF and ICC, deficiencies reported spontaneously by staff, the action plan of Cedefop's Anti-Fraud Strategy, Cedefop internal control indicators, notes to the file;
- b an assessment of each principle with regards to the related deficiencies, ranked from 1 to 4 (1= None, 2=Moderate, 3=Major, 4=Critical);
- c an assessment of each component with regards to the related principles, also ranked from 1 to 4;
- d overall assessment of the internal control system (see table below).

Overall (Specific) Assessment of Internal Control System		
To be done globally at Directorate-General level. In addition this assessment can be done for one part of the organisational structure (Delegation, Representation, Directorate, Function, etc.)		
Internal control Component	Present and functioning (Category 1/2/3/4)	Explanation/Conclusion
CONTROL ENVIRONMENT	Category 1. The component is present and functioning well	The Management has set properly the tone at the top with respect to the importance of internal control, including expected standards of conduct.
RISK ASSESSMENT	Category 1. The component is present and functioning well	Overall risks are properly mitigated
CONTROL ACTIVITIES	Category 2. The component is present and functioning but some improvements are needed	Control activities are well in place and functioning.
INFORMATION AND COMMUNICATION	Category 1. The component is present and functioning well	External communication is well organised and functions well. Internal communication can be improved
MONITORING ACTIVITIES	Category 1. The component is present and functioning well	Continuous assessments provide timely information on any deficiencies. Findings are assessed and deficiencies are communicated and corrected in
<b>OVERALL ASSESSMENT (1/2/3 or 4).</b> Are all components operating together in an integrated manner? Assess globally the combination of the assessments of the internal control components.	Category 1. The internal control system is present and functioning well, only minor improvements needed	
Is the overall internal control system effective? Category 1. Minor- Yes Category 2. Moderate- Yes Category 3. Major- Partially Category 4. Critical- No	Yes	
Comment	The assessment of the internal control framework concludes that the organisation is able to deliver its objectives. The key component 'Control environment' is present and functioning well.	

### III.3 Statement of the manager in charge of risk management and internal control

	<b>CEDEFOP</b>	European Centre for the Development of Vocational Training
<b>DEPUTY DIRECTOR – INTERNAL CONTROL COORDINATOR</b>		DIR/RB(2021)00629 Thessaloniki, 3 June 2021
<b>STATEMENT OF DEPUTY DIRECTOR AND INTERNAL CONTROL COORDINATOR TO THE EXECUTIVE DIRECTOR, MR JUERGEN SIEBEL</b>		
<p>I, Mara Brugia,</p> <p>in my capacity as Deputy Director and authorising officer by delegation,</p> <p>declare that in accordance with my responsibilities as authorising officer by delegation, I have reported to the Executive Director my assessment, advice, and recommendations on the issues under my responsibility.</p> <p>I hereby also declare that in accordance with my responsibilities as Internal Control Coordinator I have reported my assessment, advice, and recommendations to the Executive Director on the overall state of internal control in Cedefop.</p> <p>I declare that based on my managing and monitoring operations I have reasonable assurance that the underlying actions have been legal and regular and that the information I have provided has been accurate and complete.</p> <p>I hereby certify that the information provided in the Consolidated Annual Activity Report 2020 and its annexes, to the best of my knowledge, are accurate, reliable, and complete.</p> <p>Digitally signed by: MARA BRUGIA (EUROPEAN CENTRE FOR DEVELOPMENT OF VOCATIONAL TRAINING (CEDEFOP)) Date: 2021-06-03 10:31:21 UTC</p> <p><b>Mara Brugia</b> Deputy Director and Internal Control Coordinator</p>		
<p>Europe 123, 570 01 Thessaloniki (Pylea), GREECE   Postal address: PO Box 22427, 551 02 Thessaloniki, GREECE Tel. +30 2310490111   Fax +30 2310490049   E-mail: <a href="mailto:info@cedefop.europa.eu">info@cedefop.europa.eu</a>   <a href="http://www.cedefop.europa.eu">www.cedefop.europa.eu</a> Direct line: +30 2310490 125   Fax +30 2310490 102   <a href="mailto:mara.brugia@cedefop.europa.eu">mara.brugia@cedefop.europa.eu</a></p>		
page 1 of 1		

## **PART IV Management assurance**

### **IV.1 Review of the elements supporting assurance**

Cedefop's Internal Control Framework is built under the direct supervision of the management. Taking Cedefop's size into account, a flat hierarchical structure has been adopted. Heads of Departments delegate various functions such as staff assessment of contract agents or contract implementation to Heads of Service and project managers/experts.

Heads of Departments, Heads of Service and project managers/experts are closely and actively involved in the planning, reporting and monitoring processes, as well as in the risk assessment exercise. Not only does this assure alignment of objectives; it also ensures buy-in and a common understanding of the strategic objectives and the annual work programme.

Planning and monitoring tools for the Activity Based Budget, procurement, events and publications are in place and used to inform management decisions.

A comprehensive set of procedures and guidelines was developed to build and implement the Internal Control Framework. All main procedures have been documented, backups appointed to ensure business continuity - as also outlined in the job descriptions of all staff - and further skills development trainings provided to staff to ensure proper implementation of the annual work programme and effective controls.

Additionally, department and project team meetings or written briefings by the Heads of Departments/Services are used to inform all staff of relevant issues and new developments.

Because of the Covid-19 pandemic and prolonged periods of teleworking for Cedefop staff, increased communication needs arose. In 2020, general staff assemblies were organised virtually throughout the year, more specifically on:

- 17 March 2020, to present Cedefop's Covid-19 measures and teleworking guidelines;
- 24 March 2020, to present updated Covid-19 measures and emergency contact numbers;
- 3 April 2020, to present updated Covid-19 measures, leave recommendations and discuss how Cedefop can quickly generate facts/findings addressing Covid-19 in its field of activity;
- 30 April 2020, to present updated Covid-19 measures (de-escalation phases), discuss results of away-day working groups and organisation of virtual events;
- 11 May 2020, to present Cedefop's post-2020 strategy paper, discuss data protection when teleworking, and present a social initiative to support a local hospital in times of pandemics;
- 18 May 2020, to present Cedefop's building re-opening strategy, the outcomes of a working group on 'investing in people', the Agency's HR strategy and the 2018 discharge;

- 2 June 2020, to present the results of a working group on 'Boosting an organisational culture built on trust' and the amendment of the conference organisation contract to include virtual services;
- 2 July 2020, to report to staff on Cedefop's extended executive board meeting, the joint Cedefop/ETF conference and introduce the 2020 promotion round;
- 17 July 2020, to present outputs and social media statistics during the teleworking period and provide an update on phase 3 of the Covid-19 crisis;
- 14 September 2020, to inform on the 2020 influenza and pneumococcal disease vaccination campaign and inform about cyber-security issues;
- 9 October 2020, to report to staff on the Management Board meeting as well as administrative and social issues;
- 9 November 2020, to present new colleagues, remind staff of the role of the ICC, present an update on the Covid-19 situation, update on cyber-security and phishing and launch an HR well-being survey;
- 2 December 2020, to present new colleagues, report on the Executive Board meeting, present the Programming Document 2021-23 and the 2021 work programme, review ideas proposed in the context of Cedefop's online collaboration board.

The Executive Director in his capacity as authorising officer and the authorising officers by delegation in their areas of responsibility base their assurance declarations on the results of their direct management supervision. Statements of assurance delivered to the Executive Director by the Deputy Director/Internal Control Coordinator (ICC), Heads of Department and Heads of Service represent an additional layer of internal control and assurance.

Following the assessment of the Internal Control system no significant weakness has been identified. In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Executive Director, in his capacity as Authorising Officer by Delegation signed the Declaration of Assurance.

#### **IV.2 Reservations**

N/A

## PART V. Declaration of assurance

### DECLARATION OF EXECUTIVE DIRECTOR

I, Jürgen Siebel,

Executive Director of Cedefop

In my capacity as Authorising Officer

Declare that the information contained in this report gives a true and fair view <sup>(1)</sup>.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the ex-post and ex-ante evaluation and other sources of assurance as steered by the Internal Control Coordinator, the observations of the Internal Audit Service and the lessons learnt from the report of the Court of Auditors for years prior of this declaration.

I confirm that I am not aware of anything not reported here which could harm the interests of Cedefop.

Digitally signed by:  
JUERGEN SIEBEL (EUROPEAN CENTRE FOR DEVELOPMENT OF  
VOCATIONAL TRAINING (CEDEFOP))  
Reason: I am the author of this document.  
Date: 2021-06-03 11:33:18 UTC

Jürgen Siebel  
Executive Director

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<sup>(1)</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the Agency.

## ANNEXES

## Annex I Core business statistics

### Selected performance indicators: PD 2017-2020

Type	Indicator	2020
<b>Cedefop is a key player in attaining the EU policy objectives for VET, skills and qualifications</b>		
	Policy documents to the preparation of which Cedefop has contributed	
	of EU institutions	94
	of international organisations	3
	Contributions to meetings that inform policies and their implementation	96
<b>Cedefop is acknowledged and valued as a European source for evidence and information on VET and skills</b>		
	EU policy documents citing Cedefop's work	165
	Policy documents of international organisations citing Cedefop's work	126
	Downloads of Cedefop Publications	553 000
	of which briefing notes	88 000
	Citations of Cedefop publications/studies in the literature	956
	Active participation in conferences and events	38
	Quality and expected impact of events organised by Cedefop	97%
	Web site traffic	
	<i>Visits</i>	1,103 000
	<i>Unique Visitors</i>	951 000
	<i>Page views</i>	1,768 000
	Media coverage, take-up of articles and press releases	598
	Facebook followers	15,400
	Twitter followers	10,400
	Skills Panorama portal traffic	
	<i>Users</i>	142 000
	<i>Sessions</i>	168 000
<b>Cedefop is an efficient, well-run and compliant Agency providing a nurturing environment to a qualified and motivated staff</b>		
<b>KPIs for the Director</b>	Rate of implementation of commitment appropriations (budget execution)	100.00%
	Rate of outturn (payment appropriations)	99.23%
	Rate of payments completed within the legal/contractual deadlines	97.73%
	Rate of accepted audit recommendations implemented within agreed deadlines	100.00%
	Percentage of establishment plan filled (including outgoing procedures)	97%
	Cedefop's consultation with key stakeholders <sup>(78)</sup>	94%
	Environmental indicator - CO2 (ton) emissions	666.81

<sup>(78)</sup> The term 'key stakeholders' refers to the groups represented in Cedefop's Management Board (i.e. social partners, governments, the European Commission) and the European Parliament

## Annex II Statistics on financial Management

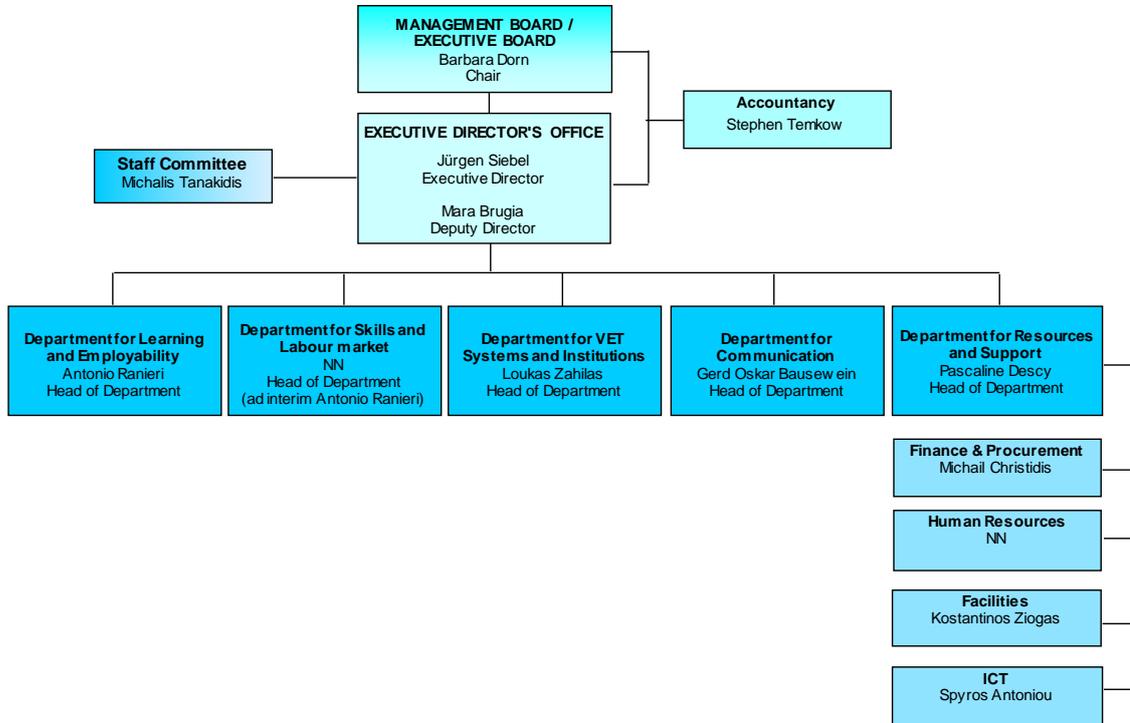
Budget outturn	N-4 (2017)	N-3 (2018)	N-2 (2019)	N-1 (2020)
Revenue actually received (+)	18,002,235	17,912,176	19,308,595	17,173,664
Payments made (-)	-16,092,569	-17,653,998	-18,342,813	-15,918,322
Carry-over of appropriations (-)	-952,222	-670,287	-827,786	-1,218,993
Cancellation of appropriations carried over (+)	52,767	62,137	59,332	58,261
Adjustment for carry-over of assigned revenue appropriations from previous year (+)	312,728	373,605	0	33,514
Exchange rate differences (+/-)	667	-1,122	-1,948	-1,123
Adjustment for negative balance from previous year (-)	0	0	0	0
<b>Total</b>	<b>1,323,605</b>	<b>22,510</b>	<b>195,379</b>	<b>127,001</b>

The budget outturn 2020 is EUR 127 001.

Detailed information on budget execution is presented in Part II.3.

## Annex III Organisational chart

CEDEFOP organisation chart (situation on 31 December 2020)



## Annex IV Establishment plan and additional information on Human Resources management

Key functions	Type of contract (official, TA or CA)	Function group, grade of recruitment	Indication whether the function is dedicated to administrative support or operations
Executive Director	TA external	AD14	Operations
Deputy Director	TA reassignment	AD12	Operations
Head of Administration	TA reassignment	AD11	Administrative
Head of Department	TA external	AD10	Operations
Administrator/Expert	TA external	AD 7	Operations
Administrator/Expert	TA external	AD 5	Operations/ Administrative
Support Expert	CA	FG IV	Operations
Senior Assistant	TA internal	AST 10	Operations
Assistant	TA external	AST 4	Operations
Administrative Assistant	TA external	AST 4	Administrative
Assistant	CA	FG III	Administrative
Assistant	CA	FG II	Operations/ Administrative
Head of Human Resources	TA external	AD 8	Administrative
Head of Finance and Procurement	TA inter-agency	AD 9	Neutral
Mail Clerk	CA	FG II	Administrative
Technical assistant	CA	FG II	Operations/ Administrative/ Neutral
Security officer	TA reassignment	AST 4	Administrative
Editing assistant	TA external	AST 2	Operations
Press officer	TA external	AD 5	Operations
Web manager	TA external	AST 4	Operations
Data Protection Officer	CA	FG III	Administrative
Accounting Officer	TA external	AD 7	Neutral

## Job screening/benchmarking against previous year results

Job Type (sub category)	2019 (%)	2020 (%)
<b>Administrative support and Coordination</b>	<b>19.40%</b>	<b>19.50%</b>
Administrative support	17.16%	<b>17.18%</b>
Coordination	2.24%	<b>2.32%</b>
<b>Operational</b>	<b>73.13%</b>	<b>73.53%</b>
Top level Operational Coordination	4.48%	<b>4.64%</b>
Programme management and implementation	68.66%	<b>68.89%</b>
Evaluation & impact assessment	0.00%	<b>0.00%</b>
General operational	0.00%	<b>0.00%</b>
<b>Neutral</b>	<b>7.46%</b>	<b>6.97%</b>
Finance/Control	7.46%	<b>6.97%</b>
Linguistics	0.00%	<b>0.00%</b>

## List of HR implementing rules adopted in 2020

CEDEFOP/DGE/342/2020 General implementing rules on procedures for dealing with professional incompetence
CEDEFOP/DGE/43/2020 Amendment of Decision C (2019)9051 of 16 December 2013 on leave

Gender representation - Data on 31/12/Year N-1 (2020) / statutory staff (only officials, AT and AC)

		Official		Temporary		Contract Agents		Grand Total	
		Staff	%	Staff	%	Staff	%	Staff	%
Female	Administrator level	2	28.6%	14	34.1%	1	8.3%	17	28.3%
	Assistant level (AST & AST/SC)	5	71.4%	27	65.9%	11	91.7%	43	71.7%
	<b>Total</b>	<b>7</b>	<b>100.0%</b>	<b>41</b>	<b>100.0%</b>	<b>12</b>	<b>100.0%</b>	<b>60</b>	<b>100.0%</b>
Male	Administrator level	1	33.3%	26	76.5%	2	25.0%	29	64.4%
	Assistant level (AST & AST/SC)	2	66.7%	8	23.5%	6	75.0%	16	35.6%
	<b>Total</b>	<b>3</b>	<b>100.0%</b>	<b>34</b>	<b>100.0%</b>	<b>8</b>	<b>100.0%</b>	<b>45</b>	<b>100.0%</b>
<b>Grand Total</b>		<b>10</b>		<b>75</b>		<b>20</b>		<b>105</b>	

Data regarding gender evolution over 5 years of Middle and Senior management

	N-5 (2016)		N-1 (2020)	
	Number	%	Number	%
<b>Female Managers</b>	2	29	2	33
<b>Male Managers</b>	5	71	4	67

**Geographical balance:** Explanatory figures to highlight nationalities of staff (split per Administrator/CA FG IV and Assistant /CA FG I, II, III)

a - Table on 31/12/year N-1 - statutory staff only (officials, AT and AC)

Nationality	AD + CA FG IV		AST/SC-AST + CA FGI/CA FGII/CA FGIII		TOTAL	
	Number	% of Total Staff members in AD and FG IV categories	Number	% of Total Staff members in AST SC/AST and FG I, II and III categories	Number	% of total staff
AT	1	2.2%	1	1.7%	2	1.9%
BE	3	6.5%	3	5.1%	6	5.7%
BG	1	2.2%	0	0.0%	1	1.0%
CZ	1	2.2%	1	1.7%	2	1.9%
DE	4	8.7%	4	6.8%	8	7.6%
DK	0	0.0%	2	3.4%	2	1.9%
EL	15	32.6%	33	55.9%	48	45.7%
ES	2	4.3%	1	1.7%	3	2.9%
FI	0	0.0%	1	1.7%	1	1.0%
FR	2	4.3%	7	11.9%	9	8.6%
IT	7	15.2%	2	3.4%	9	8.6%
LV	2	4.3%	0	0.0%	2	1.9%
NL	2	4.3%	0	0.0%	2	1.9%
NO	1	2.2%	0	0.0%	1	1.0%
PL	1	2.2%	0	0.0%	1	1.0%
RO	1	2.2%	2	3.4%	3	2.9%
SE	0	0.0%	1	1.7%	1	1.0%
SI	1	2.2%	0	0.0%	1	1.0%
SK	1	2.2%	0	0.0%	1	1.0%
UK	1	2.2%	1	1.7%	2	1.9%
<b>TOTAL</b>	<b>46</b>	<b>100.0%</b>	<b>59</b>	<b>100.0%</b>	<b>105</b>	<b>100.0%</b>

b - Evolution over 5 years of the most represented nationality in the Agency

Most represented nationality	N-5 (2016)		N-1 (2020)	
	Number	%	Number	%
EL	49	40.5	49	45.7

## Annex V Human and financial resources by activity

Actual consumption of the human and financial resources by the end of year split between activities.

# CEDEFOP

# ABB DECEMBER 2020

## Compact report

Activity Name	*FTE		Title 1	Title 2	Title 3	Total		
	Initial	Current				Initial	Current	(%)
Shaping VET	41.85	41.38	4,235,751.20	639,787.33	2,124,814.15	7,000,352.68	6,806,369.82	97.23%
Informing VET	24.80	23.67	2,528,680.08	379,150.72	1,474,926.33	4,382,757.13	4,574,931.11	104.38%
Valuing VET	29.40	29.30	2,976,075.05	449,480.84	1,364,283.26	4,789,839.15	4,717,473.91	98.49%
Communication and dissemination	15.33	15.63	1,552,825.56	234,480.98	317,629.99	2,104,936.53	2,112,591.93	100.36%
<b>ABB :</b>	<b>111.38</b>	<b>109.98</b>	<b>11,293,331.89</b>	<b>1,702,899.87</b>	<b>5,281,653.73</b>	<b>18,277,885.49</b>		
<b>Budget 2020 :</b>			<b>11,293,336.00</b>	<b>1,702,900.00</b>	<b>5,281,654.00</b>	<b>18,277,890.00</b>		

\*FTE: The FTE comprises of a) the direct staff allocation and b) the redistribution of staff in support or non-operational activities. The initial redistribution key is based on the planned costs while the "current" is based on the activities' actual costs (blocked).

## **Annex VI Environment management**

In the context of the inter-agency Performance and Development Network (PDN), a proposal emerged in October 2020 to promote a common approach to the programming and reporting requirements on Environment Management <sup>(79)</sup> in the form of a practical guide providing succinct practical advice and inspiration to Agencies on how to structure and present the programming and reporting information of their environmental performance. Cedefop's approach is in line with this initiative.

### **Context of the Agency and its environmental management strategy**

Sustainability reporting is the practice of measuring, disclosing and being accountable to internal and external stakeholders for organisational performance towards the goal of sustainable development. Sustainability reporting is both a management and an accountability tool. It involves reporting on how the organisation considers sustainability issues in its operations, and on its environmental, social and economic impacts <sup>(80)</sup>.

### **Overview of the Agency's environmental management system**

Since 2008, Cedefop is making a firm commitment to environment management practices. The Agency introduced a comprehensive and structured internal Environmental Management System (EMS) in 2014 <sup>(81)</sup>.

The EMS is a framework helping the organisation achieve its environmental targets through consistent control and assessment of its operations, aiming to provide:

- a better regulatory compliance: ensuring that the Agency's environmental legal responsibilities are met and better managed on a day-to-day basis;
- b more effective use of resources: managing resources and waste more effectively and at reduced costs;
- c improved public image: improving the Agency's credentials as an environmentally aware institution that has made a commitment to continual environmental improvement;
- d protection of the environment: moderating or eliminating major impacts, monitoring and controlling impacts that cannot be eliminated or mitigated.

As most EMS models <sup>(82)</sup>, Cedefop's EMS is built on the 'plan, do, check, act' (PDCA) model.

To measure progress towards the achievement of the Agency's green objectives Cedefop's EMS uses the following indicators:

- energy consumptions: electricity and heating oil consumptions;

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<sup>(79)</sup> New Framework Financial Regulation (2019) for EU agencies, EC's new templates and guidelines for the Single Programming Document (SPD) and the Consolidated Annual Activity Report (CAAR), EP discharge questionnaire.

<sup>(80)</sup> <https://www.un.org/sustainabledevelopment/> [accessed on 13.11.2019].

<sup>(81)</sup> RB(2014)00321 of 24 April 2014.

<sup>(82)</sup> Including ISO 14001 or the eco-management and audit scheme – EMAS.

- water consumption;
- paper consumption;
- waste;
- co2 emissions.

Integrated into Cedefop's performance measurement system, PMS indicator 26 (Environmental indicator) assesses the Agency's environmental performance using greenhouse gas emissions (ton CO<sub>2</sub>) <sup>(83)</sup> and overall waste emissions <sup>(84)</sup>.

In addition to its EMS, Cedefop also reports on social sustainability indicators. Gender equality indicators are reported in Annex V – D (Human resources – qualitative – Gender representation) of the Agency's Single Programming Document as well in the Consolidated Annual Activity Report.

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<sup>(83)</sup> Energy consumptions.

<sup>(84)</sup> Recyclable material and household.

## Annex VII Final Annual Accounts

<https://www.cedefop.europa.eu/en/about-cedefop/finance-and-budget/annual-accounts>