
EXECUTIVE DIRECTOR

CEDEFOP

CONSOLIDATED ANNUAL ACTIVITY REPORT (CAAR) 2023

June 2024

Executive summary	6
CEDEFOP IN BRIEF	6
PART I POLICY ACHIEVEMENTS OF THE YEAR	11
1.1 Strategic Area of Operation 1: Shaping VET and qualifications	11
1.2 Strategic Area of Operation 2: Valuing VET and skills	14
1.3 Strategic Area of Operation 3: Informing VET and skills policies	16
Communication, information and dissemination	19
PART II a) MANAGEMENT	21
II.1 Management Board	21
II.2 Major developments	23
II.3 Budgetary and Financial management	23
II.4 Delegation and sub-delegation of the powers of budget implementation to Agency's staff	29
II.5 Human Resources Management	30
II.6 Strategy for efficiency gains	32
II.7 Assessment of audit and ex-post evaluation results during the reporting year	35
II.7.1 Internal Audit Service (IAS)	35
II.7.2 Other sources of assurance	37
II.7.3 European Court of Auditors (ECA)	38
II.8a Follow up of recommendations and action plans for audits and evaluations	40
II.8b Follow up of recommendations issued following investigations by the European Anti- Fraud Office (OLAF)	41
II.9 Follow-up of observations from the Discharge Authority	41
II.10 Environment Management: Climate neutrality strategy and roadmap 2030	46
II.11 Assessment by Management	48
PART II b) EXTERNAL EVALUATIONS	51
PART III ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS	52
III.1 Effectiveness of the Internal Control systems	52
III.2 Conclusions of assessment of internal control systems	52
III.3 Statement of the manager in charge of risk management and internal control	54
PART IV MANAGEMENT ASSURANCE	55
IV.1 Review of the elements supporting assurance	55
IV.2 Reservations	56
PART V. DECLARATION OF ASSURANCE	57
Annexes	58
Annex I: Statistics on financial Management	59
Annex II: Organisational chart	60
Annex III: Establishment plan and additional information on Human Resources management	61
Annex IV: Human and financial resources by activity	64
Annex V: Environmental management	65
Annex VI: Draft/Final Annual Accounts	68

CEDEFOP'S MANAGEMENT BOARD ANALYSIS AND ASSESSMENT OF CEDEFOP'S
CONSOLIDATED ANNUAL ACTIVITY REPORT (CAAR) 2023

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 2023:

- takes note of Cedefop's report on the **implementation of the annual work programme 2023**, and in particular:
- takes note of and congratulates the Agency and its staff for the 2023 achievements and in particular its key contributions throughout the European Years of Skills, with its research and policy analysis of labour market and skills impact of megatrends, disruptions and transformation and what they mean for VET and learning. More specifically:
 - the flagship event 'Mind the Gaps' on 12 October, with the participation of European Commission Vice President Margaritis Schinas, MEP and Chair of the EMPL Committee Dragoş Pîslaru and EESC President Oliver Röpke which reached a 100% satisfaction rate;
 - the focus on next generation skills intelligence and green skills; the findings of the second European Skills and Jobs Survey; the 2023 skills forecasts; the big-data powered analysis of online job vacancies; and Cedefop's skills in transition flagship report;
 - the insights on 'green skills intelligence' to understand the implications of the green transition on jobs, skills and VET; and the expansion of the green observatory;
 - the focus on microcredentials for labour market, education and training;
 - the monitoring and analysis of about 400 measures that countries had taken towards the agreed common priorities in VET policies; the Key indicators on VET and European VET policy dashboard; and the comparative statistical snapshots of progress by the EU and Member States towards priorities and quantitative targets set for the 2020ies' European VET policy;
 - the continued work on the transparency and transferability of qualifications, the updating of the European inventory of NQFs and the corresponding NQF online tool;
 - the 2023 reports on setting European standards for monitoring and evaluation of lifelong guidance systems and services;
 - the 14 events organised to promote the European Year of Skills 2023, including the new format of virtual get togethers;

- congratulates and thanks Cedefop's staff and management for their resilience and agility and their achievements in 2023 beyond those planned in the work programme as regards performance, control, audit and assurance in relation to the 2023 budget;
- acknowledges the cooperation with the countries holding the **presidency** of the Council of the EU: the short descriptions, spotlights and video animations of the presidency countries' VET systems; the focus of the Brussels seminar with the Swedish Presidency on 'Greenovation' and with the Spanish Presidency on citizens' lifelong learning and mobility;
- acknowledges the effective cooperation and strategic alignment with DG Employment Agencies: the joint event 'Skills, Skills, Skills' organised by Cedefop, Eurofound, EU-OSHA, the ETF and ELA in the European Parliament; the implementation of Cedefop's second Skills and Jobs Survey in several ETF partner countries; the sharing of resources and services with in the fields of selections and ICT and the sharing of accountancy services with EIGE;
- congratulates the Agency on its overall **performance** as attested by its performance measurement system indicators:
 - the high-quality events which achieved a 96% satisfaction rate;
 - the increasing contributions of Cedefop to the shaping of EU policy documents from 124 in 2022 to 177 in 2023 and the 140 contributions to international organisations' papers; the 170 virtual and 102 physical contributions to meetings that inform policies;
 - the 100% budget implementation rate and 98% establishment plan occupation rate;
 - the increase of website traffic by 31% and social media followers, in particular the 40% increase in LinkedIn followers;
 - the Agency's successful efforts to reduce the Agency's environmental impact with 11% decrease in its electricity consumption;
- congratulates Cedefop on the fact that the **European Court of Auditors'** report on the annual accounts for the financial year 2022 is a fully clean bill of health thus confirming the reliability of the Agency's accounts as well as the regularity and legality of the underlying transactions in all material aspects;
- acknowledges the positive report on **discharge** in respect of the implementation of the budget for the financial year 2022 which praises Cedefop's high quality work on aspects such as budget and financial management, performance, efficiency and gains, staff policy, prevention and management of conflicts of interest and transparency, internal control;
- 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 that Cedefop's management:
 - kept the Executive and Management Boards fully informed and actively involved in shaping the Single Programming Document 2024-26 and the first draft Single Programming Document 2025-27;
 - kept the Executive and Management Boards informed on the implementation of the work programme at every Executive and Management Board meetings;
 - kept the Executive and Management Boards fully informed of audit, control and evaluation activities as well as on progress in implementing the agreed action plans at every meeting;

- congratulates the Agency for the quality and timeliness of its reports on the implementation of the annual work programme and of its programming and reporting documents;
- supports the reinforced cooperation with ENISA through **joint procurement procedures**, sharing a Data Protection Officer and confidential counsellors; acknowledge the importance of achieving further efficiency gains through **sharing Cedefop's Accountancy service** which became effective in November;
- welcomes the adoption of a climate neutrality strategy in 2023 and the efforts to become EMAS certified by 2025;
- welcomes the systematic digitalisation of work processes;
- takes note of the declaration of assurance of the Executive Director and the information on the Internal Control system's assessment underpinning the declaration; welcomes that suitable controls are in place and work as intended, that no significant weakness has been identified, that risks are being appropriately assessed, monitored and mitigated, and that necessary improvements are implemented when required;
- confirms that the Management Board's analysis of the Consolidated Annual Activity Report 2023 is positive and, in its opinion, provides the necessary assurance for the positive assessment of the results achieved by Cedefop in 2023.

Mario Patuzzi
Chairperson of the Management Board

EXECUTIVE SUMMARY

CEDEFOP IN BRIEF

Cedefop is one of the oldest 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 ⁽¹⁾.

In line with its vision and values, Cedefop's strategic areas of operation are:

- 1) shaping VET and qualifications: improve transparency, relevance, quality of VET and qualifications by facilitating close interaction between IVET, CVET and general and higher education institutional structures;
- 2) valuing VET and skills: respond to changing needs by promoting quality and inclusive lifelong learning policy, and relevant governance and institutional structures;
- 3) informing VET and skills policies: produce evidence on skill trends and wide-ranging changes in the world of work to inform VET and skills development policies.

The multiannual objectives reflect the Agency's core functions:

- produce innovative and forward-looking research and policy analyses to inspire policy-making and support well-designed policy implementation;
- develop and maintain the knowledge base and the unique blend of expertise at the interface of VET and the labour market to sustain its role as the authoritative source on VET in Europe;
- share skills, VET and policy intelligence, data, information, tools and perspectives and promote policy learning to foster partnerships in European VET and interactivity with our stakeholders;
- focus corporate communication on increasing stakeholder engagement and outreach via social media, a more inter active web portal and online tools, data visualisations, e-publications, audio visuals, webinars and other virtual/hybrid events.

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 with agility.

⁽¹⁾ 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>

IMPLEMENTATION OF THE ANNUAL WORK PROGRAMME - THE YEAR IN BRIEF

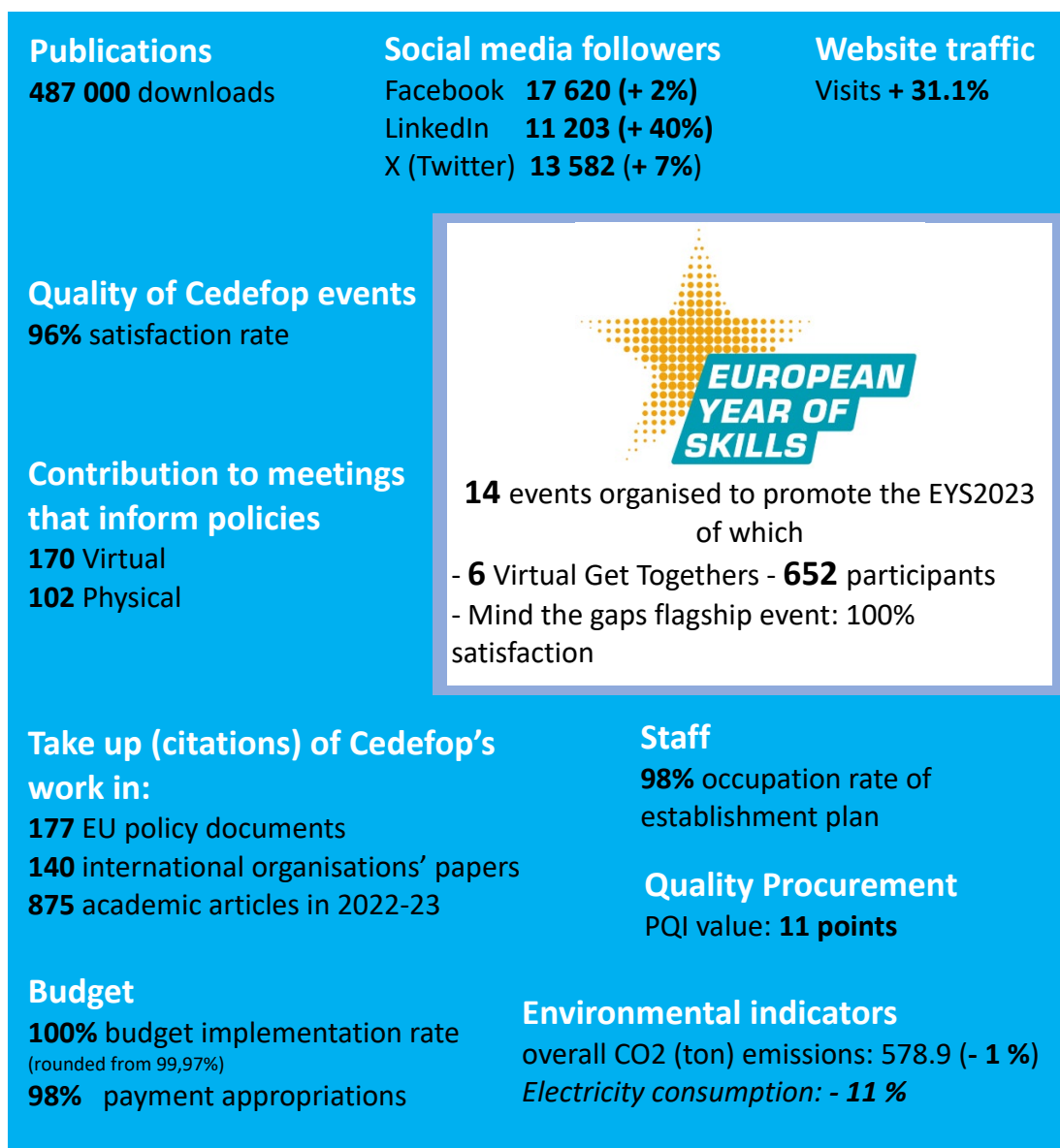
The green and digital ‘twin’ transitions, combined with the upheavals of geopolitics, are affecting and disrupting our economies and societies. At the same time, they offer opportunities for a new, competitive and sustainable economic growth model. To embrace these changes, we need skills: this is why most of 2023 was designated the European Year of Skills.

Cedefop is the European Union agency undertaking research and policy analyses to boost our understanding of labour markets’ rapidly changing skill needs, and of how vocational education and training (VET) is adapting to address them. In 2023, with our evidence and intelligence on VET, skills and qualifications, we spelled out what Europe needs to make and shape the skills revolution.

To handle skills shortages and mismatch, we need to invest in people and upgrade jobs. VET provides the blueprint: for training the young; for re- and upskilling the adult workforce; for reaching out to those neither in training nor employment; and for making work itself more conducive to learning. Governments and social partners rely on Cedefop. Our 2023 flagship event in October, *Mind the gaps*, gathered them, along with other European, national, sectoral and regional stakeholders, in Brussels to discuss Europe’s skills challenges.

To provide direction as the skills revolution unfolds, it is important to know what works. Since Member States agreed on common priorities in VET in 2020, Cedefop has been monitoring their progress towards them, analysing about 400 measures in 2023 alone. Its *Timeline of VET policies in Europe* showcases national VET strategies, regulations, action plans, and practical measures, enabling cooperation between VET policymakers, analysts and practitioners across Europe.

Cedefop also accelerated its own ‘twin transitions’. It continued to invest in its digital infrastructure and communication capacities and started to implement its decarbonisation strategy, aiming to become a climate neutral organisation by 2030.

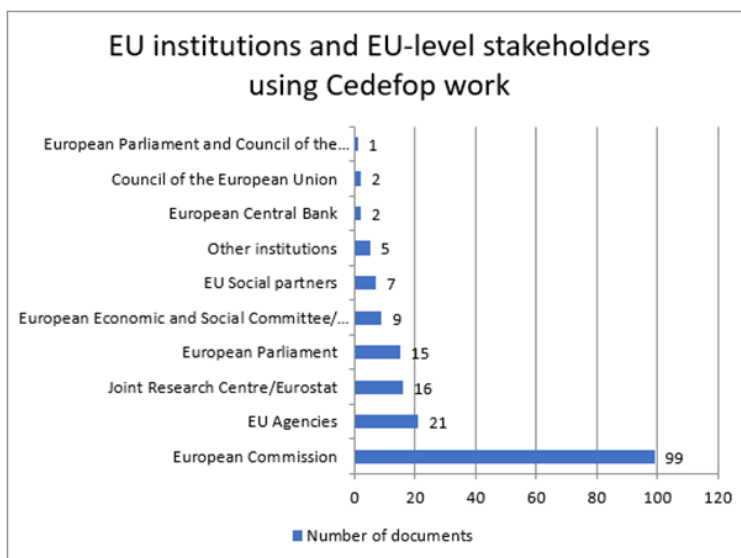
WHAT THE NUMBERS SHOW


Cedefop performance indicators demonstrate the quality, relevance and impact of the Agency's work in contributing to the development and implementation of policies on VET, skills and qualifications.

The high number of EU level policy documents and reports citing or referring to Cedefop's research and analysis confirm trust in the soundness of its expertise. As in previous years, the European Commission used Cedefop's findings extensively, accounting for more than half of the 177 EU policy documents citing its work, followed by other EU agencies, the European Parliament and EU social partners. Examples of the Commission proposals that were informed by Cedefop's research include the *Skills and Talent Mobility package* with proposals such as [Europe on the Move](#) and an [EU talent pool regulation](#) and the [Proposal for a Council Recommendation on digital skills in education](#). The scope of policy areas that took up Cedefop findings extended beyond the Directorate-General for Employment, the Agency's partner DG and informed a Commission Staff working document for [Europe's Net Zero Industry Act](#) and the [Quarterly Report on the Euro Area](#). The European Central Bank's working paper on [Digitalisation and the economy](#) cited Cedefop's work, showing the

expansion on its work to other important EU institutions beyond its usual stakeholders. The European Parliament used Cedefop’s work in drafting their resolutions on [Employment and social priorities for 2023](#) and on [fostering and adapting VET in the new industry 4.0](#).

Continuous recognition of Cedefop’s expertise is also demonstrated by requests to build on its work like the [Council conclusion on skills and competences for the green transition](#) that invites the Commission to further develop the evidence base for skills and competences for the green transition by working with Cedefop.



International organisations such as OECD, ILO, World Bank, and UNESCO continued to draw upon Cedefop’s expertise to inform their work. In 2023 they used Cedefop’s findings in 140 documents and reports related to skills development, employment and labour market policies, economic and social policy assessments, technology and innovation, green economy and sustainability.

Cedefop was also asked to take on active role to help shape and steer Commission and other high-level meetings that support policy development and implementation. In 2023, Cedefop provided 170 contributions to meetings in a virtual format and 102 to meetings that were held in-person. Besides the continued input to ACVT and DGVT meetings, the EQF advisory group and the Commission working groups on VET and adult learning, outstanding examples in 2023 include the Social Partner Hearing on Learning Mobility and the Exchange of views on labour and skills shortages in the EU organised by Business Europe.

To raise awareness on VET, skills and qualifications and disseminate its research and analysis to a wider community of policy makers, researchers, VET practitioners and other VET stakeholders, Cedefop introduced a new type of short online event. Six such ‘virtual get togethers’ took place throughout 2023.

In 2023, Cedefop increased its website traffic by one third compared to 2022. A main reason for the substantial increase is Cedefop’s key contribution in promoting the European Years of Skills 2023. It organised 14 events attracting 2 675 participants, an increase of more than 20% compared to 2022. Part of Cedefop’s increase in website traffic is also linked to the launch of new and revamping of interactive tools and databases such as the [Timeline on VET policy developments in Europe](#), the [Terminology of European education and training policy](#), the [Matching Skills database](#) and the new thematic dashboards for [Skills Intelligence](#).

Intensive efforts to engage stakeholders through social media campaigns increased the number of Cedefop's followers, especially in LinkedIn, by about 40% compared to the previous year.

KEY CONCLUSIONS ON FINANCIAL MANAGEMENT AND INTERNAL CONTROL

External parties monitor and audit Cedefop systematically and rigorously. No irregularities were found.

Cedefop reacted to the challenges of the year with agility and effectiveness and managed to achieve 100% execution of commitment appropriation and 98% execution of payment appropriations.

In the **European Court of Auditors'** opinion, Cedefop's annual accounts for the financial year 2022 ⁽²⁾ are legal and regular in all material respects. On the annual accounts for the financial year 2023, ECA conducted an onsite audit in October 2023 and the desk review remotely in January 2024. The ECA final report is expected by autumn 2024.

The reports on **discharge** in respect of the implementation of the budget of Cedefop for the financial years 2021 ⁽³⁾ and 2022 ⁽⁴⁾, adopted by the European Parliament respectively on 10 May 2023 and 11 April 2024, praise Cedefop's high quality work on several aspects.

Following the assessment of the **Internal Control system**, no significant weakness was identified.

Management has reasonable assurance that suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements implemented.

⁽²⁾ <https://www.eca.europa.eu/en/publications/SAR-AGENCIES-2022>




⁽³⁾ https://www.europarl.europa.eu/doceo/document/TA-9-2023-0148_EN.pdf

⁽⁴⁾ https://www.europarl.europa.eu/doceo/document/TA-9-2024-0238_EN.pdf

PART I POLICY ACHIEVEMENTS OF THE YEAR

1.1 Strategic Area of Operation 1: Shaping VET and qualifications

PERFORMANCE

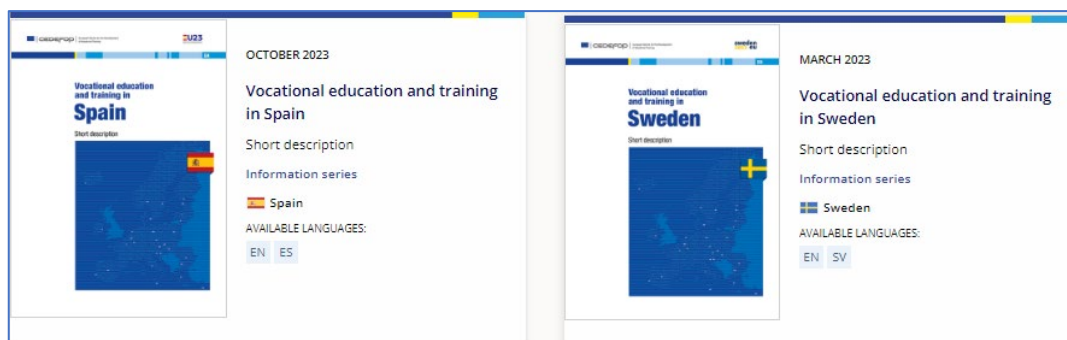
<p>79 CONTRIBUTIONS TO MEETINGS THAT INFORM POLICIES AND THEIR IMPLEMENTATION</p>		<p>Examples:</p> <ul style="list-style-type: none"> • A strong voice for young industrial workers in Europe • International Micro-credentials Summit • Charting lifelong learning journeys: Unleashing opportunities through qualifications and skills recognition
<p>60 WRITTEN CONTRIBUTIONS TO EU POLICY DOCUMENTS</p>		<p>Examples:</p> <ul style="list-style-type: none"> • Commission Staff Working Document: Accompanying the document: Proposal for a Council Recommendation 'Europe on the move' – learning mobility opportunities for everyone • Joint documents with the Commission for the EQF advisory group, including notes on EQF evaluation, international qualifications and learning outcomes • Discussion paper to the Advisory Committee on Vocational Training on implementing the Council Recommendation on VET and the Osnabrück Declaration
<p>55 407 DOWNLOADS OF CEDEFOP PUBLICATIONS (published since 2020)</p>		<p>Top 3 publications downloaded (published since 2020):</p> <ul style="list-style-type: none"> • Vocational education and training in Germany (3 701) • Microcredentials for labour market education and training (3 321) • Briefing note - Are microcredentials becoming a big deal? (3 211)
<p>7 meetings organised in 2023 with a total of 750 participants</p>		

MONITORING, ANALYSING AND HELPING SHAPE COUNTRIES' VET POLICIES

Cedefop supports the development of VET qualifications, policies and systems that are responsive to the changing skill needs of people, economies and societies. Labour market-oriented training provision combined with effective support policies - such as lifelong guidance, validation of non-formal and informal learning and financing VET - allow people to progress in their learning and working careers throughout their lives.

In 2020, European countries agreed to work together on common priorities in their VET policies that would equip young people and adults with skills to overcome the pandemic and to manage the transition to a greener and digital economy based on social fairness and resilience. These priorities are depicted in the [Council Recommendation on VET](#) and the [Osnabrück Declaration](#). [Countries have been implementing them](#) during 2022 and 2023.

In 2023, Cedefop monitored and analysed about 400 [measures that countries have taken towards these common goals](#). They have moved forward on making VET more agile, resilient, and attractive. Areas for further action include: embracing the green transition more prominently in VET programmes and curricula; ensuring access to digital learning for people at risk of digital exclusion; implementing integrated approaches reaching out to those who need reskilling and upskilling; and further strengthening the involvement of social partners in VET.



Cedefop, together with [ReferNet](#), its European network of expertise in VET, provided input to the 2023 Education and Training Monitor and published [short descriptions](#), [spotlights](#) and [video animations](#) of Presidency country (Sweden, Spain) VET systems. Online [national news on VET](#) from the EU Member States, Iceland and Norway included initiatives to promote the European Year of Skills.

In 2023, Cedefop concluded its [research on entrepreneurship competence in VET](#) and disseminated its findings. Entrepreneurship competence is a set of crucial skills empowering people to manage change, including technological, climate, demographic, and safety challenges.

National Qualification frameworks (NQFs) make understanding of qualifications easier within and between countries and help people progress in education, training and learning throughout their lives. In 2023, Cedefop continued its [work on the transparency and transferability of qualifications](#), including [microcredentials](#), updating its [European inventory of NQFs](#) and the [NQF online tool](#). It also worked on its [Brussels seminar](#) with the Spanish Presidency on citizens' lifelong learning and mobility. Recognising the value of what people know and can do, whether acquired in formal or non-formal settings, is a fundamental step in ensuring mobility and labour market integration of learners and employees moving across Europe. Cedefop hosted for the first time the meeting of the [Interagency Group on Technical and Vocational Education and Training \(IAG-TVET\)](#) which discussed developments in VET, the impact of artificial intelligence on skills, and crisis response strategies.



FOCUS ON MICROCREDENTIALS

Sweeping changes in economies and jobs require education and training systems to provide more flexible learning pathways and valid credentials. Microcredentials can offer both.

They are agile and can respond quickly to emerging labour market needs. If well designed, issued by acknowledged providers and quality-assured, they can offer a recognised market value users can trust.

Microcredentials certify the outcomes of short learning experiences. They can:

- be useful in continuing vocational education and training (CVET), either stand-alone or as building blocks of longer learning experiences or courses;
- support national, regional and sectoral upskilling and reskilling strategies, foster business innovation and help shape industrial ecosystems such as innovation clusters;
- offer learners targeted training for better employment prospects;
- help employers improve productivity and employee retention.

They can play a role in the modularisation of qualifications, the validation of prior learning, and in enabling the inclusion of the most vulnerable by providing low-threshold labour market access.

Through its [research work](#) on their take-up, characteristics and functions, Cedefop has helped foster EU and national [stakeholder understanding of microcredentials' labour market value and their benefits for end users](#).




- How do microcredentials relate to and interact with existing qualifications?
- Are they thoroughly assessed and quality-assured, recognised or certified?
- Are they integrated into national qualification frameworks?
- Are they treated as stackable building blocks of full, recognised credentials or qualifications?

All these features determine the value learners and employers will ultimately ascribe to them and the way in which they will be integrated into national VET systems.

In 2022-23, Cedefop mapped [microcredentials in two sectors, manufacturing and retail](#), and looked at their emerging role in supporting labour-market-relevant education and training.

1.2 Strategic Area of Operation 2: Valuing VET and skills

Performance

<p>77 CONTRIBUTIONS TO MEETINGS THAT INFORM POLICIES AND THEIR IMPLEMENTATION</p>		<p>Examples:</p> <ul style="list-style-type: none"> • The high-level conference on apprenticeships to celebrate the 10th anniversary of the European Alliance for Apprenticeships • EC Social Partner Hearing on Learning Mobility, to present the challenges of mobility of apprentices. • EESC Conference on Skills, to present the challenges and needs for skills development in the EU with a special emphasis on the jobs and skills link to the green transformation, VET's role in accelerating the green transition, the types of CVET which work best to up-reskilling adults for jobs in smart/green cities and the suitability of apprenticeships as a good way for young learners and adults to acquire skills.
<p>9 (EU) 8 (INT ORGANISATIONS) WRITTEN CONTRIBUTIONS TO EU POLICY DOCUMENTS</p>		<p>Examples:</p> <ul style="list-style-type: none"> • Commission staff working document accompanying the Proposal for a Council Recommendation on the key enabling factors for successful digital education and training • Commission's Proposal for a Council Recommendation on improving the provision of digital skills in education and training • Commission Staff Working Document: Evaluation of the Council Recommendation on a Quality Framework for Traineeships
<p>33 228 DOWNLOADS OF CEDEFOP PUBLICATIONS (published since 2020)</p>		<p>Top 3 publications downloaded (published since 2020):</p> <ul style="list-style-type: none"> • Empowering adults through upskilling and reskilling pathways (volume 1 and 2) (3 340) • European guidelines for validating non-formal and informal learning CEDEFOP (europa.eu) (3 813) • The next steps for apprenticeship (1 745)
<p>4 meetings organised in 2023 with a total of 292 participants</p>		

European VET policy benchmark targets: Cedefop's data insights

Sound statistical information is essential to EU VET policymaking and to monitoring the EU's and Member States' progress towards agreed benchmarks. To support both, Cedefop

developed a framework of core indicators to observe developments and trends under its [Key indicators on vocational education and training \(VET\)](#) and its [European VET policy dashboard](#).

The latest available data reveal that:

- the EU has some way to go to meet its 2025 target of 47% of adults participating in lifelong learning, set in the [2021 Council Resolution on the European Education Area](#). The [2021 European Pillar of Social Rights Action Plan](#) increased this to 60%, by 2030. However, according to the 2016 Adult Education survey, which asked adults if they had participated in training in the previous 12 months ⁽⁵⁾, current baseline estimates are that adult participation in lifelong learning in the EU is 37.4%;
- the [2020 European skills agenda](#) strives for 30% of low-qualified adults to participate in lifelong learning by 2025. The current rate is 17.9%;
- adults need better digital skills. In 2021, an estimated 53.9% adults had at least basic digital skills. The target is 70% by 2025 and 80% by 2030.

Supporting the upskilling of low-skilled adults



In 2023, Cedefop published the findings from its first two country reviews for the [Recommendation on upskilling pathways](#). Limited resources, ad-hoc funding and territorial disparities often lead to gaps in service cooperation; small companies have limited capacity to provide tailored training, with the investment required outweighing the perceived benefits. The reviews on [France](#) and [Italy](#) offer insights and examples showing that there is consensus on the need for holistic approaches addressing the multiple barriers low-skilled people face and offering them personalised pathways.

Improving lifelong guidance




Developing adults' skills refers not only to training but also to information, career choices and guidance to give individuals agency in pursuing their learning and working pathways. But improving lifelong guidance systems is difficult without comparable information on costs, outputs, outcomes, and impacts.

Common standards and monitoring systems for lifelong guidance are needed to foster a better understanding of associated costs as well as guidance outcomes and impacts. Cedefop's 2023 reports on [setting European standards for monitoring and evaluation of lifelong guidance systems and services](#), proposing [potential indicators](#) provide a starting point for policy discussions on consistency and coordination in data collection.

⁽⁵⁾ excluding guided on-the-job training

1.3 Strategic Area of Operation 3: Informing VET and skills policies

PERFORMANCE

<p>102 CONTRIBUTIONS TO MEETINGS THAT INFORM POLICIES AND THEIR IMPLEMENTATION</p>		<p>Examples:</p> <ul style="list-style-type: none"> • The fourth EU Clean Air Forum, to present Cedefop’s work on green skills and jobs. • Green Skills for a Sustainable Future, an Eurochambers event, to participate in a policy panel discussion, sharing Cedefop’s skills intelligence on the green transition. • The skills transition – Pathways to a socially fair and competitive Europe, to participate in a high-level seminar organised by the Swedish Trade Unions in cooperation with the Swedish EU Presidency and the Confederation of Swedish Enterprise on the topic of upskilling and reskilling in Europe.
<p>3 (EU) 2 (INT ORGANISATIONS) WRITTEN CONTRIBUTIONS TO EU POLICY DOCUMENTS</p>		<p>Examples:</p> <ul style="list-style-type: none"> • Employment and Social Developments in Europe 2023: Addressing labour shortages and skills gaps in the EU: annual review • Mutual Learning Programme workshop on ‘Funding models for ILA design and implementation’ • Vocational education and training and the green transition Compendium of Inspiring Practices, for the Working Group on Vocational Education Training and the Green Transition
<p>25 013 DOWNLOADS OF CEDEFOP PUBLICATIONS (published since 2020)</p>		<p>Top 3 publications downloaded (published since 2020):</p> <ul style="list-style-type: none"> • Setting Europe on course for a human digital transition (2 276) • Skills in transition: the way to 2035 (2 152) • The green employment and skills transformation (3 054)
<p>11 meetings organised in 2023 with a total of 1258 participants</p>		

CEDEFOP’S SKILLS INTELLIGENCE

Cedefop work on skills intelligence helped policy makers and other skills system stakeholders understand labour market trends and skills bottlenecks. As part of the European Year of Skills, Cedefop put its [next generation skills intelligence](#) in the spotlight

and continued to argue for [strengthening skills matching](#) across Europe. It disseminated the findings of its [second European Skills and Jobs Survey](#), which were used in the Commission's first [State of the digital decade](#) report and a [European Parliament resolution on VET for industry 4.0](#). And it fielded its first [European training and learning survey](#) to map all forms of learning and to generate new insights into how to shape and stimulate up- and reskilling.

[Cedefop's skills forecast](#), released in 2023, emphasises the need for up- and reskilling. The forecast found that, up to 2035, 57 out of every 100 job openings will be for people with high-level qualifications, 41 for people with medium-level and only two for people with low-level qualifications. These long-term trends partly account for shortages and recruitment difficulties in today's labour market. In 2023, Cedefop's evidence emphasised that such [imbalances and other skills challenges are not only a matter of lacking supply](#): its contribution to the [2023 ESDE report](#) showed that demand factors, such as poor working conditions, also play a role. In a [joint report](#) and [virtual get-together](#) with Eurofound, Cedefop argued that supply-side skills policy and demand-side policy that supports skills utilisation in workplaces, are complementary.

The green and digital transitions can be seen as interrelated skills transitions affecting the whole workforce. In 2023, Cedefop used its [big-data powered analyses of job ads](#) to advocate [accelerating digital strategy and policy implementation](#) by up- and reskilling the workforce, investing in the skills of teachers and trainers and modernising education and training systems. Cedefop's [Skills in transition flagship report](#) showed that digital skills needs are growing fastest in low-skilled jobs, reinforcing the message that a successful digital transition requires targeted digital skills training for people who have been excluded from the digital revolution and whose jobs may be at risk because of it. The impact of technological innovation is also evident from [Cedefop's care sector analysis](#), which showed that massive upskilling is required to give carers the right skills to work with assistive and remote care, and other emerging technologies to help older people.



In 2023, Cedefop contributed to [EU greening initiatives](#). It worked with the Swedish EU presidency on the [links between green innovation and skills anticipation](#), and expanded its [green observatory](#).

Cedefop's unique perspective on analysing green trends has helped it become a recognised hub of reliable information on jobs and skills for the green transition [in Europe](#) and [beyond](#).

FOCUS ON GREEN SKILLS AND VET

Difficulties in identifying 'green' occupations show that the green transition is not limited to sectors such as energy or occupations such as environmental engineers, but permeates all sectors and occupations. Europe's net-zero climate targets are influencing the regulatory framework in which the manufacturing, administrative and finance sectors operate and so changing how products and technologies are designed and made.

This extends the types of skills needed to deliver the green transition from ‘green skills’, originally perceived mostly as technical and job-specific, to skills fostering a ‘green mindset’. Green occupations are not only those powering ‘green’ technological change and infrastructure, but also those that support the shift towards new, more circular sustainable EU economies and societies. The need for this shift emphasises the important role of VET, not only in delivering the skills to produce and use technologies, but in developing sustainable attitudes and innovation.

Financial analysts can help companies evaluate opportunities and support investment in green solutions. But not all financial analysts need skills directly relevant to the green transition.

Cedefop extracted information from [online job advertisements](#) for financial analysts, assessing ‘greenness’ by the job’s skills and tasks, not only its title. Its study shows differences across countries. In the Netherlands, for example, more than 18% of job adverts for financial analysts mentioned ‘green’ tasks and skills, compared to 4% in Germany.



Cedefop complemented its long-term message [of the green transition being an engine of job growth at all skills levels](#) with analyses of latest trends. It also showed increasing skill bottlenecks in the energy sector and high-tech services, while job opportunities for high-skilled Greentech professionals - scientists, R&D researchers, specialised engineers, and other [thyroid occupations](#) - are booming.

Cedefop released two skills foresight findings that translate sectoral green trends into skills needs and VET opportunities to meet those needs. Turning [linear thinking into green growth mindsets](#) for the circular economy requires much more than technical skills for product and process design. Transversal skills such as systems thinking, multidisciplinary teamwork, and data analysis are key to the circular economy. These include skills that help the [agri-food sector grow greener](#) and alleviate shortages, such as skills for using sensors and understanding the data they provide, entrepreneurship skills and empathy skills required to manage people.

Communication, information and dissemination

KEY COMMUNICATION STRATEGIC ACHIEVEMENTS: PROVIDING VALUE-DRIVEN AND USER-CENTERED INFORMATION AND COMMUNICATIONS ON VET, SKILLS AND QUALIFICATIONS

In 2023, the campaign for the European Year of Skills (EYS) drove a large part of the Agency’s communication efforts, implementing a rich and tailored plan featuring [events](#), [publications](#), an [EYS23 rich-landing page](#) and dedicated social media activities.

To raise awareness on skills, the Agency used various communication channels and tools, and implemented monthly social media campaigns, leveraging a variety of communications products such as [videos](#), [podcasts](#), and the [#CedefopVideoAward 2023](#) competition.

Events played a crucial role in 2023 to secure Cedefop’s visibility and engagement with stakeholders and the VET and labour market community. Among others, the Agency organised two Cedefop Brussels Seminars with the Presidencies of the Council of the EU (on “greenovation” and skills anticipation and mobility) as well as a flagship conference in Brussels on 12 October as a major contribution to the European Year of Skills ([Mind the gaps – Skills and learning in a changing world of work](#)).



Cedefop cooperated closely with DG EMPL and its sister agencies to coordinate and support mutual EYS actions, for example with the joint event [Skills, skills, skills!](#) organised at the European Parliament on 20 September. With an audience of over 120 participants on-site and more

than 200 online viewers, the event offered the opportunity to discuss the latest insights and views of high-level speakers such as European Commission Vice President Margaritis Schinas, MEP and Chair of the EMPL Committee Dragoş Pîslaru, EESC President Oliver Röpke, Members of the European Parliament as well as directors and experts from the agencies and the Commission.

The Agency also received visitors from the EU, Asian and African countries and welcomed a delegation of Members of the European Parliament EMPL Committee on 30 and 31 October.


Cedefop strengthened both its corporate online presence and user-driven communications by further enriching its [web portal](#) with new informative tools ([Timeline on VET policies in Europe](#), [Terminology of European education and training policy](#)), data visualisations and online databases on skills ([Matching skills](#), [Skills intelligence](#)). Existing tools were updated and upgraded to ensure the best service and user experience and respond to user expectations.

With its tailored publications, like *Cedefop Info*, addressed to the Members of the European Parliament, and its [briefing notes](#), published in several languages and catering for a wide

audience, Cedefop continued to provide its stakeholders with short, yet comprehensive information about its latest findings and analyses of developments in VET, skills and qualifications across Europe.

Cedefop continued exploring new outreach channels and topics, publishing 11 new episodes of its *Skillset and Match* podcast, with content also complementing the EYS campaign. The 2023 playlist <https://podcasters.spotify.com/pod/show/cedefop> covers a wide range of topics and interviews including:

- gender equality in the energy sector;
- tackling the skills gaps;
- how the European Parliament can promote the skills revolution;
- how microcredentials empower you to work.



Episode 21: Tackling the skill gaps

How can skills intelligence be turned into policy to tackle skill gaps in view of the green and digital transitions? Cécile Hanoune, Head of Unit Climate Action...

[See more](#)

Oct 30, 2023

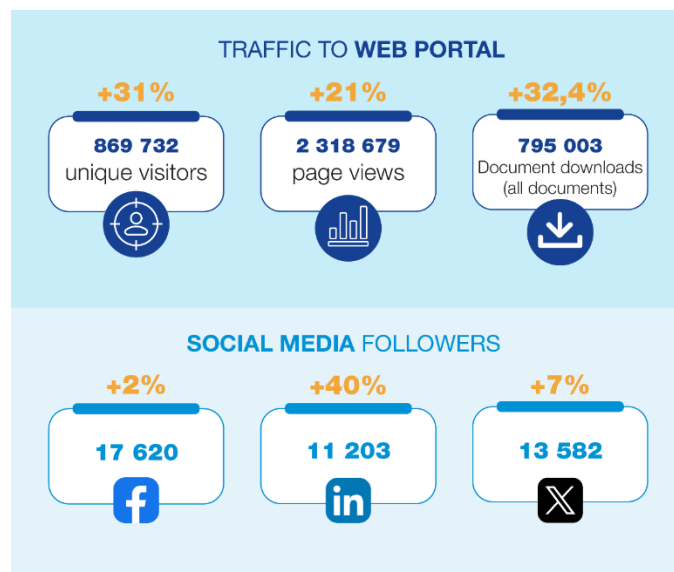
10:51

New videos and multimedia content were released, including the VET learner stories series and interviews with Members of the European Parliament discussing the European Year of Skills and Cedefop's role.

To close the end of the year and continue the engagement with the VET community and the wider public, Cedefop published the [advent calendar on skills](#).



In numbers: Cedefop's external communication



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 on risks and internal control issues. Updates on internal control activities, ECA, IAS, discharge and other sources of assurance are a standing agenda item at all meetings.

The Executive Board meetings on 1 March 2023 and 1 December 2023 were held virtually. The Extended Executive Board meeting on 3 and 4 July 2023 as well as the Executive Board meeting on 4 October 2023 and the Management Board on 5 and 6 October 2023 were held at Cedefop premises in Thessaloniki.

Key decisions adopted by the Management Board in 2023:

- Draft Single Programming Document 2024-26 (endorsement by written procedure 2023-01)
- Annual Report 2022 (written procedure 2023-02)
- Transformation of two AST to AD posts and one additional seconded national expert in operations (written procedure 2023-03)
- Consolidated Annual Activity Report (CAAR) 2022 (written procedure 2023-04)
- Opinion of the Management Board on Cedefop's final annual accounts 2022 (written procedure 2023-05)
- Extension of the term of office of the Executive Director for 5 years (Management Board meeting on 5 October 2023)
- Updated ReferNet Charter (Management Board meeting on 6 October 2023)
- Sharing of accountancy services with EIGE (Management Board meeting on 6 October 2023)
- Minutes of the Management Board meeting 2023 (written procedure 2023-06)
- Amending budget (written procedure 2023-07)
- Single Programming Document 2024-26 and Cedefop's budget 2024 (adoption by written procedure 2023-08)
- Budget transfers 2023 exceeding 10% of the initial appropriations adopted in the budget line (written procedure 2023-09)

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

a) Executive Board meeting on 1 March 2023

- Draft annual report 2022 (new format-item 2a)
- Reporting from the Executive Board to the Management Board (item 2b)
- Outcomes of the staff engagement survey 2022 (item 2c)
- Implementation of the work programme 2023 (item 3)
- Reporting on Internal Control Coordination activities (item 4b)
- Discharge 2021 (item 4c)

b) Extended Executive Board meeting on 3-4 July 2023

- Implementation of the work programme and budget 2023 (item 2)
- Climate neutrality study-outcomes and scenarios (item 3)

- Cedefop's financing strategy (item 4)
 - Annual Report brochure-proposals for the way forward (item 5)
 - Appeals Committee-chairpersonship for the next mandate (item 6)
 - Procedure for the possible extension of the term of office of the Executive Director (item 7)
 - Reporting on ICC activities (item 9b)
 - Transfers of commitment and payment appropriations in 2023 (item 9d)
- c) Executive Board meeting on 4 October 2023 preceding the Management Board meeting at Cedefop
- Preparation of the Management Board meeting on 5 and 6 October 2023
- d) Management Board meeting on 5 and 6 October 2023
- Implementation of the work programme and budget 2023 (item 3)
 - Extension of the term of office of the Executive Director (item 4)
 - Climate neutrality strategy and roadmap (item 5)
 - Revised single programming document 2024-26, including the Opinion of the European Commission (item 6a)
 - Budgetary challenges and future financing avenues (item 6b)
 - Elections of the Chairperson and Deputy Chairpersons of the Management Board and composition of the (Extended) Executive Board (item 7)
 - Annual Report-proposals for the way forward (item 8)
 - Sharing accountancy services with EIGE (item 9)
 - Reporting from the Executive Board to the Management Board (item 10)
 - Reporting on ICC activities (item 11b)
 - HR related issues including staff engagement survey follow up (item 11c)
 - 2022 annual report of the Chair of Cedefop's Appeals Committee (item 11d)
 - Reporting officers for the annual appraisal of the Executive Director (item 11f)
 - Transfers of commitment and payment appropriations in 2023 (item 11g)
 - Updated ReferNet Charter (item 12d)
- e) Executive Board meeting on 4 December 2023
- Implementation of work programme and budget 2023 (item 3)
 - Final draft Single Programming Document 2024-26 (item 4a)
 - Climate neutrality study (item 4b)
 - First draft Single Programming Document 2025-27 (item 5)
 - Reporting on ICC activities (item 6b)
 - Transfers of commitment and payment appropriations in 2023 (item 6c)

II.2 Major developments

The green and digital ‘twin’ transitions, combined with the upheavals of geopolitics, are affecting and disrupting our economies and societies. At the same time, they offer opportunities for a new, competitive and sustainable economic growth model. To embrace these changes, we need skills: this is why most of 2023 (including the first months of 2024) was designated the European Year of Skills.

Cedefop is the European Union agency undertaking research and policy analyses to boost our understanding of labour markets’ rapidly changing skill needs, and of how vocational education and training (VET) is adapting to address them. In 2023, with its evidence and intelligence on VET, skills and qualifications, Cedefop spelled out what Europe needs to make and shape the skills revolution.

To handle skills shortages and mismatch, we need to invest in people and upgrade jobs. VET provides the blueprint: for training the young; for re- and upskilling the adult workforce; for reaching out to those neither in training nor employment; and for making work itself more conducive to learning. Governments and social partners rely on Cedefop. Cedefop’s 2023 flagship event in October, *Mind the gaps*, gathered them, along with other European, national, sectoral and regional stakeholders, in Brussels to discuss Europe’s skills challenges.

To provide direction as the skills revolution unfolds, it is important to know what works. Since Member States agreed on common priorities in VET in 2020, Cedefop has been monitoring their progress towards them, analysing about 400 measures in 2023 alone. Its *Timeline of VET policies in Europe* showcases national VET strategies, regulations, action plans, and practical measures, enabling cooperation between VET policymakers, analysts and practitioners across Europe.

Cedefop also accelerated its own ‘twin transitions’. It continued to invest in its digital infrastructure and communication capacities and started to implement its decarbonisation strategy, aiming to become a climate neutral organisation by 2030.

II.3 Budgetary and Financial management

For another year in a row, Cedefop’s careful monitoring of the budget implementation allowed for the proactive reshuffling of activities and the reallocation of funds from budget items where savings were achieved to finance core business activities. 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.

Cedefop reacted to the challenges of the year with agility and effectiveness and managed to achieve 99,97% execution of commitment appropriation and 98,14% execution of payment appropriations.

Rate and type of implementation of appropriations

In 2023, Cedefop continued to utilise efficiently all its available funding with an overall budget implementation rate of 99,97%. In particular:

- from a total final Title 1 budget of EUR 12 878 636 commitments to the value of EUR 12 878 636 were raised, representing an execution rate of 100%
- from a total final Title 2 budget of EUR 1 691 793 commitments to the value of EUR 1 687 032 were raised, representing an execution rate of 99,72%
- from a total final Title 3 budget of EUR 5 070 182 commitments to the value of EUR 5 068 949 were raised, representing an execution rate of 99,98%

The budget revenue available in 2023 (EUR 20 152 134) included:

- the EU budget contribution of EUR 20 130 610
- a fee for accounting services rendered to EIGE, following conclusion of a Service Level Agreement, for an amount of EUR 10,000; and
- an amount of EUR 11 524 of miscellaneous own revenue and reimbursed amounts

Council Decision (EU) 2023/270 of 30 January 2023 amended Protocol 31 to the EEA Agreement and as a result EFTA contributions to Cedefop budget are no longer paid directly from Norway and Iceland to Cedefop but are channelled through the European Union Budget contribution to Cedefop, as from 1 January 2023. The amount of EFTA contributions included in the EU Budget for Cedefop for 2023 was EUR 553 283.

Furthermore, Cedefop Management Board Decision of 6 October 2023 and the corresponding EIGE Management Board Decision MB/2023/019 stipulate that Cedefop Accounting Officer is appointed to act as the Accounting Officer of EIGE as from 1 November 2023. The Service Level Agreement signed provides for an annual service fee of EUR 60 000 payable by EIGE. The fee of EUR 10 000 for 2023 was calculated pro-rata temporis.

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.

The main contracts ⁽⁶⁾ signed in 2023 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 in the table below.

Budget line	Title of commitment	Expires	Amount (committed in 2023)
3240	OF N°3 – PRODUCTION OF THE NEW 2025 SKILLS FORECAST	30/09/2024	356 918,64
3240	OF N°3 – 2 ND EUROPEAN SKILLS AND JOBS SURVEY: DATA COLLECTION ON IMPACT OF DIGITALISATION AND TECHNOLOGICAL CHANGE ON SKILL MISMATCH ON EU WORKERS	31/05/2024	139 300,00
3240	SC 4 – PROVISION OF DATA HANDLING AND ANALYSIS FOR CEDEFOP'S SKILLS INTELLIGENCE	31/12/2025	135 950,00
3240	SC N°8 – OJA ANALYTICS AND FURTHER DATA IMPROVEMENTS 2	29/11/2024	204 550,00

⁽⁶⁾ Only major contracts are shown, with the threshold set at EUR 100 000

Budget line	Title of commitment	Expires	Amount (committed in 2023)
3340	OF N°3 – THE IMPACT OF LEARNING OUTCOMES-BASED CURRICULA ON WORK AND PRACTICE-BASED IVET	21/06/2025	168 300,00
3340	OF N°4 – THE INFLUENCE OF LEARNING OUTCOMES ON ASSESSMENT	21/06/2025	173 375,00
3340	OF N°5 – THE WAY FORWARD IN FACILITATING THE TRANSFORMATION FROM INTENTIONS TO ACTUAL OUTCOMES	21/12/2025	119 300,00
3340	SUPPORT TO INTEGRATED MONITORING OF NATIONAL IMPLEMENTATION PLANS (NIPS) – SC2	27/09/2024	109 975,00
3340	OF N°1 – EVOLVING NATIONAL VET OBJECTIVES AND PRIORITIES – EXCELLENCE AND/OR INCLUSION	20/12/2024	150 400,00
3440	SC1: EUROPEAN VET TEACHERS SURVEY (EVTS): SUPPORTING TEACHERS’ PROFESSIONAL DEVELOPMENT IN VET SCHOOLS	31/01/2025	1 219 500,00

Information on transfers and amending budgets

The budgetary transfers authorised in 2023 by the Executive Director, within the limits defined by Art. 26 of Cedefop’s Financial Regulation ⁽⁷⁾ are summarised below (net effect between Titles):

- an **increase** in Title 1 (staff expenditure) appropriations by EUR 44 723;
- a **decrease** in Title 2 (administrative expenditure) appropriations by EUR 56 321;
- an **increase** in Title 3 (operational expenditure) appropriations by EUR 11 598.

On 10 November 2023, Cedefop’s Management Board adopted the Amending Budget 01/2023 ⁽⁸⁾ which:

- a. increased commitment and payment appropriations by EUR 70 723, corresponding to an increase of EFTA contributions ⁽⁹⁾;
- b. increased Title 3 payment appropriations by EUR 500 000.

On 18 December 2023, the Management Board adopted a Decision ⁽¹⁰⁾ on Budget Transfers, exceeding the threshold of Article 12 of Cedefop Financial Regulation, from Title 2 (EUR 156 486) to Title 1 (EUR 23 154) and Title 3 (EUR 133 332).

The 2023 transfers directed commitment appropriations to Title 1, to reinforce the training appropriations in an effort to meet the training objectives for Cedefop staff, and to Title 3

⁽⁷⁾ Management Board Decision RB(2019)1034 adopted on 16 July 2019

⁽⁸⁾ Management Board Decision ref. RB2023-1443253173-35125

⁽⁹⁾ as of 01/01/2023, EFTA contributions to Cedefop budget are included in the EU Budget contribution, following amendment of Protocol 31 of the EEA Agreement

⁽¹⁰⁾ Management Board Decision ref. RB2023-1443253173-35253

to fund new specific contracts and order forms related to Skills Intelligence, the 2nd European Skills & Jobs Survey, and a new survey on stakeholders' engagement. Transfers were triggered as soon as underspending was identified, to optimise budget usage.

The effect of the amending budget and transfers performed in 2023 is demonstrated in the tables below.

2023 Budget (C1) in Euro	Initial budget (Payment Appropriations)	Amending budget 01/2023	Transfers (authorised by the MB)	Transfers (authorised by the ED)	Final budget
Title I	12 807 887		23 154	44 723	12 875 764
Title II	1 905 000		-156 486	-56 321	1 692 193
Title III	4 857 000	570 723	133 332	11 598	5 572 653
TOTAL	19 569 887	570 723	0	0	20 140 610

Appropriations carried over to the following financial year

As a common practice, Cedefop promptly informed ECA of the planned carryovers for the financial year 2023 ⁽¹¹⁾. The appropriations carried over to 2024 to honour commitments made in 2023 are summarised below:

- Title 1 commitments: EUR 217 383 or 1.69% of the final funds for the year on the Title, well within the maximum target ceiling of 10%;
- Title 2 commitments: EUR 561 631 or 33.20% of the final Title 2 funds for the year on the Title ⁽¹²⁾. All commitments carried forward correspond to planned activities (unplanned activities representing 0%, versus a target ceiling of 20% over the Title 2 appropriations).

No appropriations were carried over to 2024 by MB decision ('non-automatic' carry overs, provided for in Article 12(2) and (3) of Cedefop FR).

Implementation of appropriations carried forward from the previous financial year

The amount of Title 1 commitments carried forward from 2022 and cancelled in 2023 was EUR 12 462 (or 4.8% of the total EUR 257 459).

The amount of Title 2 commitments carried forward from 2022 and cancelled in 2023 was EUR 26 830 (or 3.1% of the total EUR 871 927).

The performance in both Titles is excellent, as the rates of cancelled appropriations remained below the target of 10%.

⁽¹¹⁾ by email on 19 December 2023

⁽¹²⁾ Planned carry forward, corresponding to investments dictated by the energy efficiency strategy of the Agency, ICT investments as well as regular services invoiced at or after the year end, accounts for EUR 441 284 (or 26.08% of the Title 2 funds for the year).

Percentage of procurement procedure types used

16 procurement procedures and two calls for proposals (ReferNet Framework Partnership Agreements 2024-2027 and Specific Grant Agreements 2024) were processed in 2023.

Type of procedure	2023	
	Number	%
Open	9	50%
Negotiated	5	28%
Reopening of Competition	2	11%
Call for proposals (Grants)	2	11%
Total	18	100%

Procurement Quality Index (PQI)

As of financial year 2023, Cedefop has established the Procurement Quality Index (PQI), a synthetic indicator that measures its overall performance in procurement. The methodology for the calculation of the indicator was inspired by the guidelines of the [European Commission Single Market Scoreboard](#), measuring public procurement performance in Member States. The PQI value for the year 2023 is 11 points ⁽¹³⁾, well beyond the threshold of 'satisfactory' performance, which is 2 points.

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

No invoices were paid with delay resulting in late interest in 2023. Payments are monitored versus the legal payment time on a weekly basis.

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

Cedefop used the same cost calculation methodology as last year, in line with DG BUDG guidelines. The functions/activities covered include financial management; budget and accounting; external audit; coordination incl. strategic programming and planning; anti-fraud; programme management and monitoring; ICT-IT strategy, governance and activities.

Indirect costs are calculated based on the 2023 annual average full time equivalent (FTE) costs of Cedefop staff by category, i.e.: AD, AST, SNE, CA FG IV, CA FG I to III.

The calculations led to a total internal control cost of EUR 1 174 209 for the year 2023, which includes EUR 48 128 direct costs and EUR 1 126 081 indirect costs. The total cost of internal control represents 6% of the Agency's 2023 budget and is considered reasonable and proportionate to the attained objectives of ensuring legality and regularity while

⁽¹³⁾ PQI calculation is detailed in section II.7.1 Internal Audit Service (IAS)

safeguarding efficiency and effectiveness of operations. It is also comparable to the other Agencies under the remit of DG EMPL.

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 and non-compliance registered in the registry 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 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 helps prevent irregularities before they materialise, protects organisations' resources against mismanagement or fraud, and more generally supports 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.

Summary information on budgetary operations

Cedefop continues to use its funds effectively and efficiently with a budget implementation rate of 99,97% in 2023. To achieve this exceptionally high figure, 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 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. Prior to validation by the authorising officers (by delegation), expenditure operations are initiated (operational and financial initiation) and verified (operational and financial verification) by designated actors with a view to ensuring legality and regularity, over and above the required 4-eye principle.

External parties monitor and audit Cedefop rigorously. No irregularities were found. The cost of the external audit company which audits Cedefop's annual accounts ⁽¹⁴⁾ – 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.

As Cedefop's Authorising Officer (AO), the Executive Director 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;
- establishing amounts receivable 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.

⁽¹⁴⁾ 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 2022, based on a DG BUDG framework contract.

The delegation decisions have an unlimited duration but may be revoked by decision of the Executive Director.

No sub-delegation decisions were in place in 2023.

The implementation of delegation decisions is monitored by Cedefop's Finance Service, which is responsible for drafting, amending or repealing a delegation upon instructions received by the Authorising Officer.

By decision of the Executive Director ⁽¹⁵⁾, the delegations are transposed in ABAC with access rights granted by the ABAC Local Profile Manager of the Agency to each individual Authorising Officer by Delegation. The ABAC Local Profile Manager has no other role in ABAC (*ex-ante* control).

In addition, in the context of a periodic validation of access rights granted in ABAC, access rights are assessed by a Neutral Verifier, appointed by the Executive Director, to confirm that the financial actors are granted ABAC access rights corresponding to the delegation decisions of the Executive Director (*ex-post* control). The Neutral Verifier is a staff member assuming no other role in ABAC. Initiated by DGBUDG in June 2023, the periodic assessment was completed in September 2023, an action plan was shaped, and ensuing recommendations implemented.

II.5 Human Resources Management

In 2023 the implementation of Cedefop's HR strategy 2021-23 continued under the three building blocks: Talent acquisition and matching, Talent management and Well-being.

Key initiatives included: further streamlining selection procedures; developing learning and development initiatives that address organisational and teams' needs; fostering diversity and inclusion; and nurturing employee engagement and well-being.

The introduction of a tool for online applications, Oleo, led to simplification and increased efficiency of the selection process. The selection procedures started in 2023 were successfully finalised and a 98% occupancy rate of the establishment plan achieved on 31 December 2023. The induction and onboarding programme for newcomers has continuously been enriched and the procurement process was initiated for the provision of relocation services as of 2024.

To complement the HR strategy, a roadmap for Learning and Development outlines the key priorities: fostering strategic and organisational development; improving the capacity of staff to work, communicate and collaborate effectively; providing opportunities for continuous professional development; and promoting health and well-being of staff.

Based on the results of the staff survey conducted by Cedefop's Health and Well Being Committee, a series of well-being training activities were organised for staff, including digital wellbeing, individual and organisational resilience, improving self-efficacy and managing anxiety in the workplace. Cedefop also collaborated extensively with its Health and Well-Being Committee to design a comprehensive well-being programme to be

⁽¹⁵⁾ Decision DIR 09/21 of 22 June 2021 - RB(2021)00743

implemented in 2024 which includes training activities, social interaction through webinars and self-paced exercises for body and mind.

A model decision on working time and hybrid work was adopted by the Management Board on 6 October 2023 ⁽¹⁶⁾, tailored to the realities and needs of the Agency.

Following the Staff Engagement Survey, a post-survey workshop took place in May 2023 to discuss the key domains - workload, internal cooperation, career development and transparency in decision-making processes - and shape up actions using a bottom-up participatory approach. Implementation of the actions identified started immediately, e.g. a Start-Stop-Keep exercise at department level, disseminating the outcomes of the weekly management team meetings, designing an internal communication strategy, etc.

As an equal opportunities' employer, Cedefop attaches high priority to diversity and inclusion in the workplace. In addition to its existing activities and policies, namely the policy on equal opportunities and diversity ⁽¹⁷⁾ and the HR Strategy 2021-23, Cedefop adopted in 2023 the EUAN Charter on Diversity and Inclusion and organised relevant awareness-raising activities. A handbook on diversity and inclusion was developed targeted at staff, management, and HR to promote inclusiveness in the workplace. In addition, a series of training events took place, including on 'unconscious bias in selection interviewing'.

In 2023, Cedefop led the EUAN inter-agency project for establishing a framework (including legal, and IT) for sharing resources and capacity in the field of selections. Collaboration with ETF was also intensified in the HR and ICT domains via regular knowledge sharing and exchange of experience.

⁽¹⁶⁾ Cedefop/DGE/47/2023

⁽¹⁷⁾ <https://www.cedefop.europa.eu/en/about-cedefop/what-we-do/equal-opportunities-diversity>

II.6 Strategy for efficiency gains

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

Already in 2009, Cedefop 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 as ‘noteworthy’ as per the discharge reports for the financial year 2019, 2020 and 2021.

By measuring project, activity and organisational level performance, the PMS helps Cedefop manage and evaluate its impact, efficiency, 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.

Efficiency gain initiatives agreed in Cedefop’s Single Programming Document 2023-25 are reported below:

a) continuous collaboration with other Agencies to achieve further efficiency gains through shared services such as inter-Agency resource pooling, joint procurements for common services but also for other services, as available in the Agencies’ catalogue of shared services.

In 2023, Cedefop continued to be an active member of the EU Agencies’ network (EUAN) and to share services and enhance synergies with other Agencies. Cedefop was a member of the EUAN Task Force on new ways of working, of which it became the chair since 2022. Moreover, exploring opportunities for shared services, joint procedures and initiatives is a regular – rolling – activity. In this respect, Cedefop is a member since 2020 of task force on shared services of the EUAN. In 2022, Cedefop also continued to participate to other sub-networks of the EUAN. In compliance with the renewed Memorandum of Understanding signed with ENISA in October 2023, resource-sharing opportunities continue to be identified and are taking place between the two Agencies by expanding their sharing of capabilities: Data Protection Officers (as of 2021 and until end 2023), confidential counsellors (as of 2022) and legal expertise on Greek law matters (as of 2023). Cedefop’s ICT team participates regularly to the ENISA and CERT-EU events and exercises where valuable experience is collected on common methods to deal with incidents.

As of November 2023, Cedefop provides accounting services to EIGE, following a signature of a Service Level Agreement between the two Agencies. The main expected benefits include: (a) generating revenue to be invested in Cedefop’s core business and help offset the progressive squeeze of the operational budget (Title 3); (b) further improve Cedefop’s good reputation among stakeholders, and in particular the discharge authority, who value all efforts made by Agencies to achieve efficiency gains and share resources; (c) gain experience in capacity sharing and pave the way for shared services in other administrative areas.

A knowledge sharing seminar for corporate and administrative services took place between Cedefop and ETF. This set up in motion an action plan on sharing knowledge and resources between administrative services (Procurement, ICT, HR

etc.). Based on a Service Level Agreement, Cedefop uses EUIPO as a disaster recovery site for its ICT systems since 2020.

b) pursuing the reduction of mission and travel costs by at least 65% in comparison with 2019, the last year of normal pre-COVID-19 operation, and implementing a combination of online, hybrid and physical events that is efficient while reducing the overall meetings and missions budget of the Agency by half. On top of further increasing cost savings and efficiency gains to the benefit of core business, this measure witnesses Cedefop's firm commitment to reducing its carbon footprint and minimising its environmental impact.

In 2023, while missions and meetings were resumed after the Covid-19 travel restrictions, Cedefop ensured a reduction of mission costs by 63.4% and of the overall meetings and missions costs by 46.8%. The performance against the targets set is good, especially considering Cedefop's active contribution to the European Year of Skills activities launched by the European Commission in May 2023, which led to a much-increased demand for Cedefop's presentations at physical events as well as the organisation of several dedicated own events.

c) careful selection of measures that combine carbon reduction objectives with efficiency and cost savings, for example by making selected investments in energy efficiency projects, such as installing photovoltaic panels to generate own green electricity, replacing all lights with LED lamps and better insulating the building.

In 2023 Cedefop finalised the installation of photovoltaic panels and started producing a significant share of its own electricity consumption using solar energy. Moreover, the Agency launched an update of the 2021 energy efficiency audit to re-evaluate, using current energy prices, possible investments to decrease energy consumption and the consumption of fossil fuels on premises. This includes investigating the feasibility of installing heat pumps to replace the current heating and cooling systems. Moreover, Cedefop assessed the need to renew and upgrade the infrastructure of its conference centre in view of rendering hybrid meetings the norm, thereby reducing the need to travel to and from Thessaloniki.

d) further use of Commission/interagency framework contracts, wherever possible, to reduce administrative overheads.

Cedefop was included as Participating Contracting Authority in 150 Framework Contracts which were in force in 2023 ⁽¹⁸⁾. The Framework Contracts were awarded following procurement procedures managed by the European Commission or other EU Agencies, who invited EU Institutions, Bodies and Agencies to join and benefit from the synergies generated in terms of economies of scale in purchasing and of savings in resources engaged in procurement.

e) further invest in ICT and new technologies to achieve modernisation and digital transformation, bearing in mind that investments in automation lead to temporary cost increases.

⁽¹⁸⁾ e.g. Travel Agency services (EEA), Management Consulting services (EFSA), ICT equipment and software licenses (DIGIT), Audits and Controls (DG BUDG), Training (DG HR), Evaluation services (ETF) - Leading Contracting Authority in brackets

In 2023, Cedefop made significant progress with the implementation of its ICT and digitalisation strategy:

- Cedefop’s records bank was fully migrated to SharePoint, marking thus the conclusion of the transition process, completely decommissioning Cedefop’s older document management system (OpenText Livelink Content server).
- A special focus was put in Cedefop-ETF cooperation, with agreement to utilise each other’s technical knowledge on the online recruitment tool (Cedefop) and project management automation tools (ETF) used.
- A number of cyber-security and compliance improvements have been made, including: double-key encryption for sensitive documents: IT Security and Risk Management methodology (ITSRM) methodology applied to the M365 IT Security plan; revision of the ICT Use and Security policy; vulnerability and penetration assessments; and regular actions to raise staff awareness, such as email messages, posts on the ICT Intranet channel or oral presentations during General Assemblies.

f) participation in selected inter-Agency working groups to pool expertise, resources and best practice and, whenever possible, carry out joint projects across Agencies (such as joint surveys)

As an active member, Cedefop extensively contributed its expertise on jobs and skills for sustainability to support the European Education Area Working Group on VET and the green transition. Cedefop joined forces with other DG Employment agencies to exploit win-win situations.

The Agency supported the ETF in implementing Cedefop’s Second European Skills and Jobs Survey in several ETF partner countries. Cooperation with the European Labour Authority focused on paving the way for the integration of EURES vacancies in the pan-European big data collection and analysis system for online job advertisements run jointly by Cedefop and Eurostat.

Cedefop also teamed up with Eurofound to disseminate the findings of the joint European Company Survey and both Agencies contributed to the ongoing development of each other’s surveys. In the context of green transition work, the two Agencies partnered with the European Environmental Agency to prepare a tripartite exchange seminar on social dialogue planned in 2024.

In 2023, Cedefop concluded the first collaboration framework agreement with EU-OSHA with a view to maximizing synergies in work on VET in the context of health and safety at work.

g) revisit regularly HR and budget allocation with a view to securing additional resources to the core business

In 2023, Cedefop consistently monitored the execution of the budget allocated to Title 1 (staff costs). Due to Greece’s high inflation rate and the increase in the weighting factor, salary adjustments were necessary. These adjustments were managed effectively without significantly compromising the flexibility to allocate additional resources to the core business. Nonetheless, systematic efforts in the administration and support services to simplify, streamline, and share knowledge

and resources with other Agencies led to the establishment of synergies with ETF and EIGE increasing the efficiency of the Agency.

In addition, Cedefop carries out systematic reviews of its portfolio of activities and outputs with a view to streamlining and focusing them further. The new approach initiated in 2020 provides a broad idea on the direction of change 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 2023 informed management decisions on staff and budget. The 2023 portfolio review was the object of a dedicated Directorate/Heads of Departments meeting on 5 September 2023 which informed the finalisation of the Single Programming Document 2024-26. It also supported the Agency's reply to DG EMPL steering note of 20 September 2023 ⁽¹⁹⁾ through which DG EMPL consults the 5 agencies under its remit and investigates how agencies could further enhance their cooperation to support EU policies. With the increasing budgetary challenges impacting operational capacity, DG EMPL also examines the agencies' plans to further optimise budget and operation in view to continue delivering on their mandate.

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).

The Agency is controlled by the European Court of Auditors (ECA) on a yearly basis. The Agency informs the Discharge Authority on the results of the audits and closely follows up their observations.

In addition to the audits conducted by IAS and ECA, Cedefop has developed several procedures and tools to allow systematic ex-ante and ex-post 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 and amended in 2021 ⁽²⁰⁾.

The Executive Board and Management Board are kept regularly informed of audits, controls and evaluations 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 line with the agreed Strategic Internal Audit Plan 2021-2023 ⁽²¹⁾, the IAS started in December 2022 an audit on Cedefop's core business surveys. An onsite audit took place in

⁽¹⁹⁾ DG EMPL and its Agencies: Delivering together - ARES(2023)6110001

⁽²⁰⁾ Decision DIR 12/2019 of 14 November 2019

⁽²¹⁾ Ref. Ares(2023)510708 of 23 January 2023

the week 24-28 April 2023. The IAS submitted its final audit report on 17 July 2023⁽²²⁾, which at their request is marked as sensitive and distributed on a need-to-know basis.

The Internal Audit Service concluded that, overall, the *'management and control systems put in place by Cedefop for carrying out surveys and communicating their results to its stakeholders are adequately designed, efficient and effective, and therefore provide reasonable assurance that the key control objectives are achieved.'*

The audit did not result in any critical or very important recommendations and only highlights areas where there is room for further improvement. Cedefop drew up an action plan – agreed with the IAS – and is following up on the implementation of the agreed actions within the set deadlines.

In response to one of the recommendations, Cedefop established the Procurement Quality Indicator (PQI) which measures the procurement performance for a given financial year.

The methodology was adopted by Cedefop in April 2024 and used to produce the PQI for the financial year 2023. The indicator combines performance measured by 7 Key Performance Indicators (KPI), namely:

1. single bidder – ratio of contracts awarded following procedures with only one offer received over total contracts awarded;
2. direct award – ratio of contracts awarded without a procurement procedure over total contracts awarded;
3. competitive procurement – ratio of number of contracts awarded following competitive procedure over the total annual budget of Cedefop;
4. cooperative procurement – ratio of joint procedures with other contracting authorities, over the total procedures launched and joined;
5. decision speed – days from reception of offers to contract award;
6. contracts with SME participation – contracts awarded to SMEs over the total number of contracts awarded; and
7. publicity obligation – compliance with all statutory obligations related to publicity of public procurement, provided for in the Financial Regulation.

The PQI will serve for the performance benchmarking, offering comparability year to year, as well as with other Agencies which follow a similar approach⁽²³⁾. Cedefop's PQI value of 11 for the financial year 2023 is considered very 'satisfactory'⁽²⁴⁾.

As announced with its letter of 10 October 2023⁽²⁵⁾, in line with the agreed Strategic Internal Audit Plan 2021-2023⁽²⁶⁾, and with the mid-year update of the IAS 2023 audit plan which was communicated to Cedefop on 28 September 2023⁽²⁷⁾, the IAS started in November 2023 an audit on Cedefop's IT governance and information security. The audit is expected to be finalised in Q2 2024.

⁽²²⁾ Ref. Ares(2023)4947953-17/07/2023

⁽²³⁾ e.g. Eurofound

⁽²⁴⁾ PQI >2 = 'satisfactory', in accordance with the methodology

⁽²⁵⁾ Ref. Ares(2023)6879599 of 10 October 2023

⁽²⁶⁾ Ref. Ares(2023)510708 of 23 January 2023

⁽²⁷⁾ Ref. Ares(2023)6584276 of 28 September 2023

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, the ELA and CdT. The results were shared with the parent DGs. The main benefit for the Agencies in the DGEMPL and DGT cluster 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 Cedefop's overall annual risk assessment. In preparation of its revised Anti-Fraud Strategy 2024-26, Cedefop conducted in December 2023 a fraud risk assessment to identify the key areas of risk.

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 awareness raising sessions took place in 2023:

- a) Internal Control Framework (Module 8 - 16 February 2023);
- b) Drafting of tender specifications (Module 9 - 31 March 2023);
- c) Relations with external contractors (Module 10 - 29 June 2023)
- d) Evaluation of tenders (Module 11 - 30 November 2023).

Evaluation and control activities

In compliance with its updated Evaluation Policy, Cedefop conducted evaluation and control activities according to its Annual Management Plan 2023.

Ex-ante evaluations ⁽²⁸⁾ are carried out for procurement procedures above 500,000 Euros. A report reviewing progress and lessons learned was prepared by the Head of Finance and Procurement on 15 February 2024. The report concluded that the procurement procedures launched in the period examined were compliant with the requirements of ex-ante evaluation.

Ex-post evaluations ⁽²⁹⁾ assess the following criteria: effectiveness, efficiency, coherence, relevance, EU added value of the projects/actions. Evaluation outcomes inform decisions on future activities.

⁽²⁸⁾ Article 29.2 of Cedefop Financial Regulation adopted by its Management Board on 16 July 2019

⁽²⁹⁾ Article 29.3 of Cedefop Financial Regulation

Cedefop carries out ex-post control on a sample of 3 procurements procedures. Final outcomes will be received end of April 2024.

Ex-post controls on a sample of three ReferNet Grant payments conducted in 2020 and on a sample of ten Cedefop payments above EUR 10.000 conducted in 2021 and 2022 are ongoing and expected to be concluded in 2024.

Ex-post controls on recruitment procedures are conducted to ensure that all reported declarations of interest and confidentiality notes by selection panel members are in place and adequately and consistently assessed. In 2023, Cedefop conducted ex-post controls on selection procedures which took place in 2022. The assessment shows that the majority of controls is in place and works effectively. The ICC recommendations from last years' exercise were implemented, showing further improvements in the internal control system.

Ex-post controls on procurement procedures are conducted to ensure that all reported declarations of interest and confidentiality notes by evaluation committee members are in place and adequately and consistently assessed. In 2023 Cedefop conducted ex-post controls on 2022 procurement procedures. The assessment confirmed that most controls are in place and work effectively.

Cedefop carries out evaluation and control activities in line with its Evaluation Policy ⁽³⁰⁾. To this end, Cedefop makes use of interinstitutional framework contracts, namely: (a) BUDG19-PO/01 – audits and controls; and (b) ETF2022OP0026. This allows increased efficiency gains through shared services.

II.7.3 European Court of Auditors (ECA)

Annual accounts 2022

On 26 October 2023 the European Court of Auditors published its final report on Cedefop's annual accounts for the financial year 2022 ⁽³¹⁾.

In the Court's opinion, Cedefop's accounts for the year ended 31 December 2022 present fairly, in all material respects, Cedefop's financial position as at 31 December 2022, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer. These are based on internationally accepted accounting standards for the public sector.

In the Court's opinion, the revenue and payments underlying the accounts for the year ended 31 December 2022 are legal and regular in all material respects.

The Court included observations on the legality and regularity of transactions and on budgetary management that do not call its opinion into question. More specifically:

Observations on the legality and regularity of transactions

⁽³⁰⁾ DIR 09/2019

⁽³¹⁾ <https://www.eca.europa.eu/en/publications/SAR-AGENCIES-2022>

3.14.8. Between 2017 and 2022, Cedefop paid monthly and daily subsistence allowances to two Greek nationals employed as seconded national experts (SNEs). As Cedefop is located in Greece, the two SNEs were not entitled to these allowances according to the Cedefop's internal rules. When Cedefop identified the issue in 2022, it registered the two cases in the registry of exceptions along with its decision not to claim back the payments made to the two SNEs in the past. In addition, Cedefop introduced a three-month phasing-out period for the SNE still in place at that time. The total associated payments to the two SNEs during the 2017-2022 period, amounting to €222 647, are irregular. The irregular payments for 2022 totalled €36 608.

Observations on budgetary management

3.14.9. Cedefop did not correctly apply the contribution calculation method set out in the Statement on Cedefop/EFTA cooperation in relation to Amendment no. 1 to its budget. As a result, Norway and Iceland's contributions to the 2022 Cedefop budget were higher than they should have been, while the EU's contribution was lower than it should have been. This derogates from Article 3 (2) of Protocol 32 of the Agreement on the European Economic Area concluded between the EU and the EFTA countries.

We note that that an amendment of Protocol 31 on Cooperation in Specific Fields Outside the Four Freedoms, was signed and entered into force as of 1 January 2023. Therefore, as of 2023, Cedefop will receive Norway's and Iceland's contributions to its budget through the EU budget. Consequently, the issue of adjustments of EFTA countries' contributions because of amendments to Cedefop's budget will no longer arise.

Follow-up of previous years' observations

All corrective actions to the Court's observations from previous years are completed but one:

Sequence number	Year of the ECA's observation	The ECA's observation (summary)	Corrective action taken and / or other relevant developments (summary)	Status (Open/Closed)
1	2021	Weaknesses in Cedefop's recruitment procedures: (a) Lack of clear and detailed guidelines for scoring the pre-selection criteria that could benefit or disadvantage candidates and (b) Remote written tests that took place over several days without mitigating the associated risks.	(a) Human Resources has revamped its role as advisor to the selection boards, improving the guidance provided and its timing. A new tool and methodology have also been developed and applied in the pre-selection phase of the recruitment procedures. (b) All written tests related to a selection procedure take place in parallel.	Closed
2	2021	Weaknesses in payment management with regards to ex-ante controls:	Cedefop adapted its internal procedures to address the weaknesses identified by issuing instructions to	Closed

Sequence number	Year of the ECA's observation	The ECA's observation (summary)	Corrective action taken and / or other relevant developments (summary)	Status (Open/Closed)
		(a) Payment of an invoice without checking the underlying prices and the correct application of the agreed uplift fee, (b) Payment without the receipt of specific declarations required under the contract and (c) delay in grant final payment due to lack of contingency plan for staff absences.	the staff and revising their internal checklists.	
3	2021	Weaknesses in transition to ABAC: (a) The final dates of implementation for carried-over budgetary commitments, were not recorded correctly and (b) wrong calculation of late interest due to wrong set of payment deadline.	(a) Similar occurrences were also observed in the carried-forward budgetary commitments from 2022 to 2023. Cedefop corrected where necessary the final date of implementation. (b) Cedefop addressed the issue and there were no occurrences of similar nature in 2022.	Open for (a), Closed for (b)

Annual accounts 2023

On the annual accounts for the financial year 2023, ECA conducted its first audit onsite in the week 16 to 20 October 2023 and the desk review remotely in the week 15 to 19 January 2024. The ECA final report is expected by autumn 2024. 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 2023.

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 published on Cedefop's intranet, accessible to all staff.

Since 2020, Cedefop uses the 'degrees of implementation' logic. For each action Cedefop indicates 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

(³²). By the end of 2020, a dedicated tool had been designed to support ‘degrees of implementation’ progress tracking which was deployed in 2021 to track the progress of the external evaluation action plan and more generally of the Agency’s consolidated action plan.

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

The OLAF investigation ongoing since 2018 was concluded in July 2022 (³³). Details of OLAF’s findings, recommendations and Cedefop’s follow-up actions - if any - are not provided in this document for sensitivity reasons. The Executive and Management Boards are kept informed.

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.

The report on discharge in respect of the implementation of the budget of Cedefop for the financial year 2021 (³⁴), adopted by the European Parliament (EP) on 10 May 2023, praises Cedefop’s high quality work on several aspects such as budget and financial management, performance, staff policy, procurement, prevention and management of conflicts of interest and transparency, internal control, digitalisation and the green transition, business continuity during the COVID-19 crisis and collaboration with other Union Agencies. The EP also expressed concerns with regards to weaknesses identified by the Court in the Centre’s recruitment procedures, to non-compliance incidents in procurement contract management and to payment management.

On 15 September 2023, the Executive Director sent his report (³⁵) 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 2021.

By the end of 2023, Cedefop had implemented 9 out of 17 follow-up measures addressing the previous years’ observations of the Discharge Authority. The table below reports on the status of the follow-up measures that were still ongoing on 31 December 2023.

Observation / Recommendation	Follow-up measures (status - end 2023)
<p>Staff Policy – no. 10 Notes that, as regards gender balance reported for 2021, the Centre’s senior management is unevenly composed of four men (66,7 %) and of two women (33,3 %); also notes that the</p>	<p>Management Board Members and alternates are appointed by the Council as provided for in Regulation (EU) 2019/128 of the European Parliament and the Council. As a result, gender balance in the Management Board is outside Cedefop’s control. Despite this, Cedefop reminds regularly to its Management Board</p>

(³²) DI 1 to DI 5: 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’

(³³) OC/2018/0606/A1

(³⁴) https://www.europarl.europa.eu/doceo/document/TA-9-2023-0148_EN.pdf

(³⁵) RB2023-1061870622-63

Observation / Recommendation	Follow-up measures (status - end 2023)
<p>management board is composed of 80 men (51 %) and of 76 women (49 %); deplors the high number of members of the Board (156 composed of 84 voting members observers and alternates) which does not facilitate decision-making or simplified management; notes further that regarding its staff overall the gender breakdown is 57 % women and 43 % men; welcomes the presence of gender equality indicators among the social sustainability indicators; recalls the importance of developing a long-term human resources policy on work-life balance, lifelong guidance and the offer of specific training possibilities for career development, gender balance at all staff levels, teleworking, the right to disconnect, the enhancement of a geographical balance to ensure an appropriate representation from all Member States, and the recruitment and integration of people with disabilities as well as ensuring that they are treated equally and that their opportunities are widely promoted;</p>	<p>the gender balance principle which is stated in Article 4(3) of its Regulation (EU) 2019/128. Concerning the number of members of the Management Board, this is stipulated by Articles 4.1 and 4.6 of Cedefop Regulation ((EU) 2019/128), which is a Regulation of the European Parliament and of the Council.</p> <p>In June 2020, Cedefop adopted an HR strategy which includes three building blocks that encompass the key HR activities and objectives related to (a) talent acquisition and matching, (b) talent management, and (c) and staff well-being.</p> <p>The purpose of the HR strategy is to enable the achievement of Cedefop’s multi-annual objectives by fostering high staff engagement and performance, as well as a change embracing culture, while duly taking account of the regulatory framework within which the Agency operates. The HR strategy also provides a solid basis for ensuring that Cedefop optimises the recruitment and development of its human resources and continues to advance and utilise the necessary professional and technical competences required across job functions in the Agency. Cedefop is an equal opportunity employer. This is mentioned in all vacancy notices. Vacancy notices are drafted using gender-neutral language. All vacant posts are open to all suitably qualified candidates. Vacancy notices avoid references to skills or characteristics that directly or indirectly apply to a particular type of person. Cedefop encourages applications from all potential candidates and reaches out through targeted dissemination to attract candidates from under-represented population. Cedefop adopted the EUAN Diversity & Inclusion Charter on 21 October 2023. The Charter was presented to staff in December 2023. Charter commitments refer e.g. to ensuring equal opportunities at every career step, measures to improve work-life balance, flexible working arrangements, support for gender equality and persons with disability, exclusion of any form of discrimination or harassment. Promoting diversity and inclusion are Managers’ and HR staff duties. As such, these are included in their individual annual objectives. A Diversity and Inclusion handbook composed of self-reflection exercises and best practices to promote inclusiveness in the workplace was developed to raise awareness about the unconscious biases and provide resources for overcoming or mitigating them. The EUAN Toolkit on Diversity and Inclusion for managers was distributed to Cedefop’s management and will be the object of a presentation in 2024. A presentation will be organised in 2024.</p>
<p>Staff policy – no. 11 Stresses the importance of the geographical balance and that all Member States should be</p>	<p>Cedefop is committed to geographically re-balancing its staff population by making use of reserve lists of other Agencies, further strengthening its employer brand,</p>

Observation / Recommendation	Follow-up measures (status - end 2023)
<p>proportionally represented in order to have an appropriate representation of nationals from all Member States;</p>	<p>including through joining forces with other Agencies and broadening dissemination of vacancy notices. Cedefop selection procedures are based on merit and are directed to securing for the Agency the services of staff of the highest standard of ability, efficiency and integrity. In cases of equal merit, priority is given to non-Greek applicants in view of ensuring geographical rebalancing.</p>
<p>Prevention and management of conflicts of interest, and transparency – no. 19 Further recalls that management board members are also invited to provide short CVs, although this is not a formal requirement; notes that on 16 September 2022, out of 94 management board members, 34 CVs were missing, and out of 60 active alternate members, 27 CVs were missing; calls on the Centre to ensure full transparency by publishing CVs and declarations of interest of all members of the management board and the external and in-house experts concerned;</p>	<p>Even though not a formal obligation, Cedefop continues to draw Management Board members' attention to the importance of providing a short CV in addition to declarations of interest. Compliance with Cedefop's request however depends on the members agreement and goodwill. Early 2023 Cedefop staff members/experts were invited to share their LinkedIn profiles for inclusion in the 'who is who' section of the web portal.</p> <p>At the end of 2023, all 93 members, including observers and EP expert, and all 74 alternate members had provided declarations of interest. CVs of 38 members and of 36 alternate members were missing.</p>
<p>Internal control – no. 20 Recalls the importance to participate in the interinstitutional agreement on a mandatory transparency register; insists on the need to put in place more systematic rules on transparency, incompatibilities, conflicts of interest, illegal lobbying and revolving doors; calls on the Centre to strengthen its internal control mechanisms, including the setting up of an internal anticorruption mechanism</p>	<p>Cedefop's Management Board adopted on 2 October 2019 Cedefop's 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.</p> <p>Cedefop's Anti-Fraud Strategy was adopted by its Management Board on 28 January 2019. In line with its Anti-Fraud strategy, Cedefop conducts a fraud risk assessment annually. No critical risks related to corruption have been identified so far.</p> <p>As part of its awareness-raising activities on ethics, integrity, and internal control issues Cedefop provides regular (mandatory) sessions on good governance, including fraud-related issues, to all staff as well as to the Management Board members.</p>
<p>Internal control – no. 26 Recalls the importance of strengthening management and control systems to ensure the proper functioning of the Centre; strongly insists on the requirement of an effective management and control systems to avoid potential cases of conflicts of interest, missing ex ante or ex post controls, inadequate management of budgetary and legal commitments, and failures to report issues in the register of exceptions;</p>	<p>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. 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.</p> <p>Cedefop uses indicators to assess the effectiveness of the internal control framework. The indicators are an</p>

Observation / Recommendation	Follow-up measures (status - end 2023)
	<p>integral part of Cedefop's Internal Control Framework and are reviewed on an annual basis.</p> <p>Cedefop's Internal Control Framework is built and implemented based on a comprehensive set of procedures and guidelines. All main procedures and workflows are documented and digitalised and further skills development training are provided to staff to ensure proper implementation of the annual work programme and effective controls.</p> <p>As part of awareness-raising activities on ethics, integrity and internal control issues, Cedefop provides regular mandatory sessions on good governance for staff. Cedefop has developed several procedures and tools to allow systematic ex-ante and ex-post 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. Evaluation and control activities are conducted annually in line with Cedefop's Annual Management Plan.</p>
<p>Digitalisation and the green transition – no. 28 Recalls the importance of increasing the digitalisation of the Centre in terms of internal operation and management but also in order to speed up the digitalisation of procedures; stresses the need for the Centre to continue to be proactive in this regard in order to avoid a digital gap between the Union agencies; draws attention, however, to the need to take all the necessary security measures to avoid any risk to the online security of the information processed; encourages the Centre to work in close cooperation with ENISA (European Union Agency for Cybersecurity);</p>	<p>The digitalisation project was concluded in 2023, by completing the implementation of digital workflows replacing paper-based ones, for all the key processes supporting the internal operation and management.</p> <p>Cedefop is currently implementing its ICT & Digital Strategy 2021-24 (adopted in April 2021), leading the Centre's digitalisation journey. Cedefop is a founding member of the ICT Advisory Committee (ICTAC) and actively participates in it, thus ensuring the avoidance of a digital gap with other Agencies.</p> <p>Cedefop is already working with other Agencies to align to the upcoming CyberSecurity Regulation, foreseeing all measures needed for increased security through a risk-based approach. The ICT & Digital Strategy 2021-2024 includes a specific Strategic Initiative action for 'Enhanced Cyber security & Compliance'. Cedefop is one of the Agencies that participates in ENISA's pilot on the Cybersecurity Regulation, launched in 2023.</p>
<p>Other comments – no. 34 Notes the Centre's longstanding practice of cooperation and information exchange with other Union agencies, such as Eurofound and the European Training Foundation (ETF); recalls in particular the service level agreement signed by ENISA on 4 May 2020 to share resources; points out that such resources regard, from 2021, also the Data Protection Officer; calls on the Centre to regularly report on the implementation of the agreement; notes further that a memorandum of understanding was agreed in 2022 with the European Labour Authority, and</p>	<p>The Service Level Agreement signed with ENISA envisages exploring systematically opportunities for resource sharing. For instance, ENISA and Cedefop are sharing: Data Protection Officers (2021-2023), confidential counsellors (as of 2022) and legal expertise on Greek law matters (as of 2023). In January 2023, Cedefop signed a Memorandum of Understanding with the European Labour Authority to further cooperation on vocational education and training (VET), skills and labour mobility in the EU. The 2023 Cedefop-ELA cooperation action plan defines in concrete terms how ELA's Job vacancy data from Eures will be analysed via Cedefop's skills-OVATE infrastructure.</p>

Observation / Recommendation	Follow-up measures (status - end 2023)
<p>that cooperation in the context of the European Employment Service Network and Skills-OVATE has been identified as a key priority;</p>	
<p>Other comments – no. 35 Welcomes the regular coordination and collaboration between the Centre and Eurofound, ETF and the European Agency for Safety and Health at Work; calls on the Centre to continue to develop synergies, increase cooperation, exchange good practices and push forward discussions regarding areas of mutual interest with other Union agencies, with a view to improving efficiency as regards, for instance, human resources, building management, IT services and security;</p>	<p>Synergies with Eurofound have been more actively explored and have led to more joint work. This includes cooperation in the context of the European Company Surveys (including cost and expertise sharing), joint reports on the survey findings and preparatory work on joint work on the green transition.</p> <p>Collaboration between Cedefop and the ETF continues on monitoring and analysing countries' progress, within European cooperation on VET and in shaping an integrated approach in monitoring the Council Recommendation on VET and the Osnabrück Declaration. Cooperation also continues in the EQF implementation, covering all EU, EEA and candidate countries, on learning outcomes, validation of non-formal and informal learning and apprenticeships and other forms of work-based learning. Joint work also included work on skills anticipation and matching, and the scope, objectives and key milestones of the skills survey from a multiannual perspective.</p> <p>In 2022 (European Year of Youth) and in 2023 (European Year of Skills) the five Agencies under the remit of DG Employment (Cedefop, ETF, Eurofound, EU-OSHA, ELA) jointly organised events in the European Parliament hosted by the Employment Committee on the theme of the European Year.</p> <p>In the framework of EUANSA, Cedefop worked with other Agencies to map socio-economic aspects of the green transition (https://www.cedefop.europa.eu/en/publications/2231) and organised with Eurofound an online knowledge-sharing seminar on 'Skills and quality jobs as drivers of a just green transition' for EUANSA Members in 2022.</p> <p>Cedefop is an active member of the EUAN network of Agencies. In particular, Cedefop is a member of the EUAN task force on Shared Services and Chairs the EUAN task force on new ways of working, challenges and opportunities. Cedefop is a strong supporter of developing strategies for sharing resources across Agencies. Further to using joint procurements across Agencies and the shared disaster recovery site of EUIPO, the Service Level Agreement signed with ENISA envisages systematically exploring opportunities to share resources. For instance, ENISA and Cedefop are expanding their sharing of capabilities: Data Protection Officers (as of 2021), confidential counsellors (as of 2022) and legal expertise (as of 2023). Moreover, as of end 2023, Cedefop provides accounting services to EIGE, following the signature of a service level-agreement between the two Agencies.</p>
<p>Other comments – no. 36 Calls on the Centre to step up its efforts and report</p>	<p>To make information accessible to a wide public, the Centre translates large parts of its website and has</p>

Observation / Recommendation	Follow-up measures (status - end 2023)
<p>relevant performance information to Union citizens and the public in clear and accessible language; urges the Centre to ensure greater transparency and public accountability by better utilising media and social media channels;</p>	<p>started implementing a machine-translation engine on its website to make all its web pages accessible in all EU languages (2023), allowing a wider reach out with no additional budgetary cost. The Centre has been investing in events targeted to the public, like participation to the Thessaloniki International Fair. At the same time, the Centre regularly opens its premises to visits, for example from students, to raise awareness of its work among young generations too.</p> <p>Audio-visual communication is increasingly used as an effective way to reach out wider audiences. Short animations allowing an easy understanding of the Agency’s core business are produced on different topics. Accessible animations have also been prepared each time a country takes over the EU Presidency, covering the VET framework of the relevant country. Podcasts (new product from October 2021) and videos have been identified as a powerful mean to further promote the Agency’s work also to non-technical audiences. In 2023, Cedefop produced and published 14 videos (clips, animations and interviews), 26 short-form videos (logomotion/gif) and 9 podcasts on Cedefop’s website and social media.</p> <p>Cedefop keeps investing resources in its ‘briefing notes’ where scientific content is made accessible to a wide range of stakeholders including the public through a simple language and a short presentation, available in multiple EU languages.</p> <p>Early 2023, the Centre’s annual report 2022 was redesigned into a shorter and more accessible brochure presenting the Centre’s activities, key achievements and performance indicators in a visually rich and pleasing way.</p>

The report on discharge in respect of the implementation of the budget of Cedefop for the financial year 2022 ⁽³⁶⁾, adopted by the European Parliament on 11 April 2024, again praises Cedefop’s high quality work on aspects such as budget and financial management, performance, efficiency and gains, staff policy, prevention and management of conflicts of interest and transparency and internal control.

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

II.10 Environment Management: Climate neutrality strategy and roadmap 2030

Cedefop is committed to reducing the impact of all its operations on the climate and environment to contribute to a more sustainable future. In 2022, Cedefop made a pledge, endorsed by its Management Board, to become climate neutral by 2030. The objective is to reduce our greenhouse gas (GHG) emissions to the lowest possible level and to offset the residual ones. To achieve that, we are transforming our operations and

⁽³⁶⁾ https://www.europarl.europa.eu/doceo/document/TA-9-2024-0238_EN.pdf

rethinking our ways of working, while safeguarding our capacity to produce high-quality data and evidence on VET, skills and qualifications in line with our mandate. Commitments and actions are implemented in all domains: building management, business travel (missions, meetings), new ways of working, purchased goods and services.

In 2023, Cedefop concluded its climate neutrality study and adopted its climate neutrality strategy and roadmap towards 2030. To monitor progress towards set targets, Cedefop initiated the process and necessary steps with a view to becoming [EMAS certified](#) by 2025. The Initial Environmental Review was conducted, and the EMAS objectives, action plan and environmental KPIs were drafted. To provide more transparency and social accountability, Cedefop endorsed the [Global Sustainability Reporting](#) (GRI) standard and following a materiality assessment, publishes a sustainability report index together with this activity report.

Measures implemented in 2023 include:

- closure of premises for three weeks in August to save energy;
- installation and activation of photovoltaic panels. It is estimated that these will produce one-third of Cedefop's total electricity consumption;
- staff participation in meetings and conferences mainly online. The budget for in-person participation (missions) continued to be reduced compared to 2019 levels, by 63.4%;
- continued organisation of events and conferences predominantly online and in hybrid mode, while additional IT support offered to enhance user experience. The budget for events organisation was 29% lower compared to 2019;
- inclusion of hotel environmental information in the list of special prices accommodations for Cedefop visitors (mainly conference participants);
- abolishment of the purchase and use of single-use plastic which was mainly used in the canteen and events;
- continued strict no-printing policy and advanced digitisation of further internal procedures and workflows;
- choice of a more environment-friendly food menu in the canteen. The new menu includes only one day with meat, one day with fish, two days with vegetarian options and one day with cold food.

Also, as part of its core business in 2023, Cedefop continued expanding the work on VET and skills in the context of the green transition. The [Cedefop green forecast scenario report](#) ⁽³⁷⁾ released in 2021 was used as a backbone to shape new work. Two new policy briefs based on foresight that looks into what greening means on the ground in the [agri-food](#) sector and in the [circular economy](#) were released and widely promoted in 2023. Alongside developing targeted green skills intelligence, Cedefop also transversally explored what it takes to make economies, labour markets and societies greener. Recognising that the impact on jobs and skills of greening extends beyond frontline green jobs, Cedefop mapped the [key occupations for the green transition](#) comprehensively. The European year of skills flagship report [Skills in transition](#) leveraged all Cedefop evidence on greening. It makes a case for drastically upscaling digital and green skilling, systematically connecting stakeholders and focusing on where a lot of greening will actually happen: in sectors, regions and in cities. The ReferNet expertise network helped map the state of play in green [skills anticipation](#) in Europe. Cedefop's big data work (SkillsOVATE) contributed significantly

⁽³⁷⁾ <https://www.cedefop.europa.eu/en/publications/4206>

to new evidence on greening produced in 2023. It helped shed light on how the green transition is changing jobs from within, on promising brown-to-green transition opportunities and on how VET can contribute to climate neutrality and other European Green Deal targets in the short-term and in a longer-term perspective.

As part of its outreach efforts in the European Year of skills, Cedefop leveraged many opportunities to introduce the skills perspective in fora where the focus often is on green technology and its implementation. Presentations at EU and international high-level events and engaging in conversations with sectors, VET providers, local players and national authorities contributed to strengthening Cedefop's reputation as a green transition knowledge hub.

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

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 Single Programming Document 2023-25 was adopted by the Management Board on 16 December 2022 by written procedure.
- ii The annual work programme 2023 is embedded in the Single Programming Document and includes the risk management plan which results from an in-depth ex-ante assessment of the generic risks and risks by project and by Activity-Based Budgeting (ABB) activity. 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 work programme. The MASPP forms an integral part of the Single Programming Document and annual work programme.
- iv Finally, the annual management plan (AMP) 2023 comprises detailed planning for the Agency's key deliverables - e.g. conferences, publications, web tools, 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 2023.

b) Comprehensive set of processes to monitor and report reliably on the implementation of the 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 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 ⁽³⁸⁾ as well as the day-to-day administration of the Agency. Follow-up actions are reviewed on a weekly basis. Since December 2023, outcomes are reported and published to all staff on a dedicated page on the intranet.

- ii The Executive Director, Deputy Director (Internal Control Coordinator), Heads of Departments, Head of Finance and Procurement, Head of Human Resources, 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 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 Consolidated Annual Activity Report is 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. Starting with the report on the year 2023, the Annual Report brochure continues to be discussed with the Executive Board but is no longer adopted by the Management Board, as decided by the latter.
- 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

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 2023.

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

⁽³⁸⁾ e.g. events, publications, briefing notes, web tools

updated Anti-Fraud Strategy on 26 March 2024, which repealed the second version from 2019.

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, were revised and complemented with Cedefop's guidelines on whistleblowing in 2019 ⁽³⁹⁾, based on the Commission's Guidelines and in compliance with the requirements set out in Art. 22c of the Staff Regulations.

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 ⁽⁴⁰⁾. 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. Cedefop uses indicators to assess the effectiveness of the internal control framework. The indicators are an integral part of Cedefop's Internal Control Framework and are reviewed on an annual basis.

e) Safeguarding of assets

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 proved 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.

⁽³⁹⁾ DGE/37/2019 of 9 April 2019

⁽⁴⁰⁾ 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 latest cross-cutting evaluation of the four Agencies falling within the remit of DG Employment, announced on 13 September 2022, covers the period 2017-22. Like the previous one, the evaluation assesses Cedefop individually and in a cross-cutting perspective vis-à-vis the other Agencies falling within the remit of DG Employment as regards their relevance, effectiveness, efficiency, coherence and EU added value. Cedefop received the draft final report on 23 August 2023 and provided its comments together with the other 3 Agencies under evaluation. Cedefop attended the validation focus group meeting on 18 September 2023 aiming at validating and expanding the study findings and conclusions; and discussing learning points for the future. The outcomes of the focus group will feed into the final report. The outcomes of the external evaluation available so far point to a positive picture for Cedefop under all evaluation criteria – effectiveness, efficiency, coherence, added value and relevance.

Cedefop received the final evaluation report on 18 April 2024. The related Commission's Evaluation Staff Working Document is expected later in 2024. Upon receipt of the latter, Cedefop will shape an action plan to address the recommendations.

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

Cedefop updated its policy on reporting of exceptions, non-compliance events and notes to the file on 5 November 2020 ⁽⁴¹⁾ 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 Registry'. Appropriate mitigating actions addressed the identified issues.

In 2023, Cedefop registered 35 non-compliance events and exception requests linked to issues on contract and financial management and security incidents linked with ICT data. Recommendations issued by the ICC were implemented and followed up to help avoid reoccurrence, down from 57 in 2022.

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 and followed up as appropriate.

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 the ICC, using the tool 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.

⁽⁴¹⁾ Decision DIR 07/2020 - RB(2020)01239

The assessment tool comprises:

- a a registry 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 a timely manner.
OVERALL ASSESSMENT (1/2/3 or 4). 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

DEPUTY DIRECTOR – INTERNAL CONTROL COORDINATOR

STATEMENT OF THE DEPUTY DIRECTOR AND INTERNAL CONTROL COORDINATOR, MS MARA BRUGIA, TO THE EXECUTIVE DIRECTOR, MR JUERGEN SIEBEL

I, Mara Brugia,

in my capacity as Deputy Director and authorising officer by delegation,

declare that in accordance with my responsibilities as authorising officer by delegation and as Deputy Director, I have reported to the Executive Director my assessment, advice and recommendations on the issues under my responsibility.

I declare that on the basis of my managing and monitoring operations, I have reasonable assurance that the underlying actions have been legal and regular and that the information that I have provided has been accurate and complete.

In my capacity as Internal Control Coordinator in charge of risk management and internal control, I also declare that in accordance with Cedefop's Internal Control Framework, I have reported my assessment, advice and recommendations on the overall staff of internal control in Cedefop to the Executive Director.

I hereby certify that the information provided in the Consolidated Annual Activity Report 2023 and its annexes, to the best of my knowledge, is accurate, reliable and complete.

Thessaloniki, 30 May 2024

Digitally signed by:

MARA BRUGIA (EUROPEAN CENTRE FOR
DEVELOPMENT OF VOCATIONAL TRAINING (CEDEFOP))

Date: 2024-05-30 07:40:03 UTC

Mara Brugia

Deputy Director and Internal Control Coordinator

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. This assures alignment of objectives, ensures buy-in and common understanding of the strategic objectives and annual work programme.

Planning and monitoring tools for the ABB, 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 and workflows have been documented and digitalised, backups appointed to ensure business continuity, as also documented in the job descriptions of all staff. Further skills development trainings are provided to staff to ensure proper implementation of the annual work programme and effective controls ⁽⁴²⁾.

Additionally, department and project team meetings or briefings by the Heads of Departments/Services are used to inform staff of relevant issues and new developments. Since end 2023, outcomes of the weekly Directorate/Heads of Departments meetings are systematically communicated to staff on the Intranet.

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.

⁽⁴²⁾ e.g. trainings and knowledge sharing on e.g. contract management, ABAC, data protection, team development, finance, procurement and contract management, risk management, data protection, internal control framework, etc.



IV.2 Reservations

N/A

PART V. DECLARATION OF ASSURANCE

EXECUTIVE DIRECTOR

DECLARATION OF ASSURANCE OF THE 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.

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 to the year of this declaration.

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

Thessaloniki, 30 May 2024

Digitally signed by:

JÜRGEN SIEBEL (EUROPEAN CENTRE FOR DEVELOPMENT OF VOCATIONAL TRAINING (CEDEFOP))

Reason: I am the author of this document.

Date: 2024-05-30 08:50:37 UTC

Jürgen Siebel
Executive Director



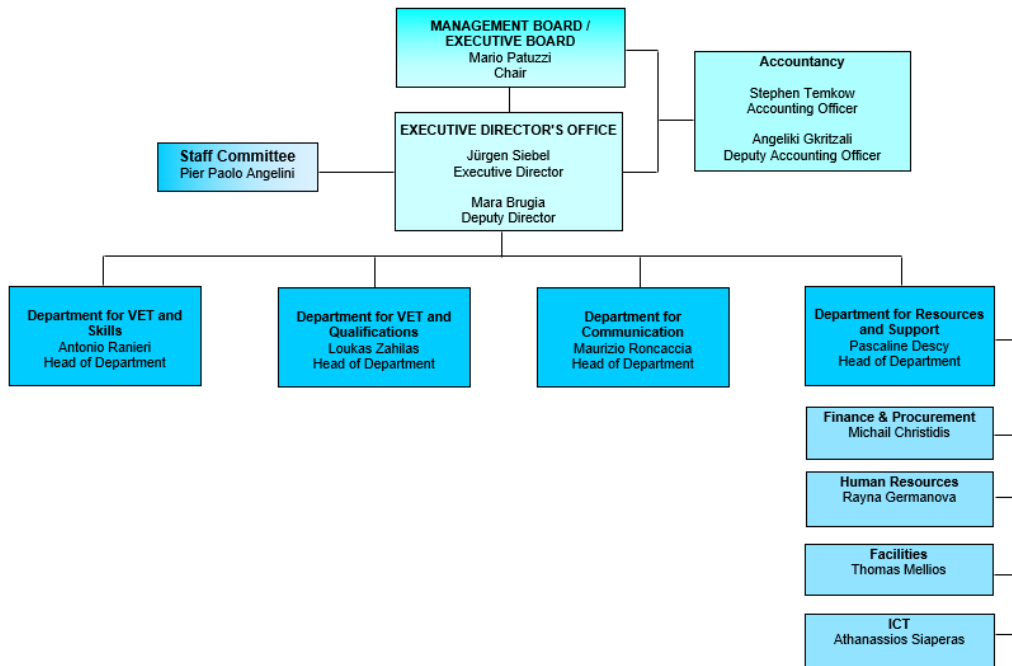
ANNEXES

Annex I: Statistics on financial Management

Budget outturn	N-4 (2020)	N-3 (2021)	N-2 (2022)	N-1 (2023)
Revenue actually received (+)	17 173 664	18 538 589	18 468 380	20 152 134
Payments made (-)	-15 918 322	-17 580 672	-17 102 388	-19 040 129
Carry-over of appropriations (-)	-1 218 993	-879 615	-1 172 755	-790 538
Cancellation of appropriations carried over (+)	58 261	77 236	67 297	39 292
Adjustment for carry-over of assigned revenue appropriations from previous year (+)	33 514	39 277	45 708	43 368
Exchange rate differences (+/-)	-1,123	-858	-297	63
Adjustment for negative balance from previous year (-)	0	0	0	0
Total	127 001	193 956	305 945	404 190

The budget outturn 2023 is EUR 404 190. Detailed information on budget execution is presented in Part II.3.

Annex II: Organisational chart



Annex III: 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	AD9	Operations
Administrator/Expert	TA external	AD 7	Operations
Administrator/Expert	TA external	AD 5	Operations/ Administrative
Expert	CA	FG IV	Operations/ Administrative
Senior Assistant	TA internal	AST 10	Operations
Assistant	TA external	AST 2	Operations
Assistant	TA external	AST 4	Operations/ Administrative/ Neutral
Assistant	CA	FG III	Administrative
Assistant	CA	FG II	Operations/ Administrative/ Neutral
Head of Human Resources	TA external	AD 8	Administrative
Head of Finance and Procurement	TA inter-agency	AD 9	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
Legal Advisor/Data Protection Officer	TA external	AD 6	Administrative
Accounting Officer	TA external	AD 7	Neutral

Job screening/benchmarking against previous year results

Job Type (subcategory)	2022 (%)	2023 (%)
Administrative support and Coordination	19.0%	20.5%
Administrative support	17.4%	18.3%
Coordination	1.6%	2.2%
Operational	73.2%	72.8%
Top level Operational Coordination	4.7%	4.5%
Programme management and implementation	68.5%	66.1%
Evaluation & impact assessment	0.0%	0.0%
General operational	0.0%	2.2%
Neutral	7.8%	6.7%
Finance/Control	7.8%	6.7%
Linguistics	0.0%	0.0%

List of HR implementing rules adopted in 2023

Cedefop-DGE-47-2023_ Working time and hybrid working model decision (adopted on 06/10/2023, entered into force as of 01/01/2024)
Rules governing the traineeship programme at Cedefop

Gender representation - Data on 31/12/Year N-1 (2023) / statutory staff (only officials, AT and AC)

		Official		Temporary		Contract Agents		Grand Total	
		Staff	%	Staff	%	Staff	%	Staff	%
Female	Administrator level	2	33.3%	16	39%	3	23.1%	21	35%
	Assistant level (AST & AST/SC)	4	66.7%	25	61%	10	76.9%	39	65%
	Total	6	100.0%	41	100.0%	13	100%	60	100.0%
Male	Administrator level	0	0%	27	79.4 %	4	44.4%	31	68.9%
	Assistant level (AST & AST/SC)	2	100.0%	7	20.6%	5	55.6%	14	31.1%
	Total	2	100.0%	34	100.0%	9	100.0%	45	100.0%
Grand Total		8		75		22		105	

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

	N-5 (2019)		N-1 (2023)	
	Number	%	Number	%
Female Managers	2	33.3%	2	33.3 %
Male Managers	4	66.7%	4	66.7%

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

Table on 31/12/year N-1 (2023) - 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	1.9%	1	1.0%
BE	2	3.8%	4	7.5%	6	5.7%
BG	1	1.9%			1	1.0%
CZ	1	1.9%			1	1.0%
DE	3	5.8%	4	7.5%	7	6.7%
DK			2	3.8%	2	1.9%
EE						0.0%
EL	21	40.4%	32	60.4%	53	50.5%
ES	4	7.7%	1	1.9%	5	4.8%
FR	2	3.8%	5	9.4%	7	6.7%
IT	10	19.2 %	2	3.8%	12	11.4%
LV	3	5.8%			3	2.9%
NL	1	1.9%			1	1.0%
NO						0.0%
PL	2	3.8%			2	1.9%
RO	1	1.9%	1	1.9%	2	1.9%
SE			1	1.9%	1	1.0%
SK	1	1.9%			1	1.0%
UK						0.0%
TOTAL	TOTAL	52	100.0%	53	105	100.0%

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

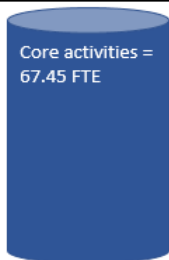
Most represented nationality	N-5 (2019)		N-1 (2023)	
	Number	%	Number	%
EL	48	43.6%	53	50.5 %

Annex IV: Human and financial resources by activity

ABB per activity 2023

Currency: euros

ABB 2023														PD 2023-25			
Activity Name	Dept - Chapter	Direct budget cost per activity		FTE cost per activity							Overhead cost per activity	Total budget per activity		Annex II Resource allocation 2023			
		Direct final budget per activity (1)	% of Total Oper B	Direct FTEs (a)	% of FTEs (key)	Direct FTEs salary cost (2)	Indirect FTEs (b)	Indirect FTEs salary cost (3)	Total FTEs (c)=(a)+(b)	Total FTE salary cost (4)=(2)+(3)	T1+T2+Ch30 excl salaries (5)	Total cost (6)=(1)+(4)+(5)	% per activity	Total FTEs	% of total FTEs (key)	Total Budget (initial)	% per activity
Shaping VET & qualifications	DVQ - Ch 33	1,795,435	37%	21.50	32%	2,431,148	12.24	1,383,710	33.74	3,814,858	911,306	6,521,599	33%	42.90	36%	6,262,364	32%
Valuing VET & skills	DVS-LE - Ch 34	1,338,622	28%	15.25	23%	1,724,419	8.68	981,469	23.93	2,705,888	646,391	4,690,901	24%	30.60	26%	6,262,364	32%
Informing VET & skills policies	DVS-SL - Ch 32	1,056,475	22%	13.38	20%	1,512,400	7.61	860,796	20.99	2,373,197	566,917	3,996,589	20%	29.90	25%	5,088,171	26%
Communication	DCM - Ch 35	617,999	13%	17.32	26%	1,958,601	9.86	1,114,755	27.18	3,073,356	734,173	4,425,529	23%	16.60	14%	1,956,989	10%
Totals		4,808,531	100%	67.45	100%	7,626,569	38.39	4,340,730	105.83	11,967,299	2,858,787	19,634,617	100%	120.00	100%	19,569,888	100%



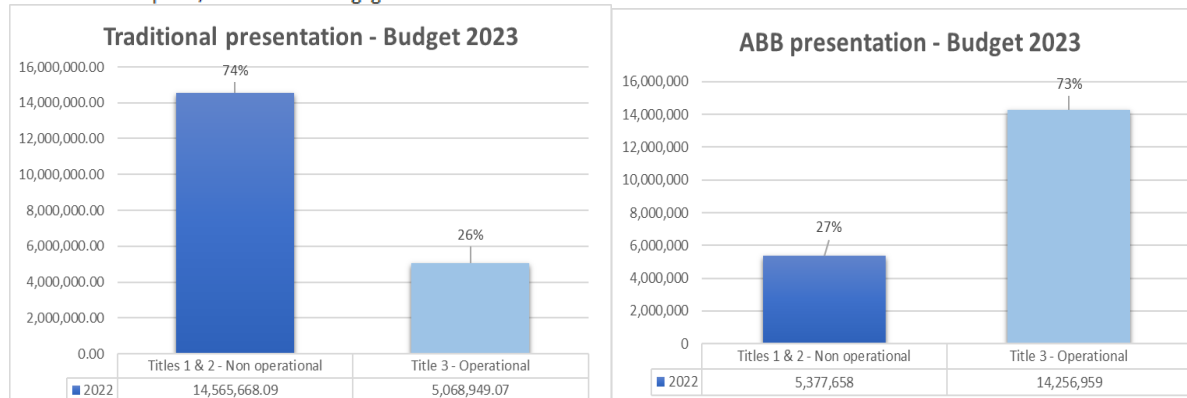
- (1): Budget allocated to Core operational activities at year end
- (a): FTEs allocated to Core operational activities (organigramme, ratio reporting to different Depts, & months in service accounted for)
- (2): Direct FTEs (a) multiplied by average staff salary cost (113,077 EUR)
- (b): FTEs of DRS, DIR and Restaurant redistributed to Core operational activities according to '% of FTEs (key)'
- (3): Indirect FTEs (b) multiplied by average staff salary cost (113,077 EUR)
- (c): Total FTEs, direct (a) plus indirect (b) allocated to activities
- (4): Salary cost of total FTEs (c) per activity
- (5): Overhead costs for distribution. Budget allocated to Resources and Support activities = T1 (excl salaries) + T2 (Infrastructure & Operating costs) + Chapter 30 (MB meetings and transversal activities)
- (6): Total budget allocated per activity: Direct final budget (1) + Total FTE cost (4) + Overhead cost (5)

Remark

Deviation total FTEs (c) from PD Annex II Resource allocation: From 120 authorised posts, the total FTEs engaged is 105.83 = 14.17 FTEs less than available.

In 2023, Cedefop committed 19.6 million EUR. Based on the **traditional budget presentation**, overhead costs, reported in Titles 1 (Staff) and 2 (Infrastructure & operating costs), represent 14.5 million EUR or 74% of the Budget, and Title 3 (Operational expenditure) represents 5.1 million EUR or 26% of the Budget.

The **ABB presentation**, however, shows that 73% of the Budget of the Agency was invested in Operational projects, while overheads represent 27% only.



Annex V: Environmental 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 ⁽⁴³⁾ 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 current approach is in line with this initiative.

However, in line with its climate neutrality ambition, the Agency took steps in 2023 to upgrade its environment management system and become EMAS certified as of 2025.

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 ⁽⁴⁴⁾.

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 ⁽⁴⁵⁾.

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 ⁽⁴⁶⁾, 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:

⁽⁴³⁾ 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.

⁽⁴⁴⁾ <https://www.un.org/sustainabledevelopment/> [accessed on 13.11.2019].

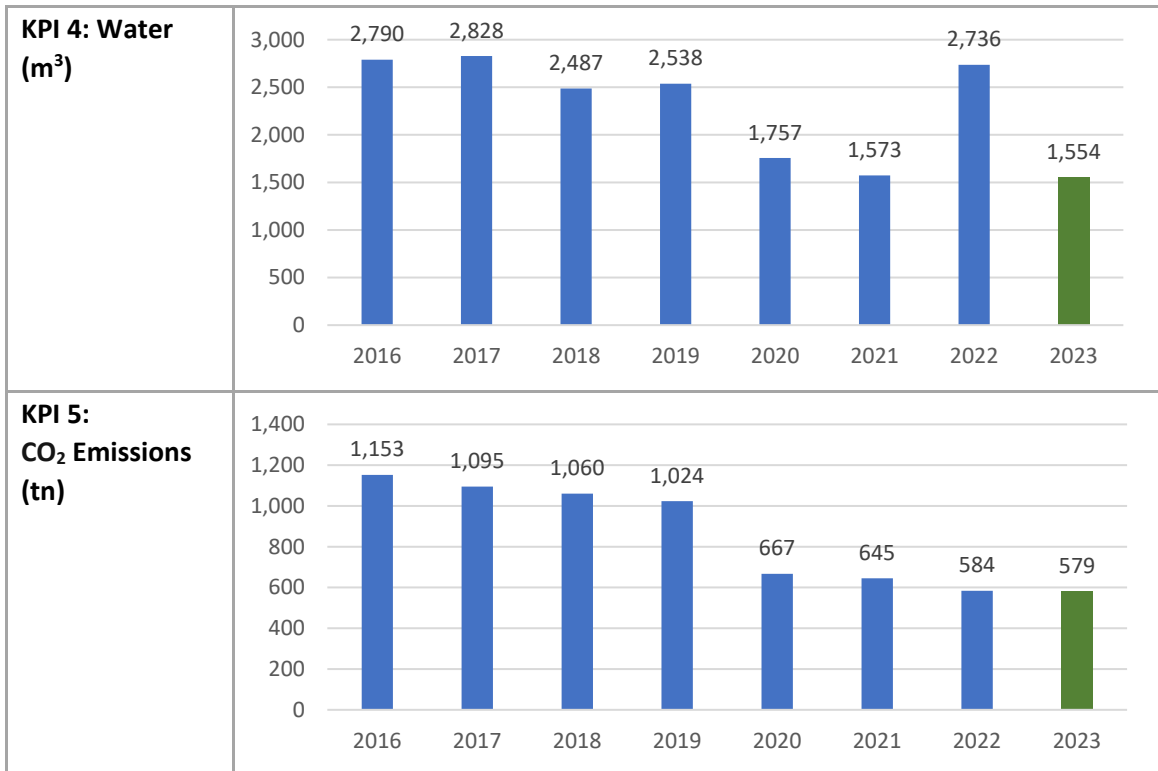
⁽⁴⁵⁾ RB(2014)00321 of 24 April 2014.

⁽⁴⁶⁾ Including ISO 14001 or the eco-management and audit scheme – EMAS.

- energy consumptions: electricity and heating oil consumptions;
- water consumption;
- paper consumption;
- waste;
- CO₂ emissions.

For all indicators listed in the table below, the 2023 target was to maintain (or go be-low) 2016 consumption.

Indicator	2023																		
KPI 1: Electricity (Kwh)	<table border="1"> <thead> <tr> <th>Year</th> <th>Consumption (Kwh)</th> </tr> </thead> <tbody> <tr><td>2016</td><td>996,167</td></tr> <tr><td>2017</td><td>944,442</td></tr> <tr><td>2018</td><td>914,784</td></tr> <tr><td>2019</td><td>884,115</td></tr> <tr><td>2020</td><td>756,749</td></tr> <tr><td>2021</td><td>719,696</td></tr> <tr><td>2022</td><td>640,391</td></tr> <tr><td>2023</td><td>619,443</td></tr> </tbody> </table>	Year	Consumption (Kwh)	2016	996,167	2017	944,442	2018	914,784	2019	884,115	2020	756,749	2021	719,696	2022	640,391	2023	619,443
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2022	640,391																		
2023	619,443																		
KPI 2: Heating oil (lt)	<table border="1"> <thead> <tr> <th>Year</th> <th>Consumption (lt)</th> </tr> </thead> <tbody> <tr><td>2016</td><td>22,191</td></tr> <tr><td>2017</td><td>30,920</td></tr> <tr><td>2018</td><td>25,927</td></tr> <tr><td>2019</td><td>24,400</td></tr> <tr><td>2020</td><td>9,400</td></tr> <tr><td>2021</td><td>12,000</td></tr> <tr><td>2022</td><td>13,700</td></tr> <tr><td>2023</td><td>19,100</td></tr> </tbody> </table>	Year	Consumption (lt)	2016	22,191	2017	30,920	2018	25,927	2019	24,400	2020	9,400	2021	12,000	2022	13,700	2023	19,100
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2022	13,700																		
2023	19,100																		
KPI 3: Paper (Reams)	<table border="1"> <thead> <tr> <th>Year</th> <th>Consumption (Reams)</th> </tr> </thead> <tbody> <tr><td>2016</td><td>1,011</td></tr> <tr><td>2017</td><td>1,243</td></tr> <tr><td>2018</td><td>1,500</td></tr> <tr><td>2019</td><td>815</td></tr> <tr><td>2020</td><td>325</td></tr> <tr><td>2021</td><td>136</td></tr> <tr><td>2022</td><td>216</td></tr> <tr><td>2023</td><td>189</td></tr> </tbody> </table>	Year	Consumption (Reams)	2016	1,011	2017	1,243	2018	1,500	2019	815	2020	325	2021	136	2022	216	2023	189
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2022	216																		
2023	189																		



Integrated into Cedefop’s performance measurement system, PMS indicator 26 (Environmental indicator) assesses the Agency’s environmental performance using greenhouse gas emissions (ton CO₂) ⁽⁴⁷⁾ and overall waste emissions ⁽⁴⁸⁾.

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

⁽⁴⁷⁾ Energy consumptions

⁽⁴⁸⁾ Recyclable material and household

Annex VI: Draft/Final Annual Accounts

Annual accounts are published on Cedefop web portal at the following URL:

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