



CEDEFOP

European Centre for the Development
of Vocational Training

Thessaloniki, 30 June 2020
RB(2020)00780

FINAL

Annual Accounts

Financial year 2019

These accounts have been prepared by the Accounting Officer on 15/06/2020 and drawn up by the Director on 15/06/2020. The opinion of the Governing Board was given on 26/06/2020.

The present annual accounts, together with the opinion of the Governing Board, will be sent to the Commission's Accounting Officer, the Court of Auditors, the European Parliament and the Council on 30/06/2020.

The accounts will be published on the Community body website:
<http://www.cedefop.europa.eu>

Thessaloniki, 30 June 2020

Jürgen Siebel
The Executive Director

Stephen Temkow
The Accounting Officer

Introduction

In accordance with Articles 97 and 98 of the financial regulation of Cedefop (the European Centre for the Development of Vocational Training), hereafter “the Financial Regulation”, adopted by the Management Board on 16 July 2019, Cedefop’s annual accounts comprise:

- the financial statements of the Agency;
- the budget implementation reports of the Agency

The accounts are kept in accordance with the provisions of Cedefop Decision of 16 July 2019.

The Agency has non-differentiated appropriations for administrative expenditure (Titles 1 and 2) and differentiated appropriations for operational expenditure (Title 3).

The accounts are kept in Euro, and the revenue and expenditure account and the balance sheet are presented in Euro. Operations are carried out at the monthly accounting rates in force when they are transacted. The Euro exchange rate used for the preparation of the balance sheet is the rate applicable on 31 December.

The subsidies received from Norway and Iceland are subsumed into the budget along with the subsidy from the Commission.

Certification

The final annual accounts of Cedefop (the European Centre for the Development of Vocational Training) for the year 2019 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by myself.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of Cedefop in accordance with Article 49 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show Cedefop's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of Cedefop.



Stephen Temkow - Agency Accountant

Thessaloniki 15 June 2020



**REPORT ON BUDGETARY AND
FINANCIAL MANAGEMENT
FINANCIAL YEAR 2019**

1. INTRODUCTION

1.1. Legal basis – financial rules

This report on budgetary and financial management has been prepared in accordance with Articles 97 and 98 of the Cedefop's Financial Regulation.

1.2. IT management systems

Budgetary accounting is provided by Fibus, a software application developed within Cedefop which covers general accounting and budgetary accounting.

The various budgetary and financial reports are produced using the Fibus application.

The integration of the two sets of accounts guarantees that all budgetary operations are included in the general accounts.

A reconciliation of the two sets of accounts is included in the Annex.

1.3. Nomenclature of appropriations

Appropriations are subdivided into three titles, the nomenclature of appropriations being.

- Title 1: Staff
- Title 2: Infrastructure and operating expenditure
- Title 3: Operational expenditure

In order to provide a more detailed analysis of costs in relation to the work programme, Title 3 is subdivided into chapters, with each operational department having its own chapter, which also corresponds to ABB activities.

1.4. Non-automatic carryovers of appropriations

No non-automatic carryovers were made from 2019 to 2020.

1.5. Supplementary and amending budget

In December 2019 the Agency was granted a supplementary and amending budget to the value of Euro 1 424 634 relating purely to payment appropriations; the total was entered in the 2019 budget. There were no commitment appropriations associated with this amending budget. These funds were required to ensure sufficient funds were available to meet the Agency's operational outgoings (Title 3).

1.6. Monies received

Amounts received in consideration of expenditure are entered in the accounts as a reduction in the expenditure if they are received in the same financial year as the expenditure is made and as sundry revenue if they are received in a subsequent financial year. As of 2014 amounts received as interest accruing on bank accounts constitutes revenue for Cedefop.

1.7. Debit Notes

The Agency issued seventeen debit notes in 2019 for a total value of Euro 67 687. Their breakdown being: the request for Iceland's 2019 contribution (Euro 24 400), 3 debit notes for the return of unspent Refernet funds (Euro 39 277) and sundry claims for expenses to be reimbursed generally being travel related (Total Euro 4 010).

Evolution of commitment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2019

Article Item	Heading	Initial Budget	Transfers	Final budget
	Title 1 - STAFF EXPENDITURE	10,785,210	-65,712	10,719,498
	Title 2 - ADMINISTRATIVE	1,526,710	75,242	1,601,952
	Title 3 OPERATING EXPENDITURE			
3 0	TRANSVERSAL ACTIVITIES	330,000	-79,155	250,845
3050	Management Board meetings	150,000	-56,800	93,200
3070	Transversal technical support	180,000	-22,355	157,645
3 1	PARTICIPATION OF NON-MEMBER STATES IN THE OPERATIONAL WORK PROGRAMME	0	0	0
3100	Participation of Non-Member states	0	0	0
3122	DG employment Grant	0	0	0
32	SKILLS AND LABOUR MARKET (previously: Research and Policy Analysis)	1,288,000	303,659	1,591,659
3200	Missions, meeting, interpretation	138,000	-18,270	119,730
3240	Pilot studies and projects	1,150,000	321,929	1,471,929
3 3	VET SYSTEMS AND INSTITUTIONS (previously: Enhanced cooperation in VET and LLL)	2,016,000	-113,970	1,902,030
3300	Missions, meetings, interpretation	236,000	-42,200	193,800
3330	ReferNet annual grants (Specific Grant Agreements) (was 3250)	980,000	-2,896	977,104
3331	ReferNet other cost	100,000	6,000	106,000
3340	Pilot studies and projects	700,000	-74,874	625,126
34	LEARNING AND EMPLOYABILITY (new)	1,251,000	-130,000	1,121,000
3400	Missions, meetings, interpretation	270,500	-38,650	231,850
3440	Pilot studies and projects	980,500	-91,350	889,150
3 5	COMMUNICATION (previously: Communication, information and dissemination)	662,000	9,937	671,937
3500	Missions, meeting, interpretation	45,000	7,000	52,000
3510	Publications and dissemination	221,000	-40,563	180,437
3520	Translation expenses	107,000	37,200	144,200
3540	Establishment of operational documentation	106,000	0	106,000
3541	Contracts for update and maintenance of databases	161,000	9,000	170,000
3546	Promotional activities and public relations	22,000	-2,700	19,300
	Title 3 – TOTAL	5,547,000	-9,529	5,537,471
	GRAND TOTAL	17,858,920	0	17,858,920

Evolution of payment appropriations of the European Centre for the Development of Vocational Training (Cedefop) for the financial year 2019

Heading	Initial Budget	Transfers	Amending budget	Final Budget
Title 1 - STAFF EXPENDITURE	10,785,210	-65,712		10,719,498
Title 2 – ADMINISTRATIVE	1,526,710	75,242		1,601,952
Title 3 OPERATING EXPENDITURE	5,547,000	-9,529	1,424,635.59	6,962,105
TOTAL	17,858,920	0	1,424,635.59	19,283,555
Grant				
Norway & Iceland	Included above			Included above
GRAND TOTAL	17,858,920	0	1,424,635.59	19,283,555

2 BUDGET IMPLEMENTATION

Revenue		Expenditure												
Source of Revenue	Revenue entered in the final budget for the financial year	Revenue received for the financial year	Allocation of expenses	Final budget appropriations for the financial year					Appropriations carried over from previous years					
				Entered	Committed	Paid	Carried Over	Cancelled	Available	Committed	Paid	Carried Over	Cancelled	
Own revenue			Title I Staff (NDA)	10,719,498	10,719,498	10,535,374	184,124	-	145,058	145,058	126,247			18,811
Union contribution	18,858,635	18,858,635												
Other subsidies	414,920	414,920	Title II Administration (NDA)	1,601,952	1,601,952	991,803	610,149	-	525,229	525,229	484,709			40,521
Other revenue	10,000	1,527	Title III Operating Activities (DA)											
Recovered Funds		33,514	- CA	5,537,471	5,536,256			1,214	0	0				
			- PA	6,962,105		6,815,636	0	146,469			0			0
Assigned revenue			Assigned revenue	0	0	0	0	0	33,514	0		33,514	0	0
			Total CA	17,858,920	17,857,706		794,272	1,214	703,801	670,287		0		59,332
Total	19,283,555	19,308,595	Total PA	19,283,555		18,342,813	794,272	146,469	703,801	610,956		0		59,332

- 2.1. Appropriations for the current financial year: Analysis of the use of appropriations and of the main changes compared with the previous year.

- 2.1.1. Title 1: Staff

Budget item and heading		2019			2018		Change comm. % 2019/ 2018
		Final budget	Comm.	Payments	Comm.	Payments	
110	Offici and temporary staff occupying a post (includes Social Security contributions, supplementary services and weightings)	8,281,233	8,281,233	8,282,233	7,801,623	7,801,623	6%
1111	Seconded national experts	139,332	139,332	139,332	166,005	166,005	-16%
1112	Contract staff	1,321,790	1,321,790	1,321,790	1,208,064	1,208,064	9%
1113	Trainees	94,086	94,086	94,086	95,391	95,391	-1%
114	Miscellaneous allowances and grants	168,223	168,223	168,223	160,322	160,322	5%
120	Allowances and expenses on leaving and entering the service	48,335	48,335	15,868	182,421	174,734	-74%
130	Mission expenses	130,000	130,000	116,072	132,300	122,864	-2%
143	Medical service	29,775	29,775	23,108	63,000	34,131	-53%
149	Other expenditure	146,493	146,493	141,656	121,384	120,084	21%
150	Training	114,792	114,792	44,117	117,525	43,621	-2%
160	Supplementary services	232,421	232,421	180,549	106,970	88,609	117%
170	Representation expenses	13,081	13,081	9,340	18,900	13,399	-31%
	TITLE 1 – TOTAL	10,719,498	10,719,498	10,535,374	10,173,903	10,028,845	5%

Significant variations from 2018 to 2019 in commitments can be explained by:

1111 (Seconded national experts) – In 2019 there were fewer seconded national experts than the previous year which explains the decrease in expenditure.

1200 (Allowances and expenses on leaving and entering the service) – in 2018 Cedefop had run a selection procedure for a new Executive Director which had significantly increased the expenditure on this budget line.

1430 (Medical service) – During 2019, Cedefop decided to decrease the number of hours on the framework contract for intra-muros medical officer services.

1490 (Other expenditure) – The expenses related to the social measures taken by Cedefop increased slightly in 2019 as well as the cost of the pre-school support.

1600 (Supplementary services) – In 2019, the cost of the mandatory service level agreement with PMO increased significantly. Additionally, since the dismantling of the internal legal service in November 2017 by the former Director, Cedefop’s legal services have been fully outsourced by way of contracts with external legal contractors and Service Level Agreements with the European Commission. Under the SLAs with the Commission, the SLA for legal advice became more expensive following the withdrawal of Eurofound (which originally shared the cost with Cedefop). Additionally, there was an increased number of Article 90(2) complaints which are handled by DG-HR at a cost to the Agency.

1700 (Representation expenses) – Expenditure on this budget line decreased due to less requirement to provide representation

	Staff on 31/12/2018 (a)	Increase			Reduction			Staff on 31/12/2019 (h) = (a + d - g)
		Internal movements (b)	Recruit. (c)	Total (d) = (b + c)	Internal movements (e)	Depart. (f)	Total (g) = (e + f)	
OFF	12			0		0		12
TEMP	76		2	2		4	4	74
SNE	3			0				3
CTST	26		2	2		3	3	25
Total	117		4	4		7	7	114

2.1.2. Title 2: Infrastructure and operating expenditure

		2019			2018		Change comm. In % 2019/2018
		Final budget	Comm.	Payments	Comm.	Payments	
20	Building	599,890.85	599,890.85	498,309.62	614,556.21	485,589.55	-2%
21	IT	749,027.04	749,027.04	352,887.61	627,293.39	363,408.48	19%
22	Equipment and furniture	7,162.15	7,162.15	5,527.43	4,967.00	4,758.26	44%
23	Administrative expenses	96,946.76	96,946.76	78,185.49	130,453.47	106,308.03	-26%
24	Postal charges and telecommunications	130,924.71	130,924.71	42,628.13	170,450.00	64,836.14	-23%
25	Meeting expenses	18,000.00	18,000.00	14,264.36	14,250.00	11,840.37	26%
TITLE 2 TOTAL		1,601,951.51	1,601,951.51	991,802.64	1,561,970.07	1,036,740.83	3%

The slight variation from 2018 to 2019 can be explained by:

- Chapter 21: (ICT): an increase (19%) in expenditure as 2019 budget execution included investments in upgrading ICT equipment with a view to modernise infrastructure and facilitate mobility, compatible with the new ICT tools deployed. Another reason is the engagement of consultancy for the validation of the revamped ICT strategy of the Agency.

- Chapter 22: (Equipment and furniture): an increase in movable equipment expenditure by 44% is actually due to an increase of approx. 2 000 EUR which in absolute terms is a minor amount.

- Chapter 23: (Administrative expenses): the decrease of 26% is attributed to reduced legal expenses compared to the larger amounts spent in 2018 on legal advice from DG HR and external consultants.

- Chapter 24: (Post and telecommunications): the decrease of 23% was recorded mainly due to the significant investments on network equipment which occurred in 2018 and did not repeat in 2019.

- Chapter 25: (Meeting expenses): the increase of 26% represents an amount of approx. 4 000 EUR and is due to meetings organised by the newly appointed Executive Director.

2.1.3. Title 3: Operational expenditure (commitments) excluding Grants

Chapter		2019			2018		
		Final budget	Comm.	%	Final budget	Comm.	%
30	TRANSVERSAL ACTIVITIES	250,845	250,795	99.98%	305,501	305,494	100.00%
32	SKILLS AND LABOUR MARKET (previously: Research and Policy Analysis)	1,591,659	1,590,683	99.94%	1,483,550	1,483,536	100.00%
33	VET SYSTEMS AND INSTITUTIONS (previously: Enhanced cooperation in VET and LLL)	1,902,030	1,902,030	100.00%	1,936,941	1,936,940	100.00%
34	LEARNING AND EMPLOYABILITY (new)	1,121,000	1,121,000	100.00%	1,730,575	1,730,575	100.00%
35	COMMUNICATION (previously: Communication, information and dissemination)	671,937	671,937	99.97%	657,608	657,175	99.93%
	TITLE 3 - TOTAL	5,537,471	5,536,256	99.98%	6,114,174	6,113,721	99.99%

Transversal activities cover the costs relating to the Management Board meetings and transversal technical (IT) support.

Each Department has its own lines for the costs of missions, meetings and interpretation, pilot studies and projects. The budget needed by operational Departments for translation and publications expenses are included in chapter 35 of the Communications Department.

Cedefop continues to fully utilise all its operational funding year on year with an implementation rate for 2019 of 99.98%.

2.1.4. Title 3: Operational expenditure (Payment Appropriations) excluding Grants and Norway and Iceland

Heading	Initial Budget	Transfers	Amending budget	Final Budget	Payments	Balance
Title 1 – Staff	10,785,210	-65,712		10,719,498		
Title 2 - Administrative	1,526,710	75,242		1,601,952		
Title 3 - Operational	5,547,000	-9,529	1,424,636	6,962,105	6,815,636	146,469
Total	17,858,920	0	1,424,636	19,283,555	6,815,636	146,469
Grant						
Norway & Iceland	above					0
Grand Total	17,858,920	0	1,424,636	19,283,555	6,815,636	146,469

Payment appropriations for Title 3 following transfers and the December amending budget came to a total of Euro 6 962 105.

- **2.2. Other classes of appropriations**
- **2.2.1. Assigned revenue received – previous financial year – Class L**

	Appropriations carried over	Comm.	Payments	Comm./Bud.	Carried-over	Cancelled
Title 1 – Staff	-	-	-	0.00	-	-
Title 2 - Administrative expenditure	-	-	-	0.00	-	-
Title 3 - Operational expenditure	0	0	0	0.00	0	0
Total	0	0	0	0.00%	0	0

There were no such funds in 2019.

- **2.2.2. Appropriations carried over automatically from 2018 to 2019 – Class A for Titles 1 and 2 (operational expenditure being treated as differentiated appropriations).**

	Appropriations carried over	Commitments carried over	Payments	Pay/com m.	Cancelled
Title 1 – Staff	145,058.10	145,058.10	126,247.11	87%	18,810.99
Title 2 - Administrative	525,229.24	525,229.24	484,708.57	92%	40,520.67
Total	670,287.34	670,287.34	610,955.68	91%	59,331.66

Class A represents funds carried over from the previous year.

2.2.3. Assigned revenue

Note: as of 2017 the Norway and Iceland payment appropriations are subsumed into the total Commission budget and are no longer treated as Assigned Revenue.

MONITORING TABLE FOR ASSIGNED REVENUE 2019

DG EMPL projects & third countries and returns from operational grants unspent	BALANCE: total carryovers on 31/12/18	New funds	Payment in 2018	Funds returned	Carryover balance - present	New approp. 2019	Payment in 2019	Balance
	a	B	c	d	e=a+b-c-d	e	F	h=d+e-f
Refernet unspent funds returned	0.00		0.00		0.00	33,514		33,514
TOTAL	0.00		0.00	0.00	0.00	33,514	0.00	33,514

3. CONCLUSIONS

Continuity and innovation characterise the achievements of Cedefop in 2019 – a year when the overall and the VET-specific EU policy framework was in transition. While the VET and adult learning policy cycles 2010-20 were moving into their final stage, in the second half of the year, the new Commission's ambitious goals and priorities were unfolding. They confirmed the added value of Cedefop's forward-looking approach and its readiness to explore untrodden paths.

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

In line with its multiannual objective to monitor policy trends and analyse developments, Cedefop drafted thirty-five ⁽¹⁾ country chapters on VET policies in EU28+ on the implementation of the priorities agreed in the 2015 Riga conclusions. They describe the state of play in each country at the beginning of the Riga reporting period and policy developments until 2019. The country chapters inform Cedefop's and ETF's joint synthesis report on measures that Member States are taking to implement the agreed MTDs over the period 2015-20 and the strategic objectives for European cooperation in VET. Findings of Cedefop's analysis were discussed in several events ⁽²⁾. Final outcomes will be presented at a high level Cedefop-ETF joint conference in June 2020 organised under the auspices of the Croatian Presidency and in cooperation with the German Presidency to feed the work towards the Osnabruck Communiqué on the future priorities for VET.

At the request of DG EMPL, Cedefop drafted 28 country fiches on latest developments on VET and adult learning for the '*2019 Education and Training monitor*', the Commission's annual publication on recent policy measures in education and training.

Work in 2019 also focused on analysing Cedefop's current approach to policy reporting. Discussions took place with ReferNet partners on ways to improve the annual data collection of recent policy developments and improve the quality and timely availability of its outputs. In the light of the proposed improvements, Cedefop designed a new concept of policy reporting and analysed all policy developments reported by ReferNet since 2015 to fit the structure of a new database. As a result, a database of policy initiatives is under development and will be made available to ReferNet for the 2020 policy reporting exercise.

Work continued in 'VET in Europe online presentation tool' ⁽³⁾. The tool allows for easier selection, compilation and comparison of data on VET systems in the EU Member States, Norway and Iceland. It is designed to help policy-makers, social partners, researchers and

⁽¹⁾ These include EU28 countries, Norway and Iceland. Separate chapters are drafted for the three communities in Belgium and for England, Northern Ireland, Scotland and Wales. The country chapters will be published online in the first half of 2020.

⁽²⁾ E.g. the March meeting of DGVTs, the UNEVOC 2019 TVET Leadership Programme, DG EMPL summer school on skills, the December meeting of the Advisory Committee on Vocational Training.

⁽³⁾ <https://www.cedefop.europa.eu/en/news-and-press/news/cedefop-launches-vocational-education-and-training-europe-database>

other stakeholders better understand similarities and differences of national VET systems through easy-to-navigate up-to-date descriptions structured by theme. The database also contains detailed information about each VET programme type, including qualification levels, share of work-based learning, providers and target groups. The tool was launched in December 2019. In addition, Cedefop finalised twenty-three ⁽⁴⁾ VET in Europe country reports with detailed descriptions of European VET systems which were used to populate the tool.

For the Romanian and the Finish Presidencies, short descriptions ⁽⁵⁾, spotlights ⁽⁶⁾ and animated videos ⁽⁷⁾ on VET in Romania and Finland were released on time and disseminated to several high-level meetings (e.g. the meeting of Directors General for VET and the European Vocational Skills Week).

A special edition ‘Spotlights on VET in Europe – 2018 Compilation’ ⁽⁸⁾ was published in March offering a clear and concise overview of VET systems in the EU-28, Iceland and Norway, including graphical presentations of systems with key features that allow comparison between them. This edition includes a set of statistics on key aspects of VET in the EU28+ countries, including: share of upper secondary learners in vocational and general education programmes; participation of adults in lifelong learning, early leavers from education and training, employment rates of young graduates.

Work in the mobility scoreboard focused on the update of the online data based on the information received from countries in 2018. The updated scoreboard was made available on Cedefop’s website and on Eurydice-Cedefop joint platform. Country-specific policy briefs targeted to national policy makers were also prepared and sent to stakeholders in Iceland, Portugal and Slovenia.

Results of the ‘Key competences in initial VET’ study were discussed in the ET2020 working group on digital education (Brussels, 15 February), at the DGVT meeting (Alba Iulia, 18 March) and in the ET2020 WG on VET during the EU Vocational Skills Week (Helsinki, October). The study analyses of how literacy, digital and multilingual competences are promoted in initial VET in the EU, Iceland and Norway. Results show that despite a broad range of national policies promoting key competences, only few focus on initial VET and even less target a single key competence.

On 19-20 September, Cedefop organised a workshop to discuss the results of the study with more than 50 participants including national policy makers, social partners, researchers, the

⁽⁴⁾ The following country reports were made available in 2019: BE, BG, CY, CZ, DE, DK, EE, ES, FR, HU, IE, IS, LT, LU, LV, NL, NO, PL, PT, SI, SE, SK, UK.

⁽⁵⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/4171> ,
<https://www.cedefop.europa.eu/en/publications-and-resources/publications/4176>

⁽⁶⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/8128>,
<https://www.cedefop.europa.eu/en/publications-and-resources/publications/8133>

⁽⁷⁾ <https://www.cedefop.europa.eu/en/news-and-press/news/watch-cedefops-new-video-romania-s-vet-system>,
<https://www.cedefop.europa.eu/en/publications-and-resources/videos/vocational-education-and-training-vet-finland>

⁽⁸⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/4168>

European Commission, ETF, UNESCO and WorkldSkills. It was also an opportunity to identify challenges and remedies in implementing policies supporting key competences and define questions/topics that stakeholders would like Cedefop to provide evidence on in the future.

Cedefop worked closely with the Commission in supporting the implementation of the EQF in line with the priorities of the revised 2017 EQF Recommendation. Cedefop provided conceptual input to the EQF Advisory Group (AG) meetings in February, May, June and November and comments to the updated 'referencing reports' ⁽⁹⁾ of Latvia, the Netherlands, UK (England, Northern Ireland and Wales) and draft reports of Bosnia and Herzegovina and Serbia. Cedefop also contributed to the work of various EQF AG project groups by providing substantial input to the 'horizontal comparison project group' and to the final report of the project group on the levelling of international qualifications. In addition, Cedefop actively supported the peer learning activities of the EQF AG on transversal skills and competences (Brussels January 2019) and qualifications databases (Budapest, March 2019).

In 2019, Cedefop put substantial efforts in reviewing and analysing progress in the implementation of national qualifications frameworks. The European inventory of national qualifications frameworks (NQF) 2018 ⁽¹⁰⁾, covering 39 countries and consisting of 43 national chapters was drafted in-house in close cooperation with national stakeholders. In addition, a concise NQF overview was released to capture the latest developments ⁽¹¹⁾.

Data on NQF progress were gathered through the NQF survey on implementation, communication and use of NQF/EQF, carried out in cooperation with the European Commission. Cedefop's analysis was presented to the EQF Advisory Group in June directly supporting its work. The analysis shows that comprehensive frameworks are gaining ground in Europe. European countries tend to use their frameworks to create comprehensive maps of qualifications in all sectors (VET, higher education, general education, adult learning) and many frameworks are being opened up to include qualifications awarded outside regulated formal education and to help validate non-formally and informally acquired skills and competences. In several countries NQFs play an increasingly important coordination role, allowing for a better linking of policy domains: education, validation of non-formal and informal learning, quality assurance, monitoring skills supply, etc. Impact of NQFs is growing in particular in the review and renewal of qualifications standards and stakeholders' involvement as comprehensive frameworks act as a platform for cooperation across educational subsystems and education and labour market.

Increased cooperation and international dialogue on qualifications frameworks has continued in 2019, in close collaboration with the ETF, UNESCO-HQ and UNESCO (UIL). Cedefop has

⁽⁹⁾ Referencing reports provide information and evidence on the referencing of national qualifications levels to the EQF levels, following the 10 EQF referencing criteria. These include a clear and demonstrable link established between the NQF levels and the EQF; qualifications are based on learning outcomes; the procedures and criteria for inclusion of qualifications in the NQF are transparent; all qualifications with an EQF level are quality assured. Referencing reports are available at <https://ec.europa.eu/ploteus/en/referencing-reports-and-contacts>

⁽¹⁰⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/country-reports/european-inventory-on-nqf>

⁽¹¹⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/8609>

contributed to the fourth edition of national and global qualifications frameworks inventory, published in 2019 ⁽¹²⁾. The Inventory gathers information on progress in establishing national and regional qualifications frameworks, as well as the challenges and success factors in implementation in more than 100 countries in all five continents. It covers seven regional qualifications frameworks, including the EQF.

The work on an international handbook supporting the writing and application of learning outcomes in education and training has been taken forward in cooperation with UNESCO. A first regional peer learning activity was organised in June - (as part of the South Africa-EU dialogue - and allowed for in-depth discussions on similarities between European and African experiences. The handbook will significantly strengthen Cedefop's expertise and capacity in taking forward work on learning outcomes in the European context. In 2019, Cedefop created an overview of existing and relevant guidance material and research that has been produced at European and international level.

Maintenance and improvements of the existing Europass platform took place in 2019 (new statistical visualisation tool, portal available in Serbian, easy-to-read Excel sheet service). Cedefop continued to support DG EMPL on the conceptualisation and development of the new Europass to ensure a smooth transition from the current portal to the new platform (to be taken over by the Commission in June 2020). Record traffic was reported to the Europass portal in 2019: 30 million visits (+ 13 % compared to 2018) and 25 million CVs created online (+13 % compared to 2018). The milestone of 150 million CVs filled online since its launch in 2005 was reached in November 2019.

The European Community of Learning Providers continued its work within the three dedicated subgroups on a) the challenge of technology enhanced learning, b) EU mobility and c) migration. The Community's main conclusions and proposals were presented in the EU Vocational Skills Week in Helsinki in October.

Cedefop took also active part in the working group looking at the future of ECVET and EQAVET.

On the 'Future of VET' work, a dedicated event in the European Parliament in February 2019 discussed main findings of the 'Changing nature and role of VET in Europe' research project with stakeholders at European level. Findings have informed policy discussions on VET post-2020.

The development of a methodology for comparing the content and profile of VET qualifications continued. A first report on terminological reference points for comparison was completed in June. The report looks into the strengths and weaknesses of existing classifications (e.g. ESCO, O*NET, World Skills Standards) and makes recommendations on their future use. A second report, exploring how to gather and analyse national qualification data, was completed in November (both reports will be published 2020). The overall objective is to develop methodologies making it possible for countries to more systematically learn from

⁽¹²⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/2224-0> and <https://www.cedefop.europa.eu/en/publications-and-resources/publications/2225>

others, making visible content priorities and choices. This work is closely coordinated with the EQF AG working group on horizontal comparison of qualifications. Close links are also established to the work of UNESCO on ‘world reference levels’.

1.2. ABB activity: valuing VET to empower people to achieve competences and skills for work and life

In 2019, Cedefop intensified its conceptual work and policy learning activities in the area of adult learning and vocational training.

The research work on the potential of work-based learning in developing upskilling pathways for adults provided new evidence on the extent of the low-skilled adult population, on the priority target groups most in need of upskilling, selected national case studies and best practices, as well as insights about effective design and implementation of upskilling pathways policies in different national contexts. Cedefop’s first version of the analytical framework on upskilling pathways was prepared and disseminated to national and European stakeholders bringing together various resources and knowledge generated within the Agency, including on adult learning, early leaving, financing, guidance, validation, and work-based learning. The analytical framework is organised around ten key areas which represent important systemic features for establishing strategic, coherent and coordinated approaches to upskilling pathways for adults.

For the first time, Cedefop was invited by the Romanian Presidency to present its work on upskilling pathways at a Council Education Committee meeting in April.

In May Cedefop organised in cooperation with the European Economic and Social Committee the second Policy Learning Forum (PLF) on ‘Upskilling Pathways: a vision for the future’. Building on the outcomes of the first PLF, the event brought together stakeholders to support them in the implementation of Upskilling Pathways for adults. Discussion revolved around Cedefop’s analytical framework on upskilling pathways which was enriched based on feedback received from the stakeholders, as well as complemented by good practice examples which may inspire stakeholders on possible ways to address existing challenges. Drawing in this experience, the 7th Cedefop Brussels-based seminar organised with the Romanian Presidency, shared evidence on the extent and heterogeneity of low skills among adults and stimulated the debate on coordinated and strategic approaches to developing upskilling pathways for low-skilled adults. Cedefop continued to provide expert input to the Commission and other stakeholders activities, including the Adult Learning Working Group, the Romanian Presidency Conference on Upskilling and Reskilling and the European Vocational Skills Week in Helsinki.

Cedefop long-standing work on apprenticeships continued in 2019 and was enriched by new lines of activities. The call for papers and Cedefop symposium on the ‘Next steps for apprenticeship’ organised in cooperation with the OECD held in Paris on 7 October 2019, looked at the future of apprenticeship from the perspective of external mega trends - such as socio-demographic changes, new technologies and new forms of work organisation, trends in education and training - and how they (would) affect the design and delivery of apprenticeship and/or the policy approaches towards its provision.

Cedefop has further developed its Community of apprenticeship experts. Set up in 2018, the Community includes one individual apprenticeship expert for almost all EU Member States, plus Norway and Iceland. The Community has a dedicated webpage on Cedefop's website ⁽¹³⁾. Thanks to the voluntary contribution of its members, the first activity of the Community for 2019 concerned the update and revision of schemes listed in Cedefop's European database of apprenticeship schemes. Cedefop has mapped the information the database provides against the criteria set by the European Framework for Quality and Effective Apprenticeships. The aim is to develop a user-friendly and interactive tool to retrieve the relevant information directly and generate an 'implementation dashboard'. The Community's second annual meeting was held back-to-back to the above-mentioned Cedefop-OECD Symposium on apprenticeships.

Within the ongoing study on long-term cross-country mobility in apprenticeships, an analytical framework has been prepared and disseminated to Cedefop's stakeholders. It identifies several dimensions and corresponding variables of possible relevance for long-duration cross-country apprentice mobility at three levels: (i) framework, (ii) system and (iii) implementation. The dimensions and variables have been tested during the field work in 2019 through country and project case studies, together with an approach to assess demand for apprenticeship mobility policies in the EU. To complement this study, ReferNet partners prepared articles on long-term mobility in apprenticeships with a focus on institutional aspects. The articles ⁽¹⁴⁾ aimed at identifying possible or actual enablers and disablers of long-term cross-country mobility of apprentices at two levels: framework (external factors to apprenticeships) and apprenticeship system/scheme design. The articles also aimed at identifying what works and what doesn't in existing policies, initiatives and projects regarding international mobility of apprentices.

The summary report from the explorative study on apprenticeship for adults was published in November ⁽¹⁵⁾. The study analyses what EU countries and four non-EU countries have in place in relation to apprenticeship for adults. It is the first piece of work that addresses the topic in an EU-wide perspective. Largely based on data collection and findings from both literature review and field work, the study confirms that adults increasingly participate in apprenticeship training often due to policy interventions that have removed barriers to participation in existing apprenticeships schemes. While no truly specific schemes of apprenticeships for adults were identified in the EU, the study confirms the fundamental distinction between apprenticeships proposed by Cedefop in previous research, namely: apprenticeships as a mode of learning vs. apprenticeships as an educational system.

Finally, with the completion of reports on thematic reviews on apprenticeships in Croatia and Cyprus ⁽¹⁶⁾ and the flash thematic review in French Speaking Belgium the first cycle of

⁽¹³⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/data-visualisations/apprenticeship-schemes>

⁽¹⁴⁾ <https://www.cedefop.europa.eu/en/events-and-projects/networks/refernet/thematic-perspectives/international-mobility-apprentices>

⁽¹⁵⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/4179>

⁽¹⁶⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/4173>

Thematic Country Reviews and flash Thematic Country Reviews in 9 countries was concluded. Building upon lessons learned during the reviews, Cedefop published online a revised analytical framework on apprenticeships ⁽¹⁷⁾. Mainly addressed to policy makers and social partners, the framework is a common tool to analyse apprenticeship systems and schemes in Europe.

In relation to its activities on adult refugee legal mobility, Cedefop published the conceptual framework for a VET, skills and qualifications-based complementary pathway to protection. The framework sketches the potential, the key elements and main issues to be addressed in creating such opportunities through a skills-based complementary pathway to protection. The central element of a skills-based pathway is matching refugees' skills and qualifications and labour market needs in a potential receiving country that offers adult refugees a clear perspective of employment with a clear route to self-reliance. The publication is complemented by two flyers ⁽¹⁸⁾ ⁽¹⁹⁾ that support Cedefop's work at promoting the project among national stakeholders, in particular employers' organisations.

Cedefop held the second policy learning forum (PLF) on 'Unlocking the potential of learning at the workplace by, and for, teachers and trainers in VET' ⁽²⁰⁾ in April. Building on the outcomes of the first forum in 2016, participants discussed how to build stronger bridges between school and the workplace so that teachers and trainers benefit in their professional development and better support learners in innovative and effective ways. The PLF discussed the role of school leadership, co-creation of knowledge by teachers, trainers and learners, the need to actively involve all stakeholders and stronger partnerships between education and the world of work. Cedefop also contributed to the feasibility study on expanding the Commission's SELFIE tool ⁽²¹⁾ to VET and in particular to work-based learning environments.

On validation of non-formal and informal learning, Cedefop provided continued support to a variety of activities carried out by the Commission and other stakeholders, including the finalisation of the inventory 2018 update ⁽²²⁾. Results of the inventory show increasing diffusion of validation arrangements and strategies across Member States, with all countries having validation arrangements in place or under development in 2018. However, results also show that work remains to be done to ensure more comprehensive approaches as well as to improve training provision for validation practitioners and the associated monitoring and evaluation of policies. The results were presented at the 3rd Validation of Prior Learning Biennale conference. The event gathered around 300 participants and served to share

⁽¹⁷⁾ https://www.cedefop.europa.eu/files/cedefop_analytical_framework_for_apprenticeships_0.pdf

⁽¹⁸⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/8132>

⁽¹⁹⁾ https://www.cedefop.europa.eu/files/8131_en.pdf

⁽²⁰⁾ <https://www.cedefop.europa.eu/en/events-and-projects/events/second-policy-learning-forum-unlocking-potential-learning-workplace-and-teachers-and-trainers-vet>

⁽²¹⁾ https://ec.europa.eu/education/schools-go-digital_en

⁽²²⁾ <http://www.cedefop.europa.eu/validation/inventory>

Cedefop's work on validation with a wide range of stakeholders. Cedefop is also providing expert input to the Commission's study on the evaluation of the Council Recommendation of 20 December 2012 on validation.

Cedefop new study on validation and lifelong guidance ⁽²³⁾ contributes to increasing understanding of these two important policy areas and moving towards a more holistic and coherent approach to the development of truly lifelong learning systems. The analysis of 13 case studies identified main factors ensuring successful coordination between guidance and validation services, including: a) adequate information and guidance before deciding to undergo validation, throughout and also after the entire validation process; b) use of common qualifications or competence standards, occupational standards or other reference frameworks through all the stages of the practice in order to identify, document and assess skills; and c) quality of staff resources/competences and tools used.

Cedefop is co-steering with the European Commission, the study on 'Lifelong guidance policy and practice in the EU: trends, challenges and opportunities'. Aiming to contribute to defining a post-2020 vision, this research identifies challenges and opportunities for the development of national lifelong guidance systems across the EU, including diverse types of coordination at different levels. Continued work of CareersNet – Cedefop's experts network on lifelong guidance - has been producing new knowledge on policy developments in national lifelong guidance systems (2017-19) which has allowed Cedefop to identify new trends in guidance across the EU. This knowledge will be published online in the European inventory of lifelong guidance systems and practices in 2020. In addition, an interactive online version of the decision-making tool, based on the version published in the 'Handbook for ICT practices in guidance and career development', was introduced – for testing and feedback – during the annual CareersNet meeting in Rome in September 2019.

In the scope of the work on financing and attractiveness of VET, Cedefop launched a new database on financing apprenticeships in the EU ⁽²⁴⁾. The information presented reflects the outcomes of Cedefop's study on 'Financing apprenticeships/dual VET in the EU' and brings together a significant amount of data on financing apprenticeships across the EU countries for the first time. The new tool presents financing arrangements for apprenticeships at system level, including the main sources of funding and financial flows, the characteristics and the level of some apprenticeship costs and the volumes of funding involved. It also offers detailed descriptions of the main financing instruments implemented to incentivise employers to provide apprenticeship places and encourage individuals to take on apprenticeship training.

Cedefop also published a new version of the database on financing adult learning. This on-line tool provides comprehensive information on financing instruments for companies and individuals implemented in EU countries to increase provision of, participation and private investment in CVET/adult learning. The database provides detailed information on over 200 financing instruments such as training funds, tax incentives, vouchers/individual learning

⁽²³⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/5575>

⁽²⁴⁾ <https://www.cedefop.europa.eu/en/tools/financing-apprenticeships>

accounts, loans, training leave and payback clauses. The tool offers a mapping of all analysed instruments at country and EU level, descriptions for type of instrument and its diffusion across countries as well as a comparison between the instruments.

Cedefop continued work on tackling early leaving from VET led to a new enriched edition of Cedefop's VET toolkit for tackling early leaving ⁽²⁵⁾ aimed at supporting policy reflection, monitoring and evaluation in this area. Users may get informed about activities on how to use the toolkit to inform policy making and successful practice; benefit from over 200 resources of best practices, publications, tools, statistics and quick wins; and learn about 10 protective factors and 17 intervention approaches tailored to the needs of the six most common profiles of learners at risk or early leavers. A new reflection tool for VET providers and an improved version of the tool for policy makers aim to support key VET stakeholders to develop a comprehensive strategy to tackle early leaving. Since its first launch in May 2017, the toolkit has reached 47.000 users and generated over 122,200 page views. Cedefop 'ambassadors' ⁽²⁶⁾ of the toolkit include around 60 members from 21 countries actively contributing to its development and wide dissemination.

The new edition of the toolkit was launched in the Policy Forum 'What role for Community Lifelong Learning Centres? The potential of one-stop shops for preventing youth at risk from disconnecting', co-organised by Cedefop with the Lifelong Learning Platform (LLL) in May 2019 ⁽²⁷⁾. Hosted by the Romanian Presidency of the Council of the EU, the event gathered above 90 participants from EU-level stakeholders. Participants valued the awareness raised that early leaving from education and training is better addressed on wider contexts such as community lifelong learning centres that can provide proximity, multidisciplinary services but also intergenerational and intercultural learning environments. Thanks to new evidence provided by Cedefop, the Policy Forum allowed participants to better understand the role of VET for learners at risk, early leavers and their lifelong learning. During the event, the briefing note 'Preventing low skills through lifelong learning' ⁽²⁸⁾ and a joint Briefing note with the LLLP: 'Implementing a holistic approach to lifelong learning: Community Lifelong Learning Centres as a gateway to multidisciplinary support teams' ⁽²⁹⁾ were disseminated.

The second Cedefop opinion survey entered in the field stage and first results were produced by end 2019 (reports to be published in 2020). This edition of the survey will provide information on the perceptions and opinions of European workers, learners and citizens about adult learning and CVET at the EU level as well as at the national level.

⁽²⁵⁾ www.cedefop.europa.eu/TEL-toolkit

⁽²⁶⁾ <https://www.cedefop.europa.eu/en/toolkits/vet-toolkit-tackling-early-leaving/ambassadors>

⁽²⁷⁾ <https://www.cedefop.europa.eu/en/events-and-projects/events/policy-forum-what-role-community-lifelong-learning-centres>

⁽²⁸⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/9136>

⁽²⁹⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/2226>

1.3. ABB activity: informing VET by offering labour market intelligence and skill needs analysis

Work on developing new surveys and collecting new data to be used for developing policy-relevant evidence progressed on several fronts. The joint Cedefop/Eurofound European Company Survey (ECS2019) closed the fieldwork. Technical reports and data were delivered by December. In addition, the necessary steps were taken to launch the second European Skills and Jobs Survey (ESJS2) early 2020. An expert working group comprised of academic and policy makers (e.g. European Commission, JRC, OECD) met in February to debate the survey concept developed by Cedefop. As part of the work, Cedefop drafted a discussion paper examining the feasibility of carrying out ESJS2 as a matched employer-employee survey. By the end of 2019 Cedefop had also developed a background report, a background note and a draft survey questionnaire to be tested in 2020.

Country reports based on Cedefop's 2018 skills forecast were released in January and an overview report of the 2018 European skills index was published in May. Preliminary forecast results were discussed at an expert workshop held in Vienna (November) to validate forecast findings and methods and to generate new ideas for further development and analysis. The European Skills Index was updated using the most recent data and submitted to the Commission's Joint Research Centre for an independent statistical audit. To promote the skills forecast and index ahead of their upcoming releases, flyers outlining their value for policy makers and other stakeholders were released in December ⁽³⁰⁾.

The work on developing skills intelligence by analysing online job advertisements reached an important milestone. Results for seven countries were released in April via Cedefop's newly developed Skills-OVATE web interface ⁽³¹⁾. The first release was supported by a briefing note ⁽³²⁾ and video teaser explaining the approach ⁽³³⁾. Cedefop also published: a short guide ⁽³⁴⁾ outlining the methodology and potential of its online job vacancy analysis; a synthesis report ⁽³⁵⁾ providing an overview of trends shaping the online job labour market in the EU; and country reports providing insight in national online labour markets. Online job advertisements from eleven EU Member States were added to Skills-OVATE in September, along with a video teaser to showcase the tool's possibilities ⁽³⁶⁾. Information for the remaining countries was prepared for release in early 2020.

⁽³⁰⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/8134> and <https://www.cedefop.europa.eu/en/publications-and-resources/publications/8135>

⁽³¹⁾ <https://www.cedefop.europa.eu/en/data-visualisations/skills-online-vacancies>

⁽³²⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/9137>

⁽³³⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/videos/check-out-our-new-skills-online-vacancy-analysis-tool-europe>

⁽³⁴⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/4172>

⁽³⁵⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/5572>

⁽³⁶⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/videos/skills-online-vacancy-analysis-tool-expanding>

A preview of first results was presented at a high-level lunch discussion organised by DG EMPL in April. To support data quality, Cedefop has continued cooperating closely with national stakeholders as well as Eurostat and its Big Data taskforce and ESSnet Big Data project. Cedefop organised a training on how to navigate its online job vacancy data (11 June) and hosted the ESSnet workshop (12 June). It also engaged with national experts in a workshop which aimed at understanding patterns and trends better and identifying challenges and future development opportunities (13-14 June). In parallel, discussions on the future possible cooperation with Eurostat to further develop a European system for gathering information from web sources have led to concrete actions. To support the development of the European Trusted Smart Statistics Centre and the Web Intelligence Hub, the decision was taken to join resources and share expertise.

To contribute to the ongoing debate on the societal impact of artificial intelligence and automation of work, Cedefop released a working paper ⁽³⁷⁾. Findings were presented in a briefing note. To better understand where automation is likely to have the largest impact and to illustrate its potential employment effect, Cedefop started a small-scale study using matched employer-employee data from a technologically advanced EU country (Ireland). The study investigates the links between firms' propensity to automate work, employer characteristics and subsequent staff developments – in terms of growth and decline of occupations and changes in firms' occupational structure. Results show that firms embracing technological change and informing their staff about technological developments were more likely to hire people in occupations with growing employment shares. Firms without individual performance management system and on-the-job training provision are more likely to hire workers in declining 'automated' occupations.

To provide new evidence on learning and skill matching in ICT-based forms of work, Cedefop concluded its CrowdLearn study (Skills formation and skills matching in online platform work). To provide early access to key findings, a draft report based on a literature review and qualitative analysis of interviews with 80 crowd workers and 30 platform owners was made available ahead of the full report scheduled for release in 2020 ⁽³⁸⁾. Key findings of the study and their policy implications were discussed during Cedefop's 8th Brussels seminar, co-organised with the Finnish presidency in December.

Analysing statistical data on VET and work-based learning to support evidence-informed policy making remains an important activity. Cedefop published a research paper on CVET in enterprises ⁽³⁹⁾ based on analysis of the latest two CVTS surveys. The research paper provides comparative evidence on various indicators for skills development in enterprises and pays particular attention to training in SMEs. The share of enterprises providing training is increasing, in particular in countries which somewhat lagged behind. Another key finding is that while the training gap between large and small enterprises is narrowing, it remains

⁽³⁷⁾ https://www.cedefop.europa.eu/files/automation_risk_in_the_eu_labour_market.pdf

⁽³⁸⁾ http://www.cedefop.europa.eu/files/crowdlearn_literature_review.pdf

⁽³⁹⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/5573>

substantial. Analysis of the prevalence and labour market outcomes of work-based learning based on the 2016 ad hoc module of the Labour Force survey is ongoing. The update of the VET statistical overviews was completed and preparation for publishing the report started. Cedefop has also continued its cooperation with Eurostat and its Education and Training and Labour Market Statistics Working groups tasked with preparing the LFS module on the situation of young people in the labour market.

The programme ‘Assisting EU countries in skills matching’ was completed and final reports for all countries under review are being finalised.

Following three rounds of consensus building among national stakeholders and the development of national policy roadmaps outlining feasible short-to-medium term actions to strengthen skills governance, final meetings were organised in Greece (April) and in Bulgaria (June).

A dissemination meeting held in April involving high-level policy makers formally concluded the review in Slovakia. In Estonia, meetings were held to inform stakeholders of the state-of-play of the review, to prepare the final round of consensus building, and to gather information linked to the Estonian 2035 strategy. Cedefop carried out an online survey targeting 1800 potential users of the Greek online skills intelligence web portal and surveyed guidance practitioners on their experiences in using the findings of the Estonian skills anticipation programme OSKA. In Bulgaria, an online survey was deployed among the country’s 265 municipalities to understand better how they view and tackle skill mismatch, to map ongoing collaboration with local and regional stakeholders and other administrative levels and to detect their aspirations in terms of using labour market and skills information at local level for policy purposes. The online survey in Slovakia focused on mapping the information needs of VET institutions and employers and collecting suggestions on how skills governance can be strengthened in the future.

Building on review findings and identified development needs, Cedefop designed and organised tailor-made seminars to support national capacity building. A seminar on implementing graduate tracking and employer surveys was held in April in Slovakia and a course on skills anticipation and skills foresight methods targeted to the needs of Greek stakeholders was delivered in June. A seminar on skills foresight, scenario building and use of big data analysis was held in November in Estonia.

To support policy learning in the field of skills governance more widely, Cedefop launched Matching Skills ⁽⁴⁰⁾ in January. This web tool presents in-depth information on 130 education and training and labour market policy instruments in EU Member States. It aims to increase understanding on how skills intelligence can be used in policy measures to match jobseekers’ and learners’ skills better to current and future labour market needs. To promote its use, a flyer was released in April ⁽⁴¹⁾.

⁽⁴⁰⁾ <https://www.cedefop.europa.eu/en/tools/matching-skills/>

⁽⁴¹⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/8129>

Cedefop's work on sectors is gaining interest. The ongoing collaboration with DG EMPL on the Blueprint for Sectoral Cooperation on Skills has been successful. Cedefop provided new insights on green skills, releasing a report to assess progress in greening the economy and skills since 2010 in six European countries along with a video teaser in April ⁽⁴²⁾. It presented the findings at the ILO's Global Forum on boosting skills for a just transition (June). Cedefop invited stakeholders from four EU Member States (including members of Cedefop's Management Board) at the forum.

Cedefop continues to actively disseminate its research and engages regularly with national and international stakeholder forums to debate the findings. Findings from Skills-OVATE have been extensively disseminated. New evidence developed on Digitalisation and Future of Work was presented at a high-level global conference on Artificial Intelligence and Education in Beijing (May), in a committee meeting with Members of Parliament of the German Bundestag (June), an EESC hearing (June) and an ASEAN workshop in Vietnam (October). Chairing the IAG-TVET group on 'Digitisation and skills mismatch', Cedefop is also leading the interinstitutional discussions on the value and challenges of using big data and Artificial Intelligence methods for detecting skill needs and tackling skill mismatches in increasingly digitised labour markets.

Finally, the Skills Panorama is undergoing continuous updates: this includes several indicators, analytical highlights on occupations, plus the update of the European Skills Index. Five Skills Panorama blog articles were published ⁽⁴³⁾. Updates of analytical highlights on national skills anticipation systems and practices and a new highlight on the maritime sector were underway and are foreseen to be published in 2020.

1.4. ABB activity: Communication, information and dissemination

This activity focuses on communicating Cedefop's key messages on VET to its stakeholders and on promoting a positive image of Cedefop at European, national and local levels.

Cedefop's key account specific communication activities are complemented by several tailored event and visitor programmes, informing about latest VET issues and Cedefop's role. Specific events for Brussels-based stakeholders were successfully continued.

In 2019, Cedefop received 15 delegations, including high-ranking visitors, like the Head of the EU representation of Cyprus, MEP Eva Kaili, MEP Theodoros Zagorakis and the former European Commission's Chief Spokesperson Margaritis Schinas. It also hosted the following EU-related third-party events: Thessaloniki's Maritime Economic Forum; meetings of the ICT Advisory Committee of EU agencies; the College of Chairs of Staff Committees of central EU institutions; the Italian trade union APF steering committee; the Interinstitutional IT Committee, and the Peer-learning and mentoring workshop for confidential counsellors and HR officers organised by Cedefop.

⁽⁴²⁾ <https://www.cedefop.europa.eu/en/publications-and-resources/publications/3078> and <https://www.cedefop.europa.eu/en/publications-and-resources/videos/skills-green-jobs-video>

⁽⁴³⁾ <https://skillspanorama.cedefop.europa.eu/en/articles>

In Brussels, Cedefop lunch event hosted by MEP Anne Sander at the European Parliament was organised on 27 February on ‘the role of VET in shaping the future of Europe’.

In June, a seminar on ‘Developing coherent approaches to upskilling pathways for low-skilled adults’ was realised in cooperation with the Romanian Presidency of the Council of the EU.

A stakeholder event on ‘Skill development of workers in the platform economy’ took place on 10 December in cooperation with the Finnish Presidency of the Council of the EU.

Cedefop contributed to the two-day EUandU Entrepreneurship and Employment Conference organised by the European Commission in Thessaloniki on 29-30 November.

The close collaboration between Cedefop and DG EMPL continued in the area of social media activities, jointly promoting inter alia the European Vocational Skills Week in Helsinki and the #CedefopPhotoAward 2019.

Cedefop’s award initiative, endorsed by the European Commission and recognised as an integral part of the European Vocational Skills Weeks in 2016, 2017 and 2018, proved also in 2019 to be an excellent tool to raise VET’s visibility, to engage Cedefop’s stakeholders and to reach out to European youth in initial VET and learners in continuing vocational training and adult learning. The participation rate has further increased in 2019: submissions from 380 learners (compared to 280 in 2018), representing 73 VET schools in 20 countries, had been received. The winning team from the College of Engineering, Art and Design and Institute for Research and Technology Graz-Ortweinschule in Austria and the team from the Economic and Tourism School of Daruvar in Croatia were nominated to receive their awards at the fourth European Vocational Skills Week (#EUVocationalSkills) in Helsinki (14-18 October) by European Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne Thyssen.

Cedefop’s *Prix du jury* went to VET students from the Marmația Technological High School in Romania. This team travelled to Thessaloniki for the opening of the 60th Thessaloniki International Film Festival on 31 October. The accompanying #CedefopPhotoAward 2019 exhibitions in Helsinki and Thessaloniki were very well received by stakeholders and the wider public.

Cedefop published six briefing notes: (1) ‘Setting sail for the future’; (2) ‘Preventing low skills through lifelong learning’; (3) ‘The skills employers want!’; (4) ‘Qualifications Frameworks in Europe: 2018 developments’; (5) ‘Artificial or human intelligence’ and (6) ‘Not just new jobs: digital innovation supports careers’.

All briefing notes are available online in eight languages plus the language of the European Presidency country (DE, EL, EN, ES, FI, FR, IT, PL, PT and RO). Communication activities included also three issues of Cedefop’s print magazine ‘Skillset and match’, 10 issues of Cedefop’s electronic newsletter, 59 website headlines, 134 Facebook posts and over 1,520 tweets and retweets. 17 press releases and 15 video clips and interviews (with over 90 300 views) complemented Cedefop’s communication activities in 2019.

Noteworthy is also the agency's **media coverage** which included in 2019 an article on Cedefop in Social Agenda magazine's special issue on the new European Labour Authority, and interviews to Greece's Athens/Macedonian News Agency, the French newspaper Le Quotidien de la Formation, to the UK magazine Times Higher Education, to the French website Centre Inffo, to Spain's Radio Capital and to Spain's business website elEconomista.es.

Linguistic support, layout/design and dissemination services were provided for the realisation of communication and public relation activities. Most publications were published online only, and briefing notes and research papers are also available in E-book-format. But printing-on-demand and the dissemination of hard copy publications continue to play an important role. The production of video animations for VET systems of EU Presidency countries continued successfully. The animations 'Vocational education and training in Austria', 'Vocational education and training in Romania' and 'Vocational education and training in Finland' were published in February, June and September.

Cedefop's Web Portal, a hosted cloud-based platform, continued to focus on new data visualisation functionalities for increasing usability and outreach.

Seven online tools were completed/upgraded and made available online: (1) the European database on apprenticeships schemes; (2) the Online vacancy analysis; (3) a new edition of the VET toolkit for tackling early leaving; (4) the Financing adult learning database; (5) the Online database for financing apprenticeship; (6) upgraded mobility scoreboard data visualisations; and (7) the VET systems in Europe database.

At the same time preparatory work for the launch of a next generation Cedefop Web portal in 2021 had been carried out, providing valuable evidence for the development of Web portal specifications and implementation in 2020. A cross- departmental dedicated working group, chaired by Cedefop's Research Support Centre (former library), provided valuable input for the creation of a Cedefop Open Access Repository within the Web portal project, and developed scenarios for the future role of the service.

The Research Support Centre continued to ensure user friendly access to valuable scientific information and relevant electronic subscriptions for Cedefop's operational departments. Archive and records management continued successfully preserving the 'memory of the Agency' and ensured that organisational records are authentic, reliable, and accessible to meet business, financial, and legal obligations.

REPORTS ON IMPLEMENTATION OF THE 2019 BUDGET

This report aggregates all budgetary operations for the year in terms of revenue and expenditure. It was previously referred to as the budget outturn account.

Revenue and expenditure account for the financial year 2019 and 2018		
	2019	2018
Revenue		
Own revenue		
Commission contributions inc Norway and Iceland	19,273,554.59	17,840,210.00
Sundry revenue		
Assigned revenue	33,514.00	54,969.63
Other revenue	1,526.64	16,996.23
Total revenue (a)	19,308,595.23	17,912,175.86
Expenditure		
<i>Staff – Title 1 of the budget</i>		
Payments	10,535,374.24	10,028,845.00
Appropriations carried over	184,123.50	145,058.10
<i>Administration – Title 2 of the budget</i>		
Payments	991,802.64	1,036,740.83
Appropriations carried over	610,148.87	525,229.24
<i>Operating activities– Title 3 of the budget</i>		
Payments	1,999,038.44	1,880,487.29
Payments against outstanding commitments at 31/12/n-1	4,816,597.74	4,279,349.82
Payment appropriations carried over	-	-
<i>Assigned revenue (Grants + third countries and others)</i>		
Payments	0.00	428,574.91
Carryovers including assigned revenue not entered in the budget	33,514.00	0.00
Total expenditure (b)	19,170,559.43	18,324,285.19
Outturn of the financial year (c = a - b)	137,995.80	412,109.33
Balance carried over from the previous year		
Cancelled n-1 appropriations carried over (non-differentiated appropriations Titles 1 and 2)	59,31.66	62, 136.87
Appropriations carried over from assigned revenue	0.00	373,605.28
Payment appropriations carried over from the previous year (Title 3)	-	-
Exchange-rate differences	-1,948.34	-1,122.43
Balance for the financial year	195,379.12	22,510.39



FINANCIAL STATEMENTS

FINANCIAL YEAR 2019

The financial statements have been prepared in accordance with Articles 97 and 98 of the Cedefop's Financial Regulations and are comprised of:

- the balance sheet and the statement of financial performance (*previously*: economic outturn account),
- the statement of changes in net assets,
- the cash-flow statement,
- the notes to the financial statements.

1.1. BALANCE SHEET

	Ref	2019	2018
ASSETS			
A. NON CURRENT ASSETS			
Intangible fixed assets	2A	18,867.99	26,605.61
Tangible fixed assets	2B	2,298,427.12	2,512,080.75
Land and buildings		1,906,698.43	2,097,162.93
Plant and equipment		54,533.41	67,345.25
Computer hardware		318,963.04	324,128.09
Furniture and vehicles		9,589.19	12,682.52
Other fixtures and fittings		8,643.05	10,761.96
Leasing		0.00	0.00
Tangible fixed assets under construction		0.00	0.00
Long-term pre-financing		0.00	0.00
Long-term pre-financing		0.00	0.00
<i>LT pre-financing with consolidated EC entities</i>		0.00	0.00
Long-term receivables	2C	5,076.41	5,076.41
Long-term receivables		5,076.41	5,076.41
<i>LT receivables with consolidated EC entities</i>		0.00	0.00
TOTAL NON CURRENT ASSETS		2,322,371.52	2,543,762.77
B. CURRENT ASSETS			
Stocks	2D	0.00	0.00
Short-term pre-financing	2E	0.00	0.00
Short-term pre-financing		0.00	0.00
<i>ST pre-financing with consolidated EC entities</i>			
Short-term receivables	2F	693,978.84	757,310.62
Current receivables		336,934.97	439,080.27
Long-term receivables falling due within a year			
Sundry receivables		24,697.51	12,447.36
Other		332,346.36	305,782.99
-Accrued income		0.00	0.00
-Deferred charges		332,346.36	305,782.99
<i>Deferrals and Accruals with consolidated EC entities</i>		0.00	0.00
<i>Short-term receivables with consolidated EC entities</i>		0.00	0.00
Cash and cash equivalents	2G	790,055.12	120,675.18
TOTAL CURRENT ASSETS		1,484,033.96	877,985.80
TOTAL		3,806,405.48	3,421,748.57

	Ref	2019	2018
LIABILITIES			
A. CAPITAL		1,619,407.77	2,414,066.20
Reserves			
Accumulated surplus/deficit		2,414,066.20	2,791,953.79
Economic result of the year - profit+/-loss-		-794,658.43	-377,887.59
B. Minority interest			
C. NON CURRENT LIABILITIES		0.00	0.00
Employee benefits		0.00	0.00
Provisions for risks and charges	2H	0.00	0.00
Other long-term liabilities		0.00	0.00
Other long-term liabilities		0.00	0.00
<i>Other LT liabilities with consolidated EC entities</i>		0.00	0.00
<i>Pre-financing received from consolidated EC entities</i>		0.00	0.00
<i>Other LT liabilities from consolidated EC entities</i>		0.00	0.00
TOTAL CAPITAL + NON CURRENT LIABILITIES		1,619,407.77	2,414,066.20
D. CURRENT LIABILITIES		0.00	0.00
Provisions for risks and charges	2I	156,735.64	6,735.64
Accounts payable	2J	2,186,997.71	1,007,682.37
Current payables		1,192,990.89	656,289.09
Long-term liabilities falling due within the year		0.00	0.00
Sundry payables		2,292.27	6,670.84
Other		420,477.27	315,476.41
- Accrued charges		420,477.27	315,476.41
- Deferred income		0.00	0.00
<i>Deferrals and accruals with consolidated EC entities</i>		0.00	0.00
<i>Accounts payable with consolidated EC entities</i>		414,501.64	22,510.39
<i>Pre-financing received from consolidated EC entities</i>		217,889.51	22,510.39
<i>Other accounts payable against consolidated EC entities</i>		196,612.13	0.00
TOTAL CURRENT LIABILITIES		2,186,997.71	1,007,682.37
TOTAL		3,806,405.48	3,421,748.57

Statement of financial performance

	Ref	2019	2018
Revenues from administrative operations		93,842.45	97,924.34
Other operating revenue		19,113,216.11	18,235,525.84
TOTAL OPERATING REVENUE	3A	19,207,058.56	18,333,450.18
Staff and administrative expenses		-12,669,344.46	-11,959,809.72
Staff expenses		-10,234,613.36	-9,749,722.18
Fixed asset related expenses		-491,047.50	-506,226.75
Administrative expenses		-1,943,683.60	-1,703,860.79
Operational expenses		-7,328,532.34	-6,747,355.82
Other operational expenses		-7,328,532.34	-6,747,355.82
TOTAL OPERATING EXPENSES	3B	-19,997,876.80	-18,707,165.54
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		-790,818.24	-373,715.36
Financial revenues		0.00	0.00
Financial expenses		-3,840.19	-4,172.23
Movement in pensions (- expense, + revenue)			
SURPLUS/(DEFICIT) FROM NON OPERATING ACTIVITIES		-3,840.19	-4,172.23
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		-794,658.43	-377,887.59
Extraordinary gains (+)			
Extraordinary losses (-)			
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		0.00	0.00
ECONOMIC RESULT OF THE YEAR	3C	-794,658.43	-377,887.59

1.3. STATEMENT OF CHANGES IN NET ASSETS

Capital	Reserves		Accumulated Surplus / Deficit	Economic result of the year	Capital (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2018			2,791,953.79	-377,887.59	2,414,066.20
Changes in accounting policies				0.00	0.00
Balance as of 1 January 2019	0.00	0.00	2,791,953.79	-377,887.59	2,414,066.20
Other					0.00
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of Previous Year			-377,887.59	377,887.59	0.00
Amounts credited to Member States					0.00
Economic result of the year				-794,658.43	-794,658.43
Balance as of 31 December 2019	0.00	0.00	2,414,066.20	-794,658.43	1,619,407.77

1.4. CASH-FLOW STATEMENT (INDIRECT METHOD)

	2019	2018
Cash Flows from ordinary activities		
Surplus/(deficit) from ordinary activities	-794,658.43	-377,887.59
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	13,300.92	16,432.20
Depreciation (tangible fixed assets) +	477,746.58	489,794.55
Increase/(decrease) in Provisions for risks and liabilities	150,000.00	0.00
Increase/(decrease) in Value reduction for doubtful debts	0.00	0.00
(Increase)/decrease in Stock	0.00	0.00
(Increase)/decrease in Long term Pre-financing	0.00	0.00
(Increase)/decrease in Short term Pre-financing	0.00	0.00
(Increase)/decrease in Long term Receivables		
(Increase)/decrease in Short term Receivables	63,331.78	17,185.00
(Increase)/decrease in Receivables related to consolidated EC entities	0.00	0.00
Increase/(decrease) in Other Long term liabilities	0.00	0.00
Increase/(decrease) in Accounts payable	637,324.09	143,683.91
Increase/(decrease) in Liabilities related to consolidated EC entities	391,991.25	-1,646,955.40
Net cash Flow from operating activities	939,036.19	-1,357,747.33
Cash Flows from investing activities		
Increase of tangible and intangible fixed assets (-)	-269,656.25	-164,424.70
Proceeds from tangible and intangible fixed assets (+)		
Net cash flow from investing activities	-269,656.25	-164,424.70
Net increase/(decrease) in cash and cash equivalents	669,379.94	-1,522,172.02
Cash and cash equivalents at the beginning of the period	120,675.18	1,642,847.21
Cash and cash equivalents at the end of the period	790,055.12	120,675.19

ANNEX

1. Introduction

On 16 July 2019 Cedefop repealed its Decision DIR(RB(2014)00032 of 9 January 2014 on the financial rules applicable to the Agency which were in conformity with Commission Delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council and to replaced it with a new Decision in order to align it with Regulation (EU, Euratom) 2018/1046 and the Commission Delegated Regulation (EU) no 2019/715 of 18 December 2018 and to allow for additional simplification and clarification of rules to take into account the experience gained in their application and to further improve the Union bodies' governance setting up and their accountability.

In that context, Cedefop applies the accounting rules referred to in Article 152 of the general Financial Regulation to allow its accounts to be consolidated with those of the Commission.

In accordance with Article 248 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, all assets entered in the Centre's balance sheet are those with a purchase value equal to or higher than the accounting threshold and with a utilisation value higher than one year.

The depreciation of assets is calculated *pro rata temporis* from the time the asset enters into service, whereas its inclusion in the inventory takes place on the basis of its date of delivery.

Changes to the calculation of accruals and pre-financing given to suppliers

The 2014 accounts introduced a new method of calculating accruals whereby the figure is derived primarily from an analysis of invoices received in the following year plus those amounts where services or goods have been received but invoices are yet to be registered. This approach to the recognition of accrued expenses differs from previous years which included an internally generated estimate of the value of works performed by suppliers.

The new approach, agreed with the European Court of Auditors, offers a more transparent figure supported by third party documentation and is more in keeping with recognised accountancy practice.

Similarly, pre-financing given to suppliers had in previous years been adjusted to incorporate an estimate of work performed by suppliers. This estimate is no longer included in the calculation.

Information about comparable figures

Some incorrect amounts were mistakenly included in the agency's final accounts for the 2018 financial year. In the final accounts of 2019, the comparable figures used are the correct ones. The tables below present relevant impact in the balance sheet, the statement of financial performance, the statement of changes in net assets, the cash-flow statement and the reconciliation between budgetary result and economic result.

BALANCE SHEET	CORRECT FINAL ACCOUNTS 2018	PUBLISHED 2018	COMPARE
ASSETS			
A. NON CURRENT ASSETS			
Intangible fixed assets	26,605.61	26,605.61	0.00
Tangible fixed assets	2,512,080.75	2,436,747.13	-75,333.62
Land and buildings	2,097,162.93	2,033,533.31	-63,629.62
Plant and equipment	67,345.25	67,345.25	0.00
Computer hardware	324,128.09	312,424.09	-11,704.00
Furniture and vehicles	12,682.52	12,682.52	0.00
Other fixtures and fittings	10,761.96	10,761.96	0.00
Long-term receivables	5,076.41	5,076.41	0.00
Long-term receivables	5,076.41	5,076.41	0.00
TOTAL NON CURRENT ASSETS	2,543,762.77	2,468,429.15	-75,333.62
B. CURRENT ASSETS			
Short-term receivables	757,310.62	730,161.67	-27,148.95
Current receivables	439,080.27	439,080.27	0.00
Sundry receivables	12,447.36	12,447.36	0.00
Other	305,782.99	278,634.04	-27,148.95
-Deferred charges	305,782.99	278,634.04	-27,148.95
Cash and cash equivalents	120,675.18	120,675.18	0.00
TOTAL CURRENT ASSETS	877,985.80	850,836.85	-27,148.95
TOTAL	3,421,748.57	3,319,266.01	-102,482.56
LIABILITIES			
A. CAPITAL	2,414,066.20	2,393,712.89	-20,353.31
Reserves			
Accumulated surplus/deficit	2,791,953.79	2,791,953.79	0.00
Economic result of the year - profit+/loss-	-377,887.59	-398,240.90	-20,353.31
			0.00
TOTAL CAPITAL + NON CURRENT LIABILITIES	2,414,066.20	2,393,712.89	-20,353.31
			0.00
Provisions for risks and charges	6,735.64	6,735.64	0.00
Accounts payable	1,007,682.37	918,817.48	-88,864.89
Current payables	656,289.09	602,838.34	-53,450.75
Sundry payables	6,670.84	6,670.84	0.00
Other	315,476.41	286,797.91	-28,678.50
- Accrued charges	315,476.41	286,797.91	-28,678.50
Accounts payable with consolidated EC entities	22,510.39	22,510.39	0.00
Pre-financing received from consolidated EC entities	22,510.39	22,510.39	0.00
TOTAL CURRENT LIABILITIES	1,007,682.37	925,553.12	-82,129.25
TOTAL	3,421,748.57	3,319,266.01	-102,482.56

STATEMENT OF FINANCIAL PERFORMANCE	CORRECT FINAL ACCOUNTS 2018	PUBLISHED 2018	COMPARE
Revenues from administrative operations	97,924.34	97,924.34	0.00
Other operating revenue	18,235,525.84	18,235,525.84	0.00
TOTAL OPERATING REVENUE	18,333,450.18	18,333,450.18	0.00
Staff and administrative expenses	-11,959,809.72	-12,028,040.33	-68,230.61
Staff expenses	-9,749,722.18	-9,742,928.01	6,794.17
Fixed asset related expenses	-506,226.75	-504,899.63	1,327.12
Administrative expenses	-1,703,860.79	-1,780,212.69	-76,351.90
Operational expenses	-6,747,355.82	-6,699,478.52	47,877.30
Other operational expenses	-6,747,355.82	-6,699,478.52	47,877.30
TOTAL OPERATING EXPENSES	-18,707,165.54	-18,727,518.85	-20,353.31
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	-373,715.36	-394,068.67	-20,353.31
Financial expenses	-4,172.23	-4,172.23	0.00
SURPLUS/(DEFICIT) FROM NON OPERATING ACTIVITIES	-4,172.23	-4,172.23	0.00
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	-377,887.59	-398,240.90	-20,353.31
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00	0.00
ECONOMIC RESULT OF THE YEAR	-377,887.59	-398,240.90	-20,353.31

STATEMENT OF CHANGES IN NET ASSETS	CORRECT FINAL ACCOUNTS 2018		PUBLISHED 2018		COMPARE	
	Economic result of the year	Capital (total)	Economic result of the year	Capital (total)	Economic result of the year	Capital (total)
Balance as of 31 December 2017	-1,008,733.23	2,791,953.79	-1,008,733.23	2,791,953.79	0.00	0.00
Changes in accounting policies				0.00	0.00	0.00
Balance as of 1 January 2018	-1,008,733.23	2,791,953.79	-1,008,733.23	2,791,953.79	0.00	0.00
Allocation of the Economic Result of Previous Year	1,008,733.23	0.00	1,008,733.23	0.00	0.00	0.00
Economic result of the year	-377,887.59	-377,887.59	-398,240.90	-398,240.90	-20,353.31	-20,353.31
Balance as of 31 December 2018	-377,887.59	2,414,066.20	-398,240.90	2,393,712.89	-20,353.31	-20,353.31

CASH-FLOW STATEMENT	CORRECT FINAL ACCOUNTS 2018	PUBLISHED 2018	COMPARE
Cash Flows from ordinary activities			
Surplus/(deficit) from ordinary activities	-377,887.59	-398,240.90	-20,353.31
Operating activities			
<u>Adjustments</u>			
Amortization (intangible fixed assets) +	16,432.20	16,432.20	0.00
Depreciation (tangible fixed assets) +	489,794.55	488,467.43	-1,327.12
(Increase)/decrease in Short term Receivables	17,185.00	44,333.95	27,148.95
Increase/(decrease) in Accounts payable	143,683.91	61,554.66	-82,129.25
Increase/(decrease) in Liabilities related to consolidated EC entities	-1,646,955.40	-1,646,955.40	0.00
Net cash Flow from operating activities	-1,357,747.33	-1,434,408.06	-76,660.73
Cash Flows from investing activities			
Increase of tangible and intangible fixed assets (-)	-164,424.70	-87,763.96	76,660.74
Net cash flow from investing activities	-164,424.70	-87,763.96	76,660.74
Net increase/(decrease) in cash and cash equivalents	-1,522,172.02	-1,522,172.02	0.00
Cash and cash equivalents at the beginning of the period	1,642,847.21	1,642,847.21	0.00
Cash and cash equivalents at the end of the period	120,675.19	120,675.19	0.00

Reconciliation between budgetary result and economic result	CORRECT FINAL ACCOUNTS 2018	PUBLISHED 2018	COMPARE
Economic result	-377,887.59	-398,240.90	-20,353.31
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>			
Adjustments for Accrual Cut-off (reversal 31.12.2017)	-306,012.22	-306,012.22	0.00
Adjustments for Accrual Cut-off (cut-off 31.12.2018)	315,476.41	286,797.91	-28,678.50
Unpaid invoices net of VAT at year end but booked in charges	638,003.17	584,552.42	-53,450.75
Depreciation of intangible and tangible fixed assets	506,226.75	504,899.63	-1,327.12
Value reductions	175.29	175.29	0.00
Prefinancing received in previous year and cleared in the year	-400,830.00	-400,830.00	0.00
Payments made from carry over of payment appropriations	516,480.16	516,480.16	0.00
Increase in prepayments to suppliers & reverse 2017 invoices	-547,631.72	-520,482.77	27,148.95
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>			
Asset acquisitions (less unpaid amounts)	-164,424.70	-87,763.96	76,660.74
New pre-financing received in 2019 remaining open as at 31.12.2018	22,510.39	22,510.39	0.00
Budgetary recovery orders issued before 2019 and cashed in the year	54,970.00	0.00	-54,970.00
Payment appropriations carried over to 2019	-670,287.34	-670,287.34	0.00
Cancellation of unused carried over payment appropriations from previous year	62,136.87	62,136.87	0.00
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	373,605.28	373,605.28	0.00
Budgetary result	22,510.76	22,510.76	0.00

2. Remarks relating to fixed assets

The accounting threshold depends on the date of purchase of the asset (see table below).

Ref.	From	To	Amount
Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012	1.1.2013		€ 420
Regulation (EC, Euratom) No 2342/2002 of 23 December 2002	1.1.2003	31.12.2012	€ 420
Commission Regulation (EC) No 1687/2001 of 21 August 2001	31.8.2001	31.12.2002	€ 420
Decision 2000/716/EC	1.1.2000	30.8.2001	€ 420
Decision 97/594/EC	1.1.1997	31.12.1999	ECU 400

These assets were depreciated. The straight-line depreciation method was used. The depreciation rates applied are those applied at the Commission, namely:

- Software and intangible assets: 4 years;
- land and buildings: 25 years
- plant and equipment: 4 or 8 years;
- furniture: 10 years;
- transport equipment and IT equipment: 4 years;

A. Intangible fixed assets

Development costs of new software systems have not been capitalised as they fall below the Agency's threshold of Euro 150 000. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved, processes, systems or services before the start of production.

No research costs were incurred in 2019. These are costs associated with planned and original investigation with the prospect of gaining new technical knowledge and understanding leading to the production of new or substantially improved software or systems.

	Software
A. Purchase value:	
Previous financial year	344,324.68
Additions	5,563.30
Withdrawals or transfers from other headings	-
<i>At the end of the financial year:</i>	349,887.98
B. Depreciation:	
Previous financial year	317,719.07
Additions	13,300.92
Transfer from other headings	-
<i>At the end of the financial year:</i>	331,019.99
Net book value (A – B)	18,867.99

B. Tangible fixed assets

	Land and buildings	Plant and equipment	Furniture	Transport equipment	IT equipment	Other tangible assets	Total
A. Purchase value:							
Previous financial year	6,936,986.40	847,635.57	295,396.89	70,897.80	1,654,266.34	177,667.69	9,982,850.69
Additions	75,185.88	13,520.42			171,529.66	3,856.99	264,092.95
From other headings							
Transfers							
<i>At the end of the financial year:</i>	<i>7,012,172.28</i>	<i>861,155.99</i>	<i>295,396.89</i>	<i>70,897.80</i>	<i>1,915,515.26</i>	<i>181,524.68</i>	<i>10,246,943.64</i>
B. Depreciation							
Previous financial year	4,839,823.47	780,290.32	282,714.37	70,897.80	1,330,138.25	166,905.73	7,470,769.94
Additions	265,650.38	26,332.26	3,093.33		179,368.26	5,975.90	477,746.58
From other headings							
Transfers							
<i>At the end of the financial year:</i>	<i>5,105,473.85</i>	<i>806,622.58</i>	<i>285,807.70</i>	<i>70,897.80</i>	<i>1,509,506.51</i>	<i>172,881.63</i>	<i>7,948,516.52</i>
Net book value (A – B)	1,906,698.43	54,533.41	9,589.19	-	318,963.04	8,643.05	2,298,427.12

Through the course of 2016 repair works and replacement of the glass façade and the skylights in the three meeting rooms was undertaken and completed. An independent study confirmed that the observed damage which necessitated the

repairs was linked to faulty construction. Cedefop has contacted the Greek authorities as the first step to initiate proceedings to recover the cost of these repairs. Although Cedefop believes it has a strong case for settlement of these costs, approximately Euro 180 000, no income was accrued in the accounts in 2016. As at the end of 2019 discussions were still ongoing.

C. Long-term receivables

Long-term receivables represent deposits to Greek utilities for water and electricity.

D. Stocks

Cedefop no longer includes a valuation for its stock of publications as their market valuation is negligible.

E. Short-term pre-financing

Pre-financing is a payment intended to provide the beneficiary with a cash advance. The advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures he/she has the obligation to return the pre-financing advance to Cedefop. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs where a tangible benefit or product has been received as explained in the introduction to these notes.

At year-end outstanding pre-financing amounts are valued at the original amount(s) paid, less amounts returned, eligible amounts cleared and/or value reductions. No pre-financing payments matching the conditions described above were outstanding at the year end.

F. Short term receivables

Consisting of:

- a) current receivables, chiefly of VAT charges to be recovered from Member States,
- b) sundry receivables, being advances on missions and school fees,
- c) deferred charges, being expenses paid in 2019 but relating to 2020.

Analysis of Accounts Receivable	2019	2018
VAT charges to be recovered from all EU countries	336 934.97	439 080.27
Staff related advances including school, canteen VAT and mission advances	24 697.51	12 447.36
Staff recovery of weighting factor adjustment	0.00	0.00
Deferred charges, i.e. expenses paid in advance e.g. insurance	332 346.36	305 782.99
Other small sundry items	0.00	0.00
	693 978.84	757 310.62

In February 2016, in accordance with Article 60(4) of the Agency's Financial Rules, Cedefop was obliged to issue debit notes to the Greek authorities representing the agency's claim for interest on these late settlements of outstanding VAT. These debit notes of Euro 35 930 and Euro 22 000 relating to the years 2012 and 2013

respectively are still outstanding and will be recognised as income on receipt of the funds.

G. Cash and cash equivalents

This figure represents the sum of balances held in the Agency's two bank accounts BNP Paribas Fortis NV in Brussels and its local account with Alpha Bank A.E. and small petty cash and any positive credit card balances.

H. Long term provision

There are no long term provisions in the 2019 accounts.

I. Provisions for risks and charges

Provisions for risks and charges are recognised when Cedefop has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

In 2019, Cedefop booked a provision for pending legal disputes amounted at Euro 150 000.

Following a tax audit conducted in 2016 by the General Directorate of the Tax Administration relating to VAT and withholding taxes, Cedefop received notice that the Agency was liable to pay an amount of Euro 6 735.64 for underpaid taxes and an associated penalty. Cedefop disputes the findings of the audit and may appeal. However, in line with the principle of prudence the Agency has charged its 2016 expenses with this amount and carries an equivalent provision in its balance sheet along with a receivable to be recovered from the Tax authorities. This provision remains outstanding as at the end of 2019. Efforts will be made in 2020 to resolve this issue.

J. Accounts payable

Consisting of:

- a) current payables, relating chiefly to invoices received from suppliers at the end of 2019 to be processed in 2020,
- b) sundry payables, payables relating to amounts to be paid from assigned revenue or to staff costs e.g. withheld taxes,
- c) accrued charges, expenses relating to 2019. See the beginning of the Notes for details on the changes to accrual calculation introduced in 2014.

	2019	2018
Accrued costs	145,867	110,200
Accrued leave	274,610	205,276
Total	420,477	315,476

- d) amounts payable to consolidated entities, being chiefly pre-financing received from the Commission and in 2019 an amount relating to December staff taxes and insurances.

	2019	2018
Surplus on Budget Account	217,890	22,510
	0	0
Payment due to Commission	196,612	0
December staff taxes and insurances	0	0
	0	0
Total	414,502	22,510

K. Contingent Liabilities

Contingent liabilities as at 31 December 2019 of budgetary commitments amounting to 6 603 385 (Euro 7 144 447 in 2018) representing standing financial commitments to suppliers not appearing on the balance sheet.

L. Pension Obligations

Cedefop's staff are members of the European Communities Pension Scheme which is a defined benefit pension plan.

A defined benefit plan is a pension plan that generally defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. Cedefop's staff contribute 10.10% of their basic salaries to the pension scheme and an additional 20.20% contribution is made by the European Commission. The cost to the European Commission is not reflected in the Agency's accounts.

Future benefits payable to Cedefop staff under the European Communities Pension Scheme are accounted for in the accounts of the European Commission. No provisions for such pensions are made in these accounts.

M. Events after the reporting date

During the first half of 2020, the coronavirus outbreak has had huge impacts on the EU economy. As a non-adjusting event, the outbreak of the coronavirus does not require any adjustments to the figures reported in these annual accounts. For subsequent reporting periods, COVID-19 may affect the recognition and measurement of some assets and liabilities on the balance sheet. Based on the information available at the date of signature of these annual accounts, the financial effects of the coronavirus outbreak cannot be reliably estimated.

3. Notes to the financial statements

A. Revenue

Revenue and corresponding receivables are measured at the fair value of the consideration received or receivable and are accounted for in the period to which they relate. Cedefop's main source of revenue is the annual contribution from the European Commission. Calculation of this revenue is based on the results of the statement of financial performance. A positive result is shown as a liability and

returned to the Commission the following year. As the disbursement or commitment of funds is a factor in the budgetary outturn it also forms part of the final calculation of revenue.

The amount received from the Commission is thus reduced by Euro 195 379 (representing the balance on the Statement of Financial Performance for 2019) when calculating the revenue.

The table below shows a detailed breakdown of the other sources of revenue.

Analysis of Revenue in the Economic Result Account 2019

Funds received from the Commission	18,858,635	
Less net surplus on the Budgetary Outturn Account	-195,379	
		18,663,255
Grant Income		
Agreement n° VS/2013/0554 disbursed	-	-
Other Operational Income		
Norway	390 520	
Iceland	24,400	
Reimbursements Refernet	33,514	
Interest and sundry reimbursements	1,526	
		449,961
Subtotal		19,113,216
Revenue from Administrative and Financial operations		
Canteen		93,842
Gain on Exchange Rate		0
Commission		0
Grand Total Income		19,207,059

B. Expenditure

Expenditure and corresponding payables are measured at their fair value and accounted for in the period to which they relate.

Cedefop's statements follow the format used by the Commission and divide expenses into three categories: Administrative expenses, Operational expenses and Financial expenses.

a) Administrative expenses. These are subdivided into three sub-categories:

i) Staff expenses.

All salary calculations giving the total staff expenses included in the Statement of financial performance of the Agency are externalized to the Office for administration

and payment of individual entitlements (also known as the Paymaster's Office-PMO) which is a central office of the European Commission.

The PMO's mission is to manage the financial rights of permanent, temporary and contractual staff working at the Commission, to calculate and to pay their salaries and other financial entitlements. The PMO provides these services to other EU institutions and agencies as well. The PMO is also responsible for managing the health insurance fund of the Institutions, together with processing and paying the claims of reimbursement from staff members. The PMO also manages the pension fund and pays the pensions of retired staff members. PMO is being audited by the European Court of Auditors.

The Agency is only responsible for the communication to the PMO of reliable information allowing them to calculate the staff costs. Cedefop is also responsible to check that this information has been correctly handled in the monthly payroll report used for accounting payroll costs. It is not responsible for the calculation of the payroll costs performed by PMO.

Staff costs essentially (although not entirely) correspond to Title 1 budget lines. Staff expenses are sometimes considered “administrative expenses” but it should be noted that the Agency employs a large number of experts performing operational tasks and in-house research. Approximately 66% of staff costs relate to operational personnel and hence should be interpreted as operational costs.

ii) fixed asset expenses, relating to depreciation costs (see above for further details).

iii) other administrative expenses, essentially following the Title 2 budget costs. These include such items as utilities, telecommunications, IT and building upkeep.

b) Operational expenses corresponding to Title 3 costs.

The 2019 figure of Euro 7 328 532 compares to the corresponding 2018 figure of Euro 6 747 356.

The report on Budgetary and Financial Management above gives a description of the various operational areas to which Cedefop is committed. A large part of these costs relate to commissioning research, meetings and publication costs for the dissemination of Cedefop's research and policy analysis work as well as for knowledge brokering activities with Member States and other VET and labour market stakeholders. As mentioned in the administrative expenses these costs do not include the personnel costs of staff engaged in operational work.

c) Financial expenses relating to bank charges.

C. Economic Result for the Year

The deficit of Euro 794 658 (4.14% of Revenue) compares to last year's deficit of Euro 377 888. Funds disbursed as pre-financing are not considered as expenditure until such time as the final or intermediate request for funds is received.

4. Reconciliation between budgetary result and economic result

Cedefop’s financial statements are prepared on an accruals basis, where transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the economic outturn account. However, the Agency uses a modified cash accounting system for preparing the statement of financial performance and its other budgetary reporting. In this system only the payments made and revenues received in the period are recorded, together with payment appropriations that are carried forward.

The difference between the budgetary result and the economic result is made up as follows:

	2019	2018
Economic result	-794,658.43	-377,887.59
<i>Adjustment for accrual items (items not in the budgetary result but included in the economic result)</i>		
Adjustments for Accrual Cut-off (reversal 31.12.2018)	-315,476.41	-306,012.22
Adjustments for Accrual Cut-off (cut-off 31.12.2019)	420,477.27	315,476.41
Unpaid invoices net of VAT at year end but booked in charges	1,140,170.24	638,003.17
Depreciation of intangible and tangible fixed assets	491,047.50	506,226.75
Provisions	150,000.00	-
Value reductions	161.67	175.29
Recovery Orders issued in 2019 and not yet cashed	-	-
Prefinancing given in previous year and cleared in the year	-	-
Prefinancing received in previous year and cleared in the year	-	-400,830.00
Payments made from carry over of payment appropriations	610,955.68	516,480.16
Increase in prepayments to suppliers & reverse 2018 invoices	-664,566.54	-547,631.72
<i>Adjustment for budgetary items (item included in the budgetary result but not in the economic result)</i>		
Asset acquisitions (less unpaid amounts)	-269,656.25	-164,424.70
New pre-financing paid in 2019 and remaining open as at 31.12.2019	-	-
New pre-financing received in 2019 remaining open as at 31.12.2019	195,379.12	22,510.39
Budgetary recovery orders issued before 2019 and cashed in the year	-	54,970.00
Payment appropriations carried over to 2019	-827,786.37	-670,287.34
Cancellation of unused carried over payment appropriations from previous year	59,331.66	62,136.87
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	-	373,605.28
Budgetary result	195,379.12	22,510.76

5. Distribution by grade of occupied posts in the 2019 establishment plan

Annex A		
Categories	Permanent posts	Temporary posts
Grades		
AD 16	-	-
AD 15	-	1
AD 14	-	1
AD 13	-	2
AD 12	4	7
AD 11	-	7
AD 10	-	8
AD 9	-	6
AD 8	-	5
AD 7	-	4
AD 6	-	1
AD 5	-	-
	4	42
AST 11	-	1
AST 10	1	1
AST 9	1	2
AST 8	1	3
AST 7	3	6
AST 6	2	7
AST 5	-	6
AST 4	-	6
AST 3	-	-
AST 2	-	-
AST 1	-	-
	8	32
	12	74
Total		86
Vacant		5