



COMMISSION OF THE EUROPEAN COMMUNITIES

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98/0196 (SYN)

**Proposal for a
COUNCIL DECISION**

establishing the second phase of the Community vocational training
action programme "Leonardo da Vinci"

(presented by the Commission)

EXPLANATORY MEMORANDUM

I. INTRODUCTION

In presenting its three decision proposals in the field of education, training and youth, extending and broadening the scope of the current Community action programmes which finish on 31 December 1999, the Commission is making concrete the strategic guidelines announced in "Agenda 2000" and, in the three domains in question, in its Communication of November 1997 "*Towards a Europe of Knowledge*"¹. In that document, the Commission has already indicated what should be the principal dimensions and strategic axes of Community action aiming to contribute to a progressive construction of a European educational space oriented towards the development of competences, the enrichment of citizenship and the development of employability through the acquisition of competences. The central common objective of these three proposals is to support, at all levels, the process of lifelong education and training.

These three proposals translate the willingness to implement an integrated approach: together they translate the political will to stress the central objective of lifelong education and training in a European context characterised by the progressive construction of a European educational space oriented towards the development of knowledge, the enrichment of citizenship and the development of employability through the acquisition of competences. The joint actions envisaged in each decision proposal will contribute to strengthening this integration. In a world which is rapidly changing, notably from the effects of technological evolution and the information society, the divide between "education" and "training" is becoming more and more porous, the same goes for the distinction between initial and continuing training or even the distinction between "formal" and "informal" education.

The same approach is envisaged for implementation and management. As compared to the current programmes, they translate the same desire for simplification, concentration, and decentralisation whilst ensuring greater transparency which is likely to strengthen access for those using the programmes.

Different elements have been taken into account in the approach proposed:

* **The acquired experience of the programmes:** all the current programmes (as well as the preceding ones) have been the subject of in-depth evaluations which have brought out the impact of the three programmes on the policies and systems of Member States in the domains concerned. They have also highlighted the European added value of the actions undertaken in the different programmes both in terms of mobility for the different groups targeted in the domains of education, training, and in terms of transnational cooperation partnerships. They have also drawn attention to a certain number of weaknesses - essentially arising from the complexity and slowness of procedures which the present proposals intend to correct. In this respect the table below shows how and in what ways the decision proposals take into account this desire for concentration, simplification and transparency.

¹ COM(97) 563 final.

* **Complementarity and coherence** with the other interventions of the Community in the domains covered by these three proposals: as much with the policy of knowledge - in particular the 5th Framework programme for Research and Technological Development - as other domains such as culture and audio-visual, the completion of the internal market, the information society, environment, consumer protection, SMEs, social policies, employment and public health, it is necessary to ensure this coherence and this complementarity in order to reinforce the effectiveness of interventions and the value added of Community action.

In this context, the three proposals also stress, notably as far as vocational training is concerned, the close and continuing link to be implemented at Community level and in the Member States with the interventions of the Structural Funds, in particular those relevant to the European Social Fund. Education and training, as well as the full exercise of citizenship, contribute to strengthening economic and social cohesion.

* **The new context introduced by the coordinated strategy for employment:** this strategy, defined by the extraordinary European Council on employment in November 1997, and the Employment Guidelines which resulted from this, clearly indicate that formal and informal education as well as training, taken in the widest sense, are an essential dimension of employability and adaptability; they can strongly support the development processes of the capacity for entrepreneurship and are a significant support for equal opportunities. The three decision proposals strongly integrate this dimension - notably as to the nature of the contribution of these three programmes (in particular Leonardo da Vinci) to the implementation of a Community strategy for small and medium-sized enterprises.

* **The opening of the programmes:** extending the cooperation already entered into with the EFTA/EEE countries and the associated countries of Central and Eastern Europe as well as with Cyprus, which, thanks to a considerable effort, have already resulted in active participation in the current programmes, the three proposals clearly indicate (Article 10) the willingness to open up the Community action programmes to applicant States in the pre-accession phase. The three domains concerned, do indeed provide a positive and concrete support mechanism for the process of enlargement. The same approach is proposed for Turkey and Malta in the context of their association agreements.

* **The principle of subsidiarity and the European added-value of Community action:** the Community actions and measures proposed in each of the decision proposals do not do not call into question, in accordance with the treaty provisions, the competences of Member States. In fact, Community action supports and complements the actions undertaken by Member States, and the procedures proposed for implementation and management strengthen cooperation in this respect by ensuring a greater transparency in the running of the programmes. Conversely, the European dimension of the actions implemented, notably in terms of physical and virtual mobility in the form of transnational pilot projects and European networks as well as the support for actions to promote linguistic competences enrich education and training practices in Member States.

I. PUTTING IN PLACE A KNOWLEDGE POLICY

A. A priority objective

Both the Treaty of Amsterdam and Agenda 2000 resolutely place knowledge policy at the heart of future developments in the European Union: “*knowledge policies, research, innovation, education and training – are of decisive importance for the future of the Union... Like research, education and training represent essential immaterial investments*”.

As stated in the Commission communication *Towards a Europe of Knowledge*, the objective is to “promote the highest level of knowledge ... through broad access to education and its permanent updating”.

Education, lifelong training and youth-related policy involve three objectives:

- (a) to promote employment, in line with the Luxembourg European Council decisions, by developing the skills and competences and an enterprise culture which changes in work and its organisation have made necessary;
- (b) to increase the potential of knowledge in order to create the social and technical conditions of innovation which represents a major asset for economic growth and for improving standards of living;
- (c) to guarantee citizens access to a European experience likely to strengthen a common feeling of identity with and belonging to a Common space.

B. A coordinated and simplified approach

The proposals submitted take the utmost account of what has been achieved through the programmes now coming to an end, particularly with regard to three major aspects:

- (a) a legal basis: drawn up for these programmes and these actions, and underpinned by experience, it sets out clearly the Community’s responsibilities in this area;
- (b) implementation which has constantly sought to act as a fulcrum for action by the Member States;
- (c) a common core of activities which has built up on the basis of six measures: physical and virtual mobility, importance of networking, promotion of language skills, support for innovatory projects and products, better knowledge of systems.

The partnerships formed at the European level have by and large raised the profile of Community action by improving its quality and opening up opportunities for access to knowledge for the citizens of Europe. Thanks *inter alia* to this experience, two thirds of them today would like to see Europe play a specific role in the areas of education, vocational training and youth.

In the context of the implementation of these three programmes, the Commission will also put in place working groups made up of well known people from the relevant areas. When these groups are set up, the Commission will aim to ensure an equal participation of women and men and will encourage the Member States to the same when forming the programme Committees.

The expectations of the various publics and players concerned by these programmes have prompted the Commission to present them in a coordinated manner, which means that after 31 December 1999 it will be possible to better cater for the major objectives of Community action in the areas of education and vocational training and in youth-related matters.

In its communication *Towards a Europe of Knowledge*, the Commission set out the advantages of closely coordinating the three decisions in an overall approach. To do this, it used the experience amassed and which at all levels of involvement points to the need to develop common 'channels' and 'bridges' conducive to the emergence of a genuine European education area.

The proposals submitted to attain the objective of lifelong education and training reflect a more coordinated approach which comes out at three levels:

- (a) Firstly, the implementation of the three programmes sets out clearly to gradually build up this European education area as an open and dynamic framework giving tangible expression to the objective of lifelong education and training. While each programme has specific actions as a function of the objectives pursued, these actions are nevertheless implemented by using one or more of the six measures:
- **physical mobility** for people undergoing training and for teachers;
 - various forms of **virtual mobility** and arrangements for using the new ICTs;
 - the development of **cooperation networks** at European level;
 - the promotion of language and cultural skills;
 - the development of **innovation** through European cooperation using pilot projects based on transnational partnerships;
 - the constant improvement of **Community references for the systems and policies** relating to education, training and youth in the Member States (data base, good practices).
- (b) Secondly, the proposals for European Parliament and Council decisions in each of these three fields, and therefore the features of the formal arrangements proposed, while not being absolutely identical on account of the specific characteristics of these areas, are assembled along the same lines and contents, and are based on arrangements which often differ little on essential points, e.g. committee procedures.
- (c) Lastly, these three proposals contain specific provisions for launching joint actions.

The Commission will accordingly be putting forward appropriate initiatives, in the form of joint calls for proposals, for instance, in close cooperation with the programme committees concerned. These joint actions should in particular make it possible to develop:

- a common information system;
- a coordinated system for observing good practices with regard to lifelong education and training;
- joint actions on education and training multimedia;
- European knowledge centres located regionally.

II. THE LEONARDO DA VINCI PROPOSAL

MAIN PROPOSALS FOR A REVAMPED APPROACH

- A fundamental guideline: Community action to **promote innovation** in support of and as a complement to action taken in and by the Member States
- A broader legal basis: Article 127 of the treaty establishing the European Community.
- Three objectives:
 - (a) **to improve and strengthen the social and occupational integration of young people**, in particular through work-linked training and apprenticeship;
 - (b) **to broaden and build up access to high quality continuing training and access to lifelong skills**, particularly in order to keep abreast of technological and organisational innovation, and the training investment drive;
 - (c) **support the vocational training systems to assist those in difficult circumstances** due to having insufficient or outdated competences, to find employment and to better insert themselves in the labour market.
- Six types of transnational measures with demonstration actions of an experimental nature:
 - ◇ **physical mobility** of young people undergoing training should be stepped up;
 - ◇ **virtual mobility** in order to promote use of the new ICTs in vocational training;
 - ◇ **transnational pilot projects** to create and pass on innovation and quality;
 - ◇ **European networks** for the pooling of Community expertise and broad dissemination of the results;
 - ◇ **the promotion of language skills** tailored to the requirements of the world of work, using new products and new training methods;
 - ◇ **Community terms of reference** for a more systematic and a more programmed approach to the different tasks of studies, surveys and analyses.
- A **general call for proposals** at the start of the programme for all objectives and for all Community actions and measures for a **three-year period**. A **second general call for proposals**, i.e. at the half-way stage of the programme.
- **Devolution of more responsibility** to the Member States for the organisation and management of actions and measures thanks to a “decentralised selection” procedure and a centralised selection procedure for a restricted number of projects of an experimental nature.
- The launching of **joint actions** with the education and youth action programmes.

I. Introduction

1. The Commission is submitting a proposal for a second phase of the *Leonardo da Vinci* action programme for implementing a Community vocational training policy. The proposal takes on board the lessons learned from its implementation since 1995. These are set out in the Commission's interim report², which stresses that the programme has had a definite impact, reflecting genuine European expertise in vocational training, and that it has started to serve as a 'European innovation laboratory'. This report and the ones presented by the Member States have also pointed out the improvements to be incorporated, in particular regarding procedures and the management of the programme. For information purposes, the table below outlines the quantitative results achieved during the first three years of the initial Leonardo da Vinci programme (1995-1997)

Type of Measure	Number
Placements and Exchanges	85 000
Pilot Projects	1658 pilot projects (7954 submitted)
Number of partners within the projects	38 000

2. There is no denying that while diversity was a feature of the programme, this did in some cases make things undoubtedly overcomplicated and also generated problems of management. The Commission's proposal will mean significant changes in order to concentrate actions on a restricted number of objectives, to clarify Community.

II. The arrangements proposed

3. The legal arrangement proposed caters for three features: (i) it retains the arrangements of the Leonardo programme which have functioned satisfactorily, particularly from the point of view of committee and follow-up procedures; (ii) it is consistent with the proposals put forward for the decisions on education and youth; (iii) it involves innovations designed to improve the operational efficiency of Community action, particularly when it comes to operational complementarity with the other Community policies.

The legal basis

4. The Community's VT policy stems from Article 127, which constitutes the legal basis for the proposal as was the case for the first phase of the programme. The Leonardo da Vinci programme, according to Article 127, contributes to the implementation of a vocational training policy at the Community level.

² Interim report on the implementation of the Leonardo da Vinci programme. COM(97) 399 final of 23 July 1997.

Focused objectives

5. The actions are focused on three objectives (rather than 19 as in Leonardo I):
- (a) **improve and strengthen the social and occupational integration of young people**, particularly by apprenticeship and work-linked training;
 - (b) **broaden and build up access to high quality continuing training and access to lifelong skills**, particularly in order to keep abreast of technological and organisational innovation and the training investment drive;
 - (c) **support the vocational training systems to assist those in difficult circumstances** due to having insufficient or outdated competences, to find employment and to better insert themselves in the labour market.

Clearer measures

6. The proposal takes the experience amassed during the first phase of the Leonardo da Vinci programme and the guidelines of the Commission communication "*Towards a Europe of knowledge*" (COM(97) 563 final) and chooses six types of transnational measures (instead of 23 as in the first phase), some of them involving experimental demonstration actions (described briefly in a box)
- (a) **Physical mobility** for young people in training should be stepped up and the Commission's intention is to accordingly boost apprenticeship and work-linked training. It is also eager to give exchanges a better pedagogical and supervisory framework along with common quality principles. It hopes in this way to support the proposal for a Council decision currently being examined for promoting "European pathways" and the introduction of "EUROPASS-training"³. The Commission at the same time proposes support for the preparation (and not just the implementation) of transnational mobility programmes and specific arrangements to make the pedagogical supervision of young people undergoing training in SMEs and craft industry easier.
 - (b) The Commission's intention with "**virtual mobility**" is to promote Community actions which contribute to increasing the use of the new ICTs in vocational training.
 - (c) The "**innovatory pilot projects**" measure continues one of the original features of the Leonardo programme which achieved very notable results during the first phase with innovatory projects opening on to new products and comprehensive training processes. The Commission feels that the transnational pilot projects help to create and pass on innovation and quality.

³ Proposal for a Council Decision on the promotion of European pathways for work-linked training, including apprenticeship (COM(97) 572 final of 12 November 1997).

- (d) The **European networks measure** is a new feature of the programme designed to provide promoters with a Community cooperation framework which is more permanent and more stable than the pilot projects with a view to: (i) pooling Community expertise on a given theme; (ii) broad dissemination throughout Europe of the results achieved by pilot projects completed on a common theme.
- (e) The measure on **promotion of language skills** is also a continuation as such given the importance of this type of skill for all the objectives of the programme. Specific transnational operations targeting the needs of the world of work can open on to new products and new training methods in a field to which the completion of the Single Market gives undoubted European added value.
- (f) The **Community reference terms measure** caters for the objective of a more systematic and more programmed approach to studies, surveys and analyses relating to the situation and trends in vocational training systems. Significant results have been achieved with the publication of the first key data on vocational training (produced jointly with CEDEFOP and EUROSTAT) and the Commission's report on access to continuing training in the European Union. The point of this measure is to gradually provide users, particularly public decision makers, both sides of industry and budget managers, with reference facts and figures.

The players, the target groups and participation in the programme

- 7. For the sake of transparency in access to the programme, a new Article (Article 4) identifies for the purposes of the objectives to be attained the players likely to be involved in the various actions. The Commission is thus seeking to encourage the involvement of more vocational training players (particularly territorial players and/or multimedia players and the players of the SMEs) and step up cooperation between the players.

Opening up to countries which have reached the pre-accession stage

- 8. The proposal has an Article on opening up the programme to the countries which have reached the pre-accession stage. This Article uses the provisions which featured in the 1994 Council Decision (Article 10), adjusting them to the current context.

Simplified implementation

- 9. The Commission proposes that programme implementation be substantially revamped in the interests of simplification and more efficiency in the use of Community funding by:
 - (a) **a drastic cut in the number of objectives** in relation to the first phase of the Leonardo programme, and an improved link-up between objectives and measures;

- (b) **a general call for proposals will be published at the start of the programme for all the objectives and for all the Community actions and measures.** It will establish a stable framework of priorities for a three-year period - selection being undertaken annually as before.
- (c) in order to achieve some degree of flexibility and take account of major changes of context which could arise, **it is proposed that at the half-way stage of the programme, a second general call for proposals be launched on the basis of the interim evaluation report stipulated in Article 12 of the Council Decision;** this second call could define fresh priorities or adjust those initially adopted;
- (d) it is proposed to give the Member States greater responsibility for the organisation and management of actions and measures, through a **“decentralised selection” procedure** on the basis of “indicative budgets” per Member State.

The Commission also attaches great importance to the positive effects of decentralised management of the measures of the programme, particularly thanks to the initiatives of the Member States, in strengthening coordination between the measures of this programme, action stemming from the other education and youth programmes, and structural funding, particularly through cooperation between the different management structures involved in the selection of proposals.

- 10. The experience with the first phase and the implementation of EC demonstration actions on each of the five White Paper objectives prompt the proposal of a centralised selection procedure for a restricted number of experimental projects.
- 11. These projects will have a more pronounced Community dimension in that they involve three types:
 - proposals from established European organisations and involving a major percentage if not all of their instigators;
 - proposals from European networks set up to utilise and disseminate the results of pilot actions conducted transnationally;
 - proposals to test through European cooperation innovatory themes with a view to developing European evaluation of these trial runs and disseminate the results.
- 12. The Commission feels the opportunity to conduct Community demonstration actions is particularly useful for major innovations such as the "second chance schools" or the "computerised skill accreditation systems" under the current programme

III. Programme funding

13. The option to base the second phase of Leonardo on the same legal basis as that used for the first phase (1995-1999) implies that the indications relevant to the 2000-2004 financial envelope are presented in the financial statement annexed to the proposal for a decision. This envelope is for a total of ECU 1 000 million over this five-year period (as opposed to ECU 620 million, indicated by the Council, for the period 1995-1999).

IV. Monitoring and evaluation

14. Experience has shown that there was no need for annual changes to the working priorities for the purposes of the programme objectives, but that there was a case for having a margin of manoeuvre for adjustment, particularly as the second phase will last five years (2000-2004). The Commission has therefore proposed that the interim evaluation can if necessary include a review of these priorities. As in the first phase of the programme, monitoring and evaluation of the programme and the projects must be carried out through cooperation between the Commission and the Member States, in particular regarding external evaluations.

V. The complementarity of the Leonardo da Vinci Programme with the European Social Fund interventions

15. Convergence of objectives as defined for the second phase of the Leonardo da Vinci programme (Article 2) with those proposed by the Commission in its draft Council Regulation (EC) governing the European Social Fund (Article 2) is taken into account both in the draft proposal for a Decision both at the legislative level (Recital No 9 and Articles 9(3) and 12(2)) and in the implementation process itself for which a close coordination at all levels should be ensured in a structured manner - especially with regard to the operational procedures.
16. It is necessary to underline in this context that actions concerning physical (and virtual) mobility - which should represent more than half the budgetary allocation of the programme - as well as those concerning the promotion of language skills - are specific to the Leonardo programme whereas they are not at the centre of the Social Fund interventions. Similarly, it is necessary to underline the fact that the principal axes of the different actions envisaged in the programme is that of supporting experimental approaches of a transnational character which can lead to the validation of the products and methodologies of training. In this perspective, Leonardo da Vinci is a "Laboratory for innovation": Community demonstration actions of an experimental character as identified in the Annex to the draft decision - such as those relating to new forms of accreditation of skills including expertise learned on the job or the experimentation of "second chance" training arrangements should develop "upstream" of European Social Fund interventions while being closely linked to innovatory actions foreseen in the aforementioned (EC) Regulation concerning ESF. This close and structured cooperation should lead to the development and enrichment of training practices throughout the Community.

The table below presents the main modifications to be introduced in the second programme:

LDV I	LDV II
* 19 objectives (Article 3)	* 3 Objectives (Article 2) <ul style="list-style-type: none">- improving and strengthening the social and occupational integration of young people;- and developing access to continuing training and skills;- providing support for vocational training systems in order to consolidate reintegration into employment
* 23 measures	* 6 measures (Article 3): mobility for persons in training, promoting virtual mobility, supporting the development of cooperation networks, promotion of language skills, supporting innovatory pilot projects, improvement of Community terms of reference
* Actors not identified	* Actors identified (Article 4)
* Distinction between initial and continuing training	* Emphasis placed on life-long learning (Article 1)
* No joint actions	* Joint actions (Article 6 and Annex)
* Yearly priorities	* Priorities for three years with an annual selection process (Annex)
* No specific measure for participation of SMEs	* Specific measures for the participation of SMEs (Annex)
* Lack of integration in selection procedures	* Selection procedures based on “integrated packages”

**Proposal for a
COUNCIL DECISION**

establishing the second phase of the Community vocational training
action programme "Leonardo da Vinci"

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community and in particular Article 127 thereof,

Having regard to the proposal from the Commission⁴,

Having regard to the opinion of the Economic and Social Committee⁵,

Acting in accordance with the procedure referred to in Article 189c of the Treaty in cooperation with the European Parliament⁶,

1. Whereas the Treaty establishing the European Community stipulates that the latter's action shall *inter alia* contribute to the development of quality education and training; whereas this was resolutely reiterated by the Amsterdam Treaty signed on 2 October 1997, which states that the Community's objective is also to promote the highest possible level of knowledge for its peoples through a wide access to education and through a continuous updating of knowledge;
2. Whereas, by Decision 94/819/EC⁷, the Council set up an action programme to implement a Community vocational training policy; whereas it is appropriate, on the basis of the acquired experience of that programme, to ensure its extension, taking into account the results obtained to date;
3. Whereas the extraordinary European Council on Employment held in Luxembourg on 20 and 21 November 1997 adopted a coordinated employment strategy in which lifelong education and training have a fundamental role to play in implementing guidelines⁸ for the Member States' employment policies in order to enhance employability, adaptability, and the culture of entrepreneurship⁹ and to promote equal opportunities;

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6 Opinion of the European Parliament of xxxxx (OJ C xxx, xxxxxxxxx, p.xx), Council Common Position of xx xxxx xxxx (OJ xxxxx, xxxxxxxxx, p.xx) and Decision of the European Parliament of xxxxxxxxxx xxxx (OJ xxxxx, xxxxxxxxxx).

7 OJ L 340, 29.12.1994, p. 8.

8 OJ C 30, 28.1.1998, p. 1.

9 Communication from the Commission to the Council "Fostering entrepreneurship in Europe: priorities for the future" (COM(98) 222 final/2 of 21 April 1998).

4. Whereas the Commission in its Communication "*Towards a Europe of Knowledge*"¹⁰ set out guidelines on the creation of a European education area capable of achieving the objective of lifelong education and training, defining six types of measures to be developed at the Community level, all focusing on transnational cooperation and designed to bring added value to the action taken by the Member States, in full respect of the principle of subsidiarity, and in a context of simplified procedures;
5. Whereas the White Paper¹¹ *Teaching and learning - Towards the learning society* states that the emergence of the learning society entails encouraging the acquisition of new knowledge and to this end providing motivation to learn at every opportunity; and whereas the Green Paper¹² *Education, training, research: the obstacles to transnational mobility* highlighted the advantages mobility brings to people and competitiveness in the Union;
6. Whereas there is a need to promote active citizenship, to strengthen the links between measures pursued under this programme, and to step the fight against exclusion in all its forms, including racism and xenophobia; whereas special attention should be focused on removing all forms of inequality and on promoting equal opportunities for women and men;
7. Whereas the European Parliament and the Council in their Decisions No..... [Education]¹³, No..... [Youth]¹⁴ have established Community action programmes for the education and youth fields respectively, which contribute together with the training programme to implementing a knowledge policy;
8. Whereas it is necessary, in order to reinforce the added value of Community action to ensure, at all levels, a coherence and a complementarity between the actions implemented in the framework of this Decision and the Community interventions, in particular in the domains of culture¹⁵, audio-visual media, the completion of the single market, the environment, consumer protection, the information society, SMEs, social policies, employment and public health;
9. Whereas the Commission's proposals for reforming the Structural Funds¹⁶, particularly the European Social Fund, and the Community initiatives stemming therefrom, are based on objectives designed to support the adaptation and modernisation of policies and systems relating to education, training and employment;

¹⁰ Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions - *Towards a Europe of knowledge*, COM(97) 563 final, 12 November 1997.

¹¹ Commission's White Paper: *Education and training: Teaching and learning - Towards the learning society*", Office for Official Publications of the European Communities, Luxembourg, 1996.

¹² Commission's Green Paper: *Education, training, research: the obstacles to transnational mobility*, COM(96) 462 final, 2 October 1996.

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¹⁵ Proposal for a Parliament and Council Decision establishing a single financing and programming instrument for cultural cooperation (Programme Culture 2000); OJ C 211, 7.7.1998, p. 18.

¹⁶ Proposal for a Council Regulation (EC) laying down general provisions on the Structural Funds; OJ C 176, 9.6.1998, p. 1.

10. Whereas the Commission, in conjunction with the Member States, is seeking to secure coherence between the actions under this programme and Community action of a structural nature; whereas the Commission, in partnership with both sides of industry, is endeavouring to develop cooperation between this programme and the activities of the Community social dialogue;
11. Whereas provision should be made to open up this programme to participation by the associated Central and Eastern European countries, in accordance with the conditions established in the relevant agreements, notably the association agreements and the additional protocols to these agreements, to Cyprus on the same terms as those applied to the EFTA/EEA countries as well as to Turkey and Malta according to procedures to be agreed with those countries;
12. Whereas this programme should be monitored and continually assessed in cooperation between the Commission and the Member States in order to allow for readjustments, particularly in the priorities for implementing the measures,
13. Whereas in accordance with the principle of subsidiarity and the principle of proportionality as set out in Article 3b of the Treaty, the objectives of the action envisaged concerning the implementation of a vocational training policy at Community level cannot be adequately realised by the Member States given the complexity of training partnerships and can therefore, because of the transnational dimension of the community actions and measures, be best realised at Community level; whereas this Decision is limited to the minimum required to achieve these objectives and does not exceed what is necessary to this end,

HAS DECIDED AS FOLLOWS:

Article 1

Establishment of the programme

1. This Decision establishes the second phase of the action programme for the implementation of a Community vocational training policy "Leonardo da Vinci", hereinafter referred to as "this programme".
2. This programme shall be implemented in the period starting on 1 January 2000 and ending on 31 December 2004.
3. This programme shall contribute to the Community's knowledge policy through the implementation of a European education area fostering the development of lifelong education and training. It shall permit the development of the knowledge and skills likely to foster the full exercise of citizenship.
4. This programme shall support and supplement action taken by and within the Member States, while fully respecting their responsibility for the content and organisation of vocational training, and their cultural and linguistic diversity.

Article 2
Aims of the programme

1. The implementation of this programme is based on objectives, in support of and as a supplement to policies and actions undertaken by and in the Member States, and designed as a matter of priority to:
 - (a) improve and strengthen the social and occupational integration of young people, particularly through work-linked training and apprenticeship;
 - (b) expand and develop access to quality continuing training and access to lifelong skills, particularly in order to consolidate technological and organisational innovation, and investment in training;
 - (c) support the vocational training systems to assist those in difficult circumstances owing to inadequate or outdated skills, to find employment and to better insert themselves in the labour market.
2. In implementing these objectives, the Commission and the Member States shall ensure that action under this programme is consistent with the Community's other actions and policies, particularly with regard to employment, to the removal of inequality, to equal opportunities for women and men, and to social policy.

Article 3
Community actions

The aims of this programme shall be pursued through actions supported by the following Community measures, the operational content and the application procedures of which are described in Annex A, and which can be used in combination:

- (a) support for the mobility of people undergoing vocational training;
- (b) promotion of virtual mobility in the context of vocational training, particularly by promoting access to educational multimedia;
- (c) support for the development of European level cooperation networks permitting mutual exchange of experience and good practice;
- (d) promotion of language skills and understanding of different cultures;
- (e) support for innovatory pilot projects based on transnational partnerships designed to develop innovation and quality in vocational training in order to create training products, instruments of skills accreditation or in order to test out any new approach;
- (f) the constant improvement of the Community terms of reference through support for the dissemination of good practice and through the observation and dissemination of innovation.

Article 4

Access to the programme

Under the conditions and in accordance with the definitions and arrangements for implementation specified in the Annex, participation in this programme shall be open to all public and/or private bodies and institutions involved in vocational training as defined Annex A, and in particular:

- (a) training establishments, centres and bodies at all levels, including universities and higher education establishments;
- (b) research centres and bodies;
- (c) companies and consortia, particularly SMEs or public or private sector establishments, including those involved in training;
- (d) trade organisations, including Chambers of Commerce;
- (e) organisations of both sides of industry at all levels;
- (f) local and regional bodies and organisations;
- (g) associations.

Article 5

Implementation of the programme and cooperation with the Member States

1. The Commission shall ensure the implementation of the Community actions covered by this programme in accordance with the Annexes.
2. In cooperation with the Member States, the Commission shall take the steps described in point 8 of Annex A to make the best use of what has been achieved through the action undertaken under the first phase of the Leonardo da Vinci programme and the Community initiatives on training.
3. Member States shall take appropriate action to secure nationally the coordination, organisation and the follow-up needed for the attainment of the objectives of this programme, involving all the parties concerned by vocational training in accordance with national practice.

To that end, they shall set up an integrated management structure for the operational implementation of the programme's actions and shall ensure that appropriate information and publicity is provided on actions cofinanced by the programme.

4. Each Member State shall endeavour to take the necessary steps to ensure the efficient running of this programme and to take appropriate measures to remove any obstacles to access to this programme.

5. The Commission, in conjunction with the Member States, shall ensure the transition between those actions developed within the framework of the preceding "Leonardo" programme in the field of vocational training and those to be implemented under this programme.

Article 6

Joint actions

As part of the process of building up a Europe of knowledge, the measures of this programme may be implemented as joint actions with other Community actions forming part of the knowledge policy, particularly Community programmes in the area of education and youth-related matters.

Article 7

Committee

1. The Commission shall be assisted by a committee composed of the representatives of Member States and chaired by the representative of the Commission.
2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken as regards:
 - (a) the arrangements for implementing the programme, including where appropriate the annual plan of work for the implementation of the programme's actions;
 - (b) the criteria applicable for establishing the indicative breakdown of funds among the Member States for the purpose of the actions to be managed on a decentralised basis;
 - (c) the arrangements for evaluating the programme.
3. The Committee shall deliver its opinion on the draft within a time-limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.
4. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith.

In that event,

- the Commission may defer application of the measures which it has decided for a period of up to one month from the date of the Communication;
- the Council, acting by a qualified majority, may take a different decision within the time-limit referred to in the first indent.

5. The Commission may consult the Committee on any other matter concerning implementation of the programme.

In that event, the Commission representative shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time-limit which the Chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the Committee. It shall inform the Committee of the manner in which its opinion has been taken into account.

Article 8

The two sides of industry

Without prejudice to the procedure described in Article 7(3) and (4), the Commission may consult the committee on any matter concerning the application of this Decision.

Whenever such consultation takes place, representatives of both sides of industry, appointed by the Commission on the basis of proposals from both sides of industry at Community level, and equal in number to that of the representatives of the Member States, shall participate in the work of the committee as observers.

They shall have the right to request that their position be recorded in the minutes of committee meetings.

Article 9

Consistency and complementarity

1. The Commission shall, in conjunction with the Member States, ensure the overall consistency with other Community policies and actions. There shall be coordination between the activities of this programme and the other Community actions, in particular those covered by the knowledge policy.

The Commission shall ensure in conjunction with the Member States consistency between implementation of this programme and the other Community actions relating to training in the domain of culture and the audio-visual sector, the completion of the internal market, the information society, environment, consumer protection, SMEs, social policies, employment, and public health.

The Commission shall ensure an efficient link-up between this programme and the programmes and actions in the area of vocational training undertaken as part of the Community's external relations.

2. The Commission and the Member States shall ensure that the measures of this programme are, as part of the implementation of the coordinated employment strategy, consistent with the orientations established annually for the employment guidelines and in conjunction with the other actions contributing to the implementation of the action plans.

3. The Commission and the Member States shall ensure consistency and complementarity between action taken under this programme and Community action under the Structural Funds.
4. When implementing this programme, the Commission in close conjunction with both sides of industry at Community level will endeavour to develop the social dialogue at the Community level, particularly by providing support at all levels, including sectoral levels, and by disseminating its results.
5. The Commission shall secure the assistance of the European Centre for the Development of Vocational Training (CEDEFOP) in implementing this programme, in accordance with the arrangements set out in Council Regulation (EEC) No 337/75¹⁷. Subject to the same conditions and in the areas which lend themselves to it, coordination shall be established under the auspices of the Commission with the European Training Foundation as specified by Regulation (EEC) No 1360/90¹⁸.
6. The Commission shall keep the Advisory Committee on Vocational Training regularly informed of the progress of this programme.

Article 10

**Participation of the associated Central and Eastern European countries,
Cyprus, Turkey and Malta**

1. This programme shall be open to the participation of the associated Central and Eastern European countries (CEEC) in accordance with the conditions laid down in the Europe agreements or in existing or anticipated additional protocols governing the participation of these countries in Community programmes. This programme shall also be open to the participation, funded by additional appropriations, of Cyprus under the same rules as those applied to the countries of the European Free Trade Association (EFTA) which belong to the European Economic Area (EEA) according to the procedures to be agreed with this country. This programme shall also be open to participation by Turkey according to the procedures to be established with that country.
2. This programme shall also be open to participation by Malta according to the procedures to be agreed with that country.

Article 11

International cooperation

The Commission shall strengthen its cooperation with non-Community countries and with the relevant international organisations.

¹⁷ OJ L 39, 13.2.1975, p. 1.

¹⁸ OJ L 131, 23.5.1990, p. 1.

Article 12
Monitoring and evaluation

1. The Commission shall continually monitor this programme in conjunction with the Member States.

This monitoring shall be effected through the reports referred to in paragraph 3 and through specific activities.

2. The Commission shall evaluate this programme periodically in conjunction with the Member States. The evaluation shall seek to appraise the effectiveness of the actions implemented, by reference to the objectives set out in Article 2.

The evaluation shall also examine the complementarity between actions under this programme and those pursued under other Community programmes, particularly actions supported by the European Social Fund.

In accordance with criteria established using the procedure described in Article 7(2), there shall be periodical external evaluations of the results of the Community actions.

3. Member States shall submit to the Commission by 31 December 2002 and 30 June 2005, respectively, reports on the implementation and the impact of this programme, and on the vocational training systems and arrangements which exist in the Member States.

4. The Commission shall submit to the European Parliament, the Council and the Economic and Social Committee:

- an interim report on the implementation of this programme no later than 30 June 2003;
- no later than 31 December 2005, a final report on the implementation of this programme.

Article 13
Entry into force

This Decision shall enter into force on the date of its publication in the *Official Journal of the European Communities*.

Done at Brussels,

For the Council
The President

Community actions and measures

Section I: General principles

1. The aims set out in Article 2 of this decision will be implemented by means of transnational partnerships which submit proposals for action on the basis of the Community measures described in Article 3.
2. Each proposal submitted by a transnational partnership will be part of the implementation of one of the objectives of the programme, indicating the measure(s) proposed.
3. A Community call for proposals will define the priorities for the objectives, the timetable, the conditions of submission, the common eligibility criteria, particularly in terms of transnationality and selection.

This call for proposals will remain valid for three years for the first phase of the programme. A second call for proposals will be drawn up at the half-way stage of the programme on the basis of the interim assessment referred to in Article 12(4) of this Decision.

The Community call for proposals will be published by the Commission after consultation of the Programme Committee.

4. The proposals for action must set out clearly the aims established, the results anticipated and the partners associated in the other Member States, as well as the nature and level of participation of these partners, including their financial contribution and the timetable of work.
5. The proposals can be sent in at any time during the period of validity of the overall call for proposals. Proposal selection by the Commission will take place at least once yearly in accordance with the procedures defined below.

Section II : Actions

1. PHYSICAL MOBILITY

Support for transnational physical mobility programmes for people undergoing training and for trainers and training organisers

Community support shall be provided for the following actions:

- (a) preparation and implementation of transnational programmes of placement and exchange for young people undergoing initial vocational training, studying or who have just finished studying: including students and qualified young people, young workers or young people available on the labour market in accordance with the national laws and practices, particularly programmes which are part of

“European pathways for work-linked training and apprenticeship” within the meaning of Council Decision 98/.../EEC¹⁹. Placements for young people may be short term (two weeks to three months) and in such cases are designed essentially to familiarise them with the occupational and cultural context of another Member State. Long term placements (three months to a maximum of 12 months) are intended primarily for young people who already have initial occupational training or a work experience. Long-term placements can be carried out in two or more periods.

The transnational placement programmes for young people undergoing training which involve SMEs and craft industry as host bodies will receive special treatment in the conditions described below.

(b) The organisation of transnational programmes of exchanges between companies on the one hand and on the other training organisations or universities and targeting human resources managers in the business sector, and training programme planners and managers (particularly trainers and mentors), advisers and occupational guidance specialists and economic and social circles. Study visits for vocational training organisers on the themes defined by the Commission can be provided by the CEDEFOP on behalf of the Commission in the conditions to be decided upon after receiving the opinion of the programme committee.

As a general rule, placements and exchanges as well as study visits for these categories will last between one week and a maximum of six weeks.

The transnational placement and exchange programmes may be multi-annual and last up to three years.

Demonstration actions

As part of the “Physical mobility” measure, pilot demonstration actions will be given support and will relate to the organisation and implementation of multi-annual transnational placement programmes organised among regions and/or sectors in European work-linked training and apprenticeship networks.

Funding

The Community’s financial contribution to the transnational placement and exchange programmes defined under measure above may not exceed ECU 5 000 per beneficiary for a placement or an exchange - the maximum amount of this contribution corresponding to the maximum duration indicated above.

For this measure, the Commission may allocate to each Member State an annual global grant the amount of which will be defined in accordance with the procedures described in Annex C.

10% of this allocation is set aside, in accordance with procedures agreed upon with the management structure concerned, to help potential promoters of programmes to prepare their proposals. The sum allowed for this purpose may not exceed ECU 500 per promoter.

In line with the same procedure, and within the same allocation, a sum will be granted to transnational programmes undertaken in the SMEs and in craft industry and lasting a minimum of three weeks. This sum is designed to facilitate the pedagogic, cultural and linguistic follow-up of young people placed in a host company in another Member State may not exceed ECU 250 per placement, with a ceiling of ECU 25 000 per company. This amount is on top of that set aside for the body of the original Member State for the management and monitoring of transnational placement programmes.

2. VIRTUAL MOBILITY

Support for actions to promote the new information and communication technologies and designed to develop virtual mobility

Community support is available for transnational actions to develop the use of new ICT in training actions and products to *inter alia* promote access for people undergoing training to new tools, services and products in training which use the new ICT, to support the development of European distance training networks through the new ICT (multimedia products, WEB sites, network transmission, etc.) and to try out new training approaches stemming from new work situations (e.g. teleworking).

These projects may last for a maximum of two years.

Demonstration actions

Under the measure "Virtual mobility", Community demonstration actions on experimental "pilot actions" to promote the new ICT will be supported and specifically targeted partly towards the development of European arrangements for guidance/counselling/training in business-related services, particularly with a view to building up a virtual European area of training and job seeking.

Funding

The Commission's financial contribution to the transnational virtual mobility projects may be up to 75% of eligible expenditure, with a ceiling of ECU 300 000 per project and per year.

In no case may the project partners' own resources be derived from other Community funding.

3. INNOVATORY PILOT PROJECTS

Support for transnational pilot training projects to develop aptitude to innovation, its transfer and entrepreneurship, and the development of innovation and its transfer in training

Community support is available for the design, development, testing and assessment of European transnational pilot projects to develop and/or disseminate innovation in training and to develop aptitude to innovation and its transfer. These projects may relate to the dissemination and transfer to other Member States of the results of innovatory approaches in training, developed and validated in another Member State. They may relate to the development of quality in training and to occupational guidance in the context of lifelong training. They may also relate to the promotion of new methods of training as part of new

configurations of work organisation and the development of new forms of working, e.g. teleworking.

Projects under this measure may last a maximum of two years.

Demonstration actions

Under "Innovatory pilot projects", there will be support for experimental demonstration actions relating to:

- * the implementation at European level of new forms of accreditation of skills, with emphasis on recognising skills and expertise learned on the job;*
- * stepping up the fight to head off exclusion through 'second chance' training arrangements for the different publics affected, especially in the problem urban districts, in order to reintegrate young and adult unemployed persons, particularly the long term unemployed, and those who have no qualifications.*

Funding

The Community may contribute up to 75% of eligible expenditure for the transnational pilot projects, with a ceiling of ECU 200 000 per year and per project.

Under no circumstances may the project partners' own resources derive from other Community funding.

4. COMMUNITY NETWORKS

Support for Community networks of Community expertise and dissemination

Community support is available for setting up and organising Community networks of cooperation in training, bringing together in the Member States at the regional or sectoral level the public and private players concerned including researchers, in the area of vocational training and designed (i) to assemble, distil and build on European expertise and innovatory approaches on a priority theme of common interest, (ii) to improve the analysis and anticipation of skills requirements, (iii) to disseminate the results throughout the EU in the appropriate circles.

Projects under this measure may last a maximum of three years.

Demonstration actions

Under "European networks", there will be support for experimental demonstration actions relating to the development and networking of multi-player training consortia organised regionally or sectorally and involving in particular the local authorities, local chambers of commerce, trade organisations for employers and employees, and research and training centres - including the universities - and fulfilling the role of centres providing services, advice and information on access to validated training methods and products.

Funding

The Community may contribute up to 75% of eligible expenditure for the organisation of European networks, with a minimum of ECU 150 000 per year and per network and a ceiling of ECU 500 000 per year - this ceiling applicable only in the case of proposals for transnational networks seeking to develop an integrated set of experimental measures opening on to validated and transferable training products. The financial contribution to "multi-player training consortia" will be restricted to ECU 50 000 per year and per operation, representing a maximum of 50% of the eligible operational costs.

Under no circumstances may the project partners' own resources be derived from other Community funding.

5. LANGUAGE SKILLS

Support for actions to promote language and cultural skills in training

Community support is available for transnational pilot projects to develop language skills linked to the promotion of the social and occupational integration of young people and a higher level of employability and adaptability of workers. Language skills can be considered as key skills in the context of the knowledge-based society.

The point of these projects is to design, test and validate, assess and disseminate teaching material tailored to the specific needs of each occupational area and economic sector, including through the use of language audits, and also innovative teaching methods based on language self-tuition and the dissemination of their results.

Proposals for linguistic and cultural support may also be submitted under other actions and measures, particularly in order to improve language and cultural skills amongst the trainers and mentors responsible for the pedagogic supervision of young people taking part in transnational physical mobility programmes.

Community support is also available for transnational programmes and exchanges between the business sector on the one hand and the specialised language training establishments or training bodies on the other. The exchanges relate to trainers and mentors in the area of language skills.

The maximum duration of the projects under this measure is usually two years.

Funding

The Community may contribute up to 75% of eligible expenditure, with a ceiling of ECU 150 000 per project and per year.

Under no circumstances may the project partners' own resources be derived from other Community funding.

6. COMMUNITY TERMS OF REFERENCE

Support for actions to establish, update and disseminate Community terms of reference which can be used to compare training systems

Community support is available for actions undertaken on a transnational basis and making a contribution through surveys, analyses and/or studies, to establishing comparable data on vocational training systems and arrangements in the Member States or likely to produce quantitative and/or qualitative information in support of policies and enhance training practices for lifelong training. Eurostat and CEDEFOP are closely associated with the production of statistical instruments within the procedures currently in place notably those defined by the Council Regulation (EC) No 322/97 on Community statistics, taking into account the Council Decision on the statistical programme 1998-2002. In the same connection, the Community will support the introduction of arrangements to observe innovatory practices in lifelong training, particularly with regard to access to continuing training, in close conjunction with both sides of industry at the various levels.

The maximum duration of projects under this measure is three years.

The Commission will ensure that these terms of reference are disseminated as widely as possible in different ways, particularly in order to make them available to public and private decision-makers in vocational training.

Demonstration actions

Under the measure "Community terms of reference" and as a follow-up to its report on the implementation of the Council Recommendation of June 1993 on access to continuing training, the Commission, in close conjunction with both sides of industry and in cooperation with the CEDEFOP, will propose support for an arrangement to observe good practice on access to training, the development and the transparency of qualifications and skills, particularly at branch and company level.

Funding

The Community's financial contribution will be between 50 and 100% of eligible expenditure, with a ceiling of ECU 500 000 per year and per project.

Under no circumstances can the project partners' own resources be derived from other Community funding.

7. JOINT ACTIONS

1. For the joint actions described in Article 6 of this Decision, Community support may be provided for joint actions with other actions under the knowledge policy, particularly Community education and youth programmes designed to widen access to knowledge.
2. Coordination of the programmes can be achieved by common calls for proposals. The Commission intends in particular to develop a joint information and observation arrangement with regard to good practice in the field of knowledge, and joint actions on education and training multimedia.

3. Appropriate steps, a significant one being the setting up of "European knowledge centres", will be taken to ensure regional and local contact and interaction between the players taking part in this programme and in education and youth-related programmes. This will contribute to the implementation of a policy of lifelong learning in the regions and local districts concerned.

8. ACCOMPANYING MEASURES

To attain the objectives set out in Article 2 of the Decision, Community support is available for:

- * coordination and monitoring activities by the Member States as described in Article 5 of this Decision;
- * information, monitoring, organisation assessment and dissemination activities by the Member States and the Commission to facilitate access to the programme and consolidate the transfer of methods, products and tools designed, and of the results obtained by the Community measures, including through telematics links and data banks;
- * In carrying out the programme the Commission can have recourse to technical assistance organisations the financing of which may be provided for within the overall envelope for the programme. It can, under the same conditions, have recourse to experts. Furthermore, the Commission will be able to organise seminars, colloquia or other meetings of experts, likely to facilitate the implementation of the programme. The Commission can also take forward information, publication and dissemination actions.

Section III: "Selection" procedures

IIIA: "Decentralised selection" procedure

1. The decentralised selection procedure will be applied to all Community actions and measures and comprises the following stages.
2. Under the rules defined in the general call for proposals, proposals are to be submitted by the coordinators of transnational projects at the management structure designated by the Member State.
3. The management structure will assess the proposals on the basis of specifications established at the Community level, using the definitions given in Annex C below.
4. Every year, on the basis of this assessment at a date to be decided by the Commission following consultation with the Committee, Member States will submit to the Commission (and to the other Member States for information) their overall proposal in the form of a report, presenting, the results of the general call for proposals, by objective and by measure, the assessment procedure and the technical back-up given to promoters as well as a descriptive and reasoned list of proposals likely to be retained in order of priority.
5. The Commission will examine each report and liaise accordingly with the Member State concerned.

6. At the end of the examination, the Commission will submit to the Committee a proposal on how the year's budgetary resources to be allocated on a decentralised basis should be distributed by measure and by Member State, and will obtain its opinion in accordance with the procedures set out in Article 6 of the Decision.

7. After receiving the opinion of the Committee, the Commission will determine the final amount to be allocated to each Member State and the list of proposals accepted per measure.

8. The process on stages 5, 6 and 7 must not take more than two months.

IIIB : "Centralised selection" procedure

1. The centralised selection procedure applies to the Community demonstration actions for each measure and in particular concerns the proposals submitted by European organisations, networks set up to utilise, disseminate and propagate the results of transnational projects on a Community theme, and actions, projects or demonstration networks having an experimental character as defined in Section II above.

- (i) Under the general call for proposals setting out the priorities, project coordinators must submit a pre-proposal to the Commission and, for information, to the management structure in their Member State.
- (ii) The Commission, in consultation with the programme Committee, will examine all the pre-proposals and make a selection. The project coordinators will be informed of the outcome of this pre-selection.
- (iii) The coordinator for each project selected at the close of this first phase will forward the final proposal to the Commission within three months and, for information, to the management structure of his/her Member State.
- (iv) The Commission, with the assistance of a group of independent experts appointed by the Commission after consulting the Member States and the circles concerned, particularly both sides of industry, will undertake a transnational appraisal of the proposals received and establish a short list of actions for a European knowledge programme.
- (v) The Commission will seek the opinion of the Committee on this short list and finalise, in accordance with the arrangements set out in Article 7 of this Decision, the European knowledge programme.
- (vi) The Commission will establish the final list of proposals selected and inform the Committee. It will set out the conditions for monitoring these experimental projects.

Overall budget breakdown

1. At the beginning of the operation, and no later than 1 March every year, the Commission will submit to the Committee an *ex ante* breakdown of budget resources by type of measure, by procedures and taking into account, to this end, the objectives set out in Article 2 of the present decision and will seek its opinion. The Commission will on this basis define an indicative budget for each Member State for the implementation of the measures covered by the decentralised selection procedure.

2. For the first year of programme implementation and only for the transnational programmes of placements and exchanges described in measure B1 and defined below undertaken before 1 October 2000, the Member States must submit to the Commission an operational plan no later than 31 March 2000. The Commission will on this basis allocate to each Member State an amount on the basis of which it can go ahead with transnational programmes. The amounts not used up within this allocation at 1 September 2000 will be incorporated in the final amount of the global grant as shown in the procedure described in Section II below.

Procedure for determining amounts for transnational placement and exchange programmes

1. The transnational placement and exchange programmes for young people undergoing initial training must be presented to the Commission for examination and approval by 31 March every year. They must indicate clearly for each programme by group of beneficiaries:

- * the target publics of the programmes;
- * the content and objectives in terms of skills and/or qualifications;
- * the duration of training and/or work learning experience in a training establishment and/or company;
- * the partners associated in the other Member State or States if the training periods take place consecutively in several;
- * the arrangements for validating or recognising skills and/or qualifications acquired in the training system of the original Member State in which the beneficiaries are pursuing their training.

For each category of public targeted by these programmes, the Commission will allocate a global grant established on the basis of calculation criteria defined within the procedure described in Article 7 of this decision, taking into account:

- * the population;
- * the GDP per capita in each Member State in terms of purchasing power parities;

- * the geographical distance and the costs of transport;
- * whenever possible, the weight of the target public concerned in relation to the overall population;
- * the overall unemployment figure and the level of long term unemployment.

In any event, the application of these criteria cannot result in the exclusion of any Member State from funding of the transnational placement and exchange programmes described above.

The overall grant is allocated to each Member State on the basis of the abovementioned operational plan which must set out clearly:

- * the arrangements for managing financial aid,
- * the steps to be taken to assist placement and exchange organisers to identify potential partners,
- * appropriate measures to be taken in the interests of sound preparation (particularly in terms of teaching and language preparation), organisation and follow-up of placements and exchanges.

Definitions

For the purposes of this Decision and taking account of the differences which exist between the systems and arrangements in the Member States:

- (a) **“initial vocational training”** means any form of initial vocational training, including technical and vocational teaching and apprenticeship, which gives young people access to a vocational qualification recognised by the competent authorities in the Member State in which it is obtained;
- (b) **“work-linked training”** means vocational training at all levels, including higher education, which opens on to a certificate or a qualification recognised by the competent authorities of the Member State concerned, and involving structured periods of work-linked training in a training establishment and a company as separate and complementary forums of training;
- (c) **“continuing vocational training”** means any vocational training undertaken by a worker in the Community during his working life;
- (d) **“lifelong training”** means the training opportunities offered to any individual throughout their lives to enable them to continually update their knowledge and skills for the purposes of his career;
- (e) **“vocational guidance”** means the provision of advice and information on the choice of an occupation and changes of occupation, both through vocational education and training and through individual information initiatives;
- (f) **“company”** means all companies in the public or private sector whatever their size, legal status or the economic sector in which they operate, and all types of economic activities, including the social economy;
- (g) **“worker”** means all persons, whether in work or not, including the self-employed, who have links with the labour market;
- (h)
 - (i) **“both sides of industry at national level”** means employers’ and workers’ organisations in conformity with national laws and/or practices;
 - (ii) **“both sides of industry at Community level”** means employers’ and workers’ organisations taking part in the social dialogue at the Community level;
- (i) **“training body”** means any type of public, semi-public or private establishment which, in accordance with national laws and/or practices, design or undertake vocational training, further training, refresher training or retraining, irrespective of the designation given to it in the Member States;
- (j) **“university”** means any type of higher education institution which, in accordance with national laws and/or practices, offer higher level qualifications or diplomas, whatever such establishments may be called in the Member States;

(k) **“local and regional partners”** means any player in regional and local life - local authority, association, local chambers of commerce and associations, consortia, advisory bodies, the media - participating in local or regional cooperation activities which include training;

(l) **“apprenticeship and open and distance training”** means any form of flexible vocational training involving:

- the use of ICT techniques and services in traditional or modern form

and

- support in the form of individualised advice and mentoring;

(m) **“European training pathways”** means any period of initial or continuing vocational training undertaken in a Member State other than that in which the person concerned is pursuing his/her training.

(n) **“Community terms of reference”** means all the analyses, studies, surveys and identification of good practice which make it possible to locate, at Community level, the relative position of the various Member States and the progress made on a given subject or in a given area.

“LEONARDO DA VINCI” PROGRAMME

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Second phase of the Community vocational training action programme (Leonardo da Vinci II).

2. BUDGET HEADING INVOLVED

B3 – 1021 – Leonardo da Vinci and Part A.

3. LEGAL BASIS

Decision No 99/.../EC of the Council, of .../1999 establishing the second phase of the Community vocational training action programme (Leonardo da Vinci II).

4. CLASSIFICATION OF EXPENDITURE OR REVENUE

4.1. Classification of expenditure, FP heading

Non-compulsory expenditure, differentiated appropriations, FP heading: 3

4.2. Period covered and arrangements for renewal or extension

The programme covers the period 1 January 2000 - 31 December 2004.

Any proposal to extend the programme, depending *inter alia* on the results of the interim evaluation stipulated in Article 12 of the Decision, will be submitted by the Commission by 30 June 2003.

5. TYPE OF EXPENDITURE OR REVENUE

- *100% subsidy*: occasional 100% subsidy (public contracts);
- subsidy for joint financing with other sources in the public and/or private sector: this is the norm: the measures are usually co-financed to a maximum of 75%.

6. NEED FOR COMMUNITY FINANCIAL AID AND OBJECTIVES PURSUED

6.1. Grounds for Community aid

Entering, re-entering and remaining in the employment market in all the countries of Europe depends primarily on acquiring occupational skills and qualifications which are recognised. This process rules out a portion of the citizens of Europe from being part of society in this respect (young people with no work experience and the long-term unemployed).

With regard to first-time employment, Community cooperation (PETRA, ad hoc measures under Leonardo I) has delivered promising results based on the exchange of experience and sound practice: new training approaches, adapting teaching methods and resources, *inter alia* through the use of the new information and communication technologies (ICTs). In this field, moreover, as with higher education, we are witnessing strong demand from young people for European exchange and mobility.

Maintaining a high level of employed human capital in Europe implies catering for increasing training requirements throughout occupational life:

- (a) because of the demographic trends highlighted by the Commission in its demographic report²⁰ the replenishment of available skills will increasingly depend on workers already in jobs;
- (b) successfully adjusting work organisation to technological innovation (widespread use of new ICTs) largely depends on how the workers already part of a company's workforce develop their skills.

The Commission has emphasised²¹ how much progress needs to be made in the European Union. Fewer than one worker out of four has access to any kind of continuing training in any given year. Community action must therefore promote diversification of access to and acquisition of new skills at European level and define the occupational profiles which correspond to tomorrow's professions in Europe.

Lastly, in all the Community countries, access to skills is becoming a factor crucial to employability, while the lack of skills or obsolete skills can mean protracted exclusion from the labour market, a problem ill catered for by the traditional solutions of adaptation to employment. The aim is to apply Community cooperation to developing wholly innovatory approaches which will help to stem this process of exclusion.

6.2. General objective of the operation

Taking over the pattern from the first Leonardo programme (particularly the findings of the interim evaluation report) and the objectives set by the Commission in its communication "*Towards a Europe of knowledge*", the programme will undertake action in the area of vocational training and contribute to the development of a Community knowledge policy, the aim being to create a European education space conducive to the development of lifelong education and training in order to enhance knowledge, skills and citizenship.

²⁰ Demographic report 1997 COM(97)361 final.

²¹ Report on access to continuing training in the European Union COM(97)180 final.

6.3. Specific aims and measures

The proposal for a second phase of the programme seeks to continue the Community-level cooperation between vocational training players and to streamline implementation procedures. In this connection, it is proposed that Community action be focused on three objectives:

- improve and strengthen the social and occupational integration of young people, in particular through work-linked training and apprenticeship.

On the basis of the results of Leonardo I and considering the guidelines of the Commission White Paper “*Teaching and learning*”²² a definite priority will be given to work-linked training and apprenticeship at all levels, including higher education: by encouraging the definition and acquisition of skills (key skills, specific occupational skills and horizontal skills) this type of training raises the perceived level of employability of young people and their personal ability to integrate.

- to broaden and build up access to quality continuing training and access to lifelong skills, particularly in order to keep abreast of technological and organisational innovation.

Community cooperation is a decisive factor (see interim evaluation of Leonardo I) in stimulating investment in training by all the players concerned and in removing the obstacles to access to training.

- to consolidate the process of getting people whose position on the labour market has been seriously jeopardised back into jobs, particularly by better cooperation between business circles, training circles and the relevant infrastructures.

These approaches will be adapted to the socio-institutional context and to the target public concerned (marginalised young people, adults undergoing retraining, older workers, immigrant populations, etc.), and will help to achieve stronger cooperation between training circles (organisations, universities), business circles (particularly local SMEs) and the relevant infrastructures.

Six types of measures, presented in the Commission communication “*Towards a Europe of knowledge*”, could be used on a more systematic basis for each of the objectives, but with a relative weight varying from one objective to another. In the case of the objective of integration, the physical mobility of apprentices brings the highest Community added value. For the second objective (continuing training), the intensification of worker mobility would generate insurmountable organisational and budgetary problems, and the focus will therefore be on virtual mobility, pilot projects and networks. As for the third objective (getting people back into jobs), the

²² White Paper “Teaching and learning: towards the learning society”.

most efficient type of measure at Community level is the dissemination of sound practice through networks.

- 1. Physical mobility:** support for mobility (stepping up the number of short and long-term placements), backed up by exploratory actions (study visits) and trial dissemination (demonstration actions);
- 2. Virtual mobility:** transnational pilot projects to promote use of the new ICTs in training, by means of European partnerships, the way being paved by preparatory and dissemination actions (demonstration actions);
- 3. Innovatory pilot projects:** transnational pilot projects generating new products and processes for training (accreditation, access to skills, etc.), backed up by demonstration actions for the monitoring and dissemination of results;
- 4. European networks:** support for the creation and running of transnational networks of cooperation, expertise and demonstration with a view to mutual exchange of experience and sound practice in the area of vocational training;
- 5. Language skills:** promotion of language skills and the understanding of different cultures by means of transnational pilot projects opening on to new training products and methods tailored to the requirements of the world of work, and to the enhancement of trainers' skills (mobility actions);
- 6. Terms of reference:** support for the dissemination of sound practice and the improvement of the knowledge of systems and arrangements in vocational training, by consolidating instruments of comparison (quantitative and qualitative data bases).

The work carried out on certain themes (access to skills, continuing training, etc.) have brought out the need for prior comparison in order to have systems of transnational indicators, key elements for the future common systems of evaluation and benchmarking.

Three additional remarks need to be made:

- (a) The financial planning envisages different timescales for each measure; while it is realistic to consider that physical mobility actions will gradually gather momentum, virtual mobility and networks, which constitute a definite innovation, require a more marked rate of expansion from a comparatively low starting base. There will be fewer pilot projects and language actions than at present (priority going to innovation), but again with a significant rate of development .
- (b) These measures may also be implemented within joint actions with the areas of education and youth. The Commission will for this purpose use the arrangements deemed to be most appropriate, e.g. joint calls for proposals across the three programmes, for limited and specific operations.

(c) The proposal provides for two types of project selection procedure, based on a call for proposals for which the priorities will be renewed at the half-way stage of the programme:

- **Decentralised** selection based on common specifications (delegation of greater responsibility to the national authorities), the final decision remaining the responsibility of the Commission. This procedure will apply to most projects.
- **Centralised** selection: this procedure will apply to projects submitted by European organisations, to European-scale dissemination networks and to certain demonstration actions.

6.4. Target population and concept of critical mass:

The six measures implemented directly target the final beneficiaries of the vocational training (young people undergoing physical mobility), trainers and/or decision-makers as multipliers (study visits, physical mobility demonstration actions, and mobility of in-company language teachers) or the different parties concerned, public and/or private organisations and institutions as mentioned in Article 4 of the decision, as the case may be.

For the physical mobility of young people, roughly 30 000 grants were awarded under Leonardo I. The new phase of the programme is aiming higher: around 75 000 annual grants by the end of the period. We are seeking to emulate, if possible, the level of success achieved by Erasmus, but in the field of mobility of apprentices and other young people undergoing vocational training, in terms of visibility of Community action, changing mentalities among the potential beneficiaries, public opinion and decision-makers.

The number of projects funded for the other types of measures has been deliberately limited in order to concentrate efforts on the quality of action supported and thus the impact of their dissemination. For instance, the increased expertise incorporated in the projects, which responds to the conclusions of the external interim evaluation of Leonardo I, is particularly significant in the case of innovatory pilot projects.

7. FINANCIAL IMPACT

7.1. Method of calculating total cost of operation (definition of unit costs)

7.1.1. Measure 1 (Physical mobility)

(a) Short-term placements (two weeks – three months):

This part is intended for young people in training, students, young people with qualifications, young workers and young people available on the labour market. Estimated unit cost: **ECU 1 500**. This amount is based on the minimum costs of the following elements of which it could be comprised:

Subsistence costs (average 30 days at ECU 25/day):	750
Travelling costs:	500
Insurance:	50
Preparation/organisation/teaching support:	<u>200</u>
Total unit cost (minimum)	1 500 ECU
	(i.e. ECU 50/day)

The average daily cost of short-term placements (an average of three weeks) under Leonardo I was around 45 ECU/day in 1995; the increase is accounted for by the strengthening of teaching support in line with the recommendations of the interim evaluation.

(b) Long-term placement (3 months – 12 months)

The target group remains the same. The average duration being four months in the current programme, placement organisation becomes more complex than that of short-term training periods and teaching support therefore has to be more comprehensive. Estimated unit cost: **ECU 4 200**, based on the following minimum costs:

Subsistence costs (average 120 days at ECU 25/day):	3 000
Travelling costs:	500
Insurance costs:	200
Preparation/organisation/teaching support:	<u>500</u>
Total unit cost (minimum)	4 200 ECU
	(i.e. ECU 35/day)

The average daily cost of long-term placements (averaging 91 days) under Leonardo I was around ECU 31/day in 1995. The difference is partly explained by the need for more comprehensive teaching support.

(c) Study visits (1 – 6 weeks):

The target group consists of trainers, mentors, vocational training specialists and the average duration is two weeks.

Estimated unit cost: **ECU 2 100** (i.e. ECU 150/day)

The difference of daily average cost compared with the two previous actions is accounted for primarily by the subsistence costs (ECU 110/day) generated by the target population (adults on assignment).

(d) Demonstration actions

The target group combines those of the actions described above. These multilateral exchange pathfinder projects will give the target public an example of tangible mechanisms for geographical mobility on a truly European scale. They will bring together several regions and/or occupational sectors in European networks of work-linked training (including apprenticeship).

Each action, wholly funded by the Community, will involve on average 10 countries, i.e. 10 national management structures; the annual unit cost is estimated at ECU 400 000, i.e. ECU 40 000 per structure.

The calculation basis consists of nine demonstration actions (each country being involved on average in six actions) for the duration of the programme, with an amount of ECU 400 000 per action per year, i.e. **ECU 3.6 million per year**.

7.1.2. Measure 2 (Virtual mobility):

This new measure covers two-year projects and its purpose is to promote the new ICTs for the design of new vocational training material (cf. interim evaluation of Leonardo I).

(a) Transnational virtual mobility projects:

These projects for new multimedia educational material will take into account the professional practices of several countries (ideally four or five, with one expert per country, plus a small specialised multimedia team for the master copy). The total unit cost is estimated at between **ECU 550 000 and 900 000**, on the basis of the following costs:

Design of the medium (development of the master copy)

Cost of producing an interactive CD-ROM:	150 000-200 000
or Cost of producing a diskette:	100 000-120 000
or Cost of producing an Internet site (texts):	50 000-60 000

Experts' costs, working half-time over two years

(5-7 experts, multimedia team included):
work: 5-7 x 235 days x ECU 300/day: 350 000-500 000

Travel and meetings (1/quarter) at ECU 1 000 x 4 experts): 32 000

Assistance and secretariat (4 persons working half-time over 2 years, ECU 150/day): 70 000

Miscellaneous (hire of equipment, communication) over 2 years: 40 000-60 000

Costs of dissemination (brochures, etc.): 10 000-50 000

Total unit cost ECU 550 000-900 000 approx.

The Community's financial contribution is limited to 75% of the total costs, with a ceiling of ECU 300 000 per project per year (for a project costing ECU 800 000 over a two-year period). Five projects, two major projects (multimedia CD-ROM) and three other less elaborate projects (straightforward publications, or Internet site text) will be launched in each country.

With financial support of 2 x ECU 300 000 per multimedia project and 2 x ECU 200 000 per non-multimedia project, the level of commitment envisaged is **ECU 17.8 million** per year on average (without prejudice to the schedule for the launching of projects).

(b) Community demonstration actions

These are two-yearly actions covering all the participant countries and entirely funded by the Commission. They help to strengthen training policy and the transfer of technology through the new ICTs.

Estimated unit cost: **ECU 600 000**.

It is hoped to launch on this basis an average of roughly five two-year projects yearly, i.e. a level of commitment approaching **ECU 3 million** yearly.

7.1.3. Measure 3

(a) Innovatory pilot projects

These help to achieve broader impact of teaching methods through the dissemination of products incorporating the new ICTs.

By analogy with the cost of a 'basic' virtual mobility project (e.g. an Internet site with no video animation), the total cost can be estimated at around ECU 500 000 over two years. With the ceiling on cofinancing set at 75%, the level of commitment for each two-year project is $2 \times 200\,000 = \text{ECU } 400\,000$.

This level of unit cost reflects the strengthening of the expertise and technical follow-up of the projects (in line with the conclusions of the interim evaluation of Leonardo I). This is offset by the degree of concentration: the launch of 5 projects per country every year, i.e. approximately 75 two-year pilot projects yearly (a reduction of around 80% in the number of projects compared to Leonardo I), with a maximum support of 2 x ECU 200 000 per project, i.e. **ECU 30 million** yearly.

(b) Demonstration actions

The two-year demonstration actions will relate amongst other things to new forms of accreditation of skills and 'second chance' training arrangements. The estimated cost is **ECU 400 000**.

The Commission intends to launch an average of around nine demonstration actions of this type on what are considered to be priority issues (accreditation, quality of training, access to skills, etc.) with 100% Community support (ECU 400 000 committed at the launch), i.e. **ECU 4 million yearly**.

7.1.4. *Measure 4 (European networks):*

(a) Multi-player training consortia

The purpose of these structures is to bring the business sector and vocational training institutions closer together, taking as a model the COMETT programme's UITP which successfully initiated this process. Between 1992 and 1994, around 220 UITP were supported by the Commission to a total of ECU 24 million (i.e. an average of approximately ECU 36 000 per UITP every year).

Multi-player training consortia (again on a regional and sectoral basis) will be used to underpin this process. The Commission's cofinancing, for which the ceiling is 50% (and ECU 50 000 per year per operation), is spread over five years and its degressive nature is an incentive to seek alternative funding (involvement of local authorities).

On a slightly lesser scale than was the case of the UITP network, the initial number of the consortia will be gradually stepped up, in two stages, by 25% in the 2 000-2002 period. This increased volume of activity takes account of the inclusion of countries in the pre-accession phase.

Number of consortia	(in ECU million)					Total 2000-2004
	2000	2001	2002	2003	2004	
200	10.000	8.000	6.000	4.000	2.000	
25		1.250	1.000	0.750	0.500	
25			1.250	1.000	0.750	
Total: 250	10.000	9.250	8.250	5.750	3.250	36.500

(b) Networks of Community expertise and dissemination

The point of this demonstration action is to distil and disseminate European expertise and innovatory approaches to the priority themes of common interest: the link between training and working time, 'learning organisations', accreditation of skills, modernisation of apprenticeship, integration of the handicapped, etc. The complexity of these themes makes it necessary to launch at least 20 networks over the programme's duration.

The programme should last a minimum of three years: at least two years to build up and compare expertise, and another year to help the networks to become self-sustaining by disseminating and comparing findings with outside expertise.

The Community may fund up to 75% of eligible expenditure, with a minimum of ECU 150 000 per year and per network and a ceiling of ECU 500 000 per year.

The estimated average annual budget for a project of average scale is around ECU 400 000, based on a costs structure incorporating two main components: expertise (one expert per country) and dissemination (publications; Internet forum site and its updating).

The ceiling on Community cofinancing is set at ECU 900 000, i.e. **3 x ECU 300 000**. Irrespective of how the launches may be spread over time; this action represents a total commitment of $3 \times \text{ECU } 300\,000 \times 20 \text{ networks} = \text{ECU } 18 \text{ million}$.

7.1.5. *Measure 5 (Language skills):*

Language and cultural preparation helps to make a success of mobility activities, particularly those concerning work-linked training and including their dissemination, whence the importance of continuing training for in-company language teachers.

(a) Transnational programmes of exchange for language trainers

Leonardo II envisages for the period 2000-2004 an average of 500 beneficiaries yearly, with a support of ECU 2 250 per exchange (in relation to the study visits under Measure 1, the additional cost is accounted for by the longer stay and the cost of continuing training).

The level of commitment for an average volume of 500 exchanges is $\text{ECU } 2\,250 = \text{ECU } 1.125 \text{ million yearly}$.

(b) Pilot projects

These projects last a maximum of two years and are designed to prepare, evaluate and disseminate teaching material suited to the needs of each occupational area and economic sector - including language audits - and innovatory self-tuition language learning methods.

The programme will involve on average the equivalent of 15 major pilot projects yearly, whose cost structure can be compared with that of the virtual mobility projects (Measure 2). Assuming an average level of complexity (multimedia teaching CD-ROMs), the unit cost of a teaching material pilot project is around ECU 400 000.

As the ceiling for Community funding is set at ECU 150 000, the above objective means an average commitment of $15 \times 2 \times 150\,000 = \text{ECU } 4.5 \text{ million yearly}$.

7.1.6. *Measure 6 (Terms of reference):*

(a) Actions to establish, update and disseminate Community terms of reference for the comparison of training systems

These are actions launched on the initiative of the participating countries and will help, through surveys, analyses and/or studies, to compile data which are comparable on Member States' vocational training systems and arrangements or which can give quantitative and/or qualitative information in support of policies and training practices in the context of lifelong training.

The ceiling for Community co-financing can vary from 50 to 100% depending on the case and the average will be 75%, the maximum being set at ECU 500 000 per project per year.

(i) Three major surveys

These will cover work-linked training and apprenticeship, access to initial training and access to continuing training.

On the basis of an average funding rate (75%), the funding granted to each of the three major two-yearly surveys comes to ECU 2.9 million per survey, **i.e. ECU 8.7 million** for the three surveys for the whole of the programme.

(ii) Other projects

The estimated amount needed for these other three-year projects is **ECU 4.5 million**.

At a co-financing rate of 75% the Commission's financial contribution will therefore be around ECU 300 000 for one project per lead country every three years on average (25 three-year projects over five years), **i.e. 5 projects x 3 x ECU 300 000 = ECU 4.5 million committed yearly**.

(b) Demonstration actions wholly financed by the Commission

Following up its report on the implementation of the Council Recommendation of June 1993 on access to continuing training, it is the Commission's intention, in close conjunction with both sides of industry and with CEDEFOP, to support the creation of an arrangement to observe sound practice on access to training, the development and transparency of qualifications and skills, particularly at branch level.

Annual running costs for this observation arrangement would be an estimated ECU 1.3 million yearly.

7.1.7. *Accompanying measures*

(a) Studies, experts' meetings, seminars, information and publications

This mainly involves information, follow-up, organisational and dissemination activities by the participant countries and by the Commission, e.g. 'contact and information days' for potential project promoters at European level, seminars in the various countries, etc.

(b) Evaluations

- * **External evaluation:** a total of **ECU 1 million** is required for the two external evaluations (interim and final);
- * **Internal evaluation:** subsidy for national evaluation work. The two internal evaluations require Community funding or around **ECU 1 million** for the whole of the programme

(c) National assistance

This primarily involves costs of integrated management structures for Leonardo II in each participant country. The higher level of decentralisation in project management means that these structures will have to see to more important tasks, particularly with regard to monitoring and follow-up of projects. A total budget of ECU 10 million yearly (in terms of Community co-financing with a ceiling of 50%) is required for this. This amount can be related to that allocated in 1998 (ECU 10.2 million) for the running of the national coordination bodies (agencies and national vocational guidance resource centres).

(d) Technical assistance at central level

The Commission will use the services of a common technical assistance office (TAO) to implement the Leonardo da Vinci programme (plus the Socrates and Youth programmes).

The administrative tasks entrusted to this office are:

- assistance with the logistics of the programme (e.g. informatics backup, production and dissemination of vade mecums or applicants' guides);
- assistance in the collection, examination, processing and evaluation of part of the requests for financing submitted to the Commission under the centralised procedure;
- preparation of financial agreements for part of the requests for funding, after selection of the projects by the Commission: these agreements will be signed by the Commission;
- making payments and recovery orders under these agreements.

Use of this technical assistance is justified by the fact that the programmes in question are 'mass' programmes involving a high volume of transactions which are standardised and which relate in most cases to small amounts. Office tasks will be performed under the supervision of the Commission and will not involve delegation of public service tasks.

The contribution of the Leonardo programme to the annual running costs of the TAO will not exceed 3% of the programme's annual funding. The contract with the office will incorporate 'good practice' clauses to avoid clashes of interest, to define points of incompatibility and to impose observance of confidentiality.

7.2. Indicative schedule by components of the operation

Commitment appropriations in million ECU

Indicative schedule	2000	2001	2002	2003	2004	Total
Measure 1 Physical mobility	82.0	84.4	99.3	121.7	137.3	524.7
Measure 2 Virtual mobility	8.8	11.4	17.4	28.6	37.2	103.4
Measure 3 Pilot projects	29.2	28.8	30.4	39.6	40.0	168.0
Measure 4 European networks	11.8	12.0	12.8	14.8	3.3	54.7
Measure 5 Language skills	4.7	4.7	5.3	6.3	7.2	28.2
Measure 6 Terms of reference	7.5	7.6	7.5	7.6	7.5	37.7
Accompanying measures	16.0	16.1	17.3	16.4	17.5	83.3
Total	160.0	165.0	190.0	235.0	250.0	1 000.0

**7.3. Schedule of commitment appropriations/payment appropriations.
Itemised breakdown of cost**

Commitment appropriations in million ECU						
	2000	2001	2002	2003	2004	Total
Commitment appropriations	160.0	165.0	190.0	235.0	250.0	1 000.1
Payment appropriations						
2000	121.3					121.3
2001	27.2	124.7				151.9
2002	8.2	28.1	144.3			180.6
2003	3.3	8.9	32.1	175.3		219.6
2004		3.3	10.2	41.1	191.0	245.6
2005			3.4	14.7	40.7	58.8
2006				3.9	16.7	20.6
2007					1.6	1.6
Total	160.0	165.0	190.0	235.0	250.0	1 000.1

8. FRAUD PREVENTION MEASURES

All contracts, agreements and legal commitments concluded between the Commission and the beneficiaries of payments allow for first and second-degree checks in situ (i.e. on the direct beneficiary of the Community subsidy or the second-degree beneficiary in the case of an activity managed in a decentralised manner) by the Commission and the Court of Auditors, and also for the production of all documentary evidence of expenditure undertaken under these contracts, agreements and legal commitments for a period of five years following the end of the contract period. Moreover, the recipients of aid in respect of actions are obliged to submit financial reports and accounts which are analysed both from the point of view of eligibility of expenditure in accordance with the objective of Community financing and taking due account of the contractual obligations and the principles of economy and financial management.

Attached to the financial agreements are administrative and financial information intended inter alia to specify expenditure which is eligible under these agreements. If necessary, limiting Community assistance to the coverage of certain cost elements which are real, identifiable and verifiable in the beneficiary's accounts will make supervision and auditing (and evaluation at the time of selection) of the subsidised projects easier.

The agreements between the Commission and the organisations designated to manage the decentralised activities will include a number of clauses which these organisations must incorporate in the agreements with the final beneficiaries in order to guarantee the highest level of protection possible in respect of the interests both of the final beneficiaries and of the Community. These organisations are urged to define and implement an audit policy with the final beneficiaries.

9. MONITORING AND EVALUATION OF THE OPERATION

9.1. Details and frequency of planned evaluations - assessment of the results obtained

The action programme planned will be constantly monitored on the basis of a partnership between the Commission and the Member States.

To assess how effective it is, this programme will be continuously evaluated by means of an interim evaluation and a final evaluation. Additional evaluations may be carried out at the instigation of the Member States or the Commission in order to identify transferable experiences.

The interim evaluation will examine the preliminary results of action taken, the relevance of the objectives and the extent to which they have been attained. It includes an analysis of the situation as regards equal opportunities for women and men. It will also examine the sound financial management and the details of monitoring and implementation. It will be based on reports which the Member States must forward to the Commission by 31 December 2002, backed up by an external evaluation. The Commission will draw up a summary report on the basis of these national reports and of the external evaluation by 30 June 2003.

The point of the final evaluation is to account for how resources have been used, how effective and efficient Community action has been and what impact it has had on vocational training systems and arrangements, and to draw the lessons for implementing a Community vocational training policy. This evaluation will be based on reports which the Member States must forward to the Commission by 30 June 2005, backed up by an external evaluation. The Commission will draw up a summary report on the basis of these national reports and of the external evaluation by 31 December 2005.

9.2. Monitoring and evaluation of the operation

Monitoring will focus essentially on the operational aspects of programme implementation. The salient features will be:

- * building up a data base and a common informatics platform for management of the programme actions by the players concerned; this will permit project management, will make inter-agency consultation and cooperation easier, and will provide facts and figures on the activity generated by the programme;
- * analysis of reports from beneficiaries and other partners, and of direct contributions resulting from meetings and seminars held to monitor the progress of actions;
- * regular feedback from the integrated management structures defined in Article 5(3) of the Decision;

- * training and awareness-raising in order to foster a ‘culture’ of monitoring and evaluation among the players involved.

9.3. Performance indicators selected

The following indicators are given as examples of criteria for assessing the performance of the measures envisaged:

9.3.1. *Output indicators (measuring activities used)*

9.3.1.1. *Quantitative:*

- for the mobility actions:
 - number of requests for grants received/eligible/accepted;
 - average (duration, unit cost, daily cost) of mobility;
 - matrix of transnational flows (country of origin; host country);
 - number and distribution of participants by age/sex/(educational, social-economic, etc.) profile and origin (urban/rural, nationality, region of origin, etc.);
- for the transnational projects:
 - number of projects received/eligible/financed by country and by sector-typology;
 - number of projects by type of contractor (SMEs, big companies, training organisations, etc.);
 - average duration, unit cost of projects and rate of cofinancing by category.

9.3.1.2. *Qualitative:*

- Mobility actions:
 - trainees’ level of satisfaction with grants, and origin of top-up resources;
 - relative perception of Leonardo mobility in relation to existing national programmes;
- Transnational projects: in particular, innovatory character based on the following criteria:
 - overall quality of integration between the measures of the programme;
 - consideration of experience, achievements of projects completed under Leonardo I.

9.3.2. *Impact indicators*

9.3.2.1. *Quantitative:*

- for mobility actions:
 - increase in demand from young people and from organisations/companies;
 - success rate of the vocational qualification prepared; recruitment rate in the six months after finishing school (or completing the traineeship, after schooling);
- for transnational projects: in particular, extensiveness and durability of dissemination, which is an integral part of Community added value:
 - number of transferable products from pilot projects/number of products subsequently marketed;
 - number of beneficiaries/final users actually reached, broken down by category of users and/or by category of medium (CD-ROM, Internet, etc.);

9.3.2.2. *Qualitative:*

- mobility actions:
 - actual participation by the SMEs in this process;
 - perceptible knock-on effect on training policies, on mobility, particularly beyond border areas;
 - group of Leonardo trainees: verdict of the players involved in occupational placement (employment agencies, interim agencies, etc.) on what the training period has brought in terms of profile and employability;
 - impact in the contexts of school/pre-school guidance and of occupational (re)integration;
- transnational projects:
 - integration of a genuine European dimension in national arrangements;
 - application of vocational training criteria in connection with the policy on competitiveness at the Community level, particularly with a view to developing a benchmarking system;
 - definition of a transnational qualification profile (“EUROPASS/training”), particularly at sectoral level, and use of Community references in actual practice.

All these indicators will serve as a basis for the continuing evaluation to be carried out in cooperation between the Commission and each Member State.

10. ADMINISTRATIVE EXPENDITURE

The real allocation of the administrative resources needed will depend on the Commission's annual decision on the allocation of resources, considering in particular the additional staffing and financing levels agreed by the budget authority.

10.1. Will the proposed operation involve an increase in the number of Commission staff? If so, how many?

Type of posts		Staffing to be allocated to managing the operation		of whom		Duration
				Through use of existing resources in the DG or the department concerned	through use of additional resources	
		Permanent posts	Temporary posts			
Officials or temporary agents	A	15	1	16		
	B	7		7		
	C	8		8		
Other resources (NES - A7003)			1	1		
Total		32		32		2 000 - 2 004

10.2. Overall financial impact of human resources

(ECU)

	Amounts	Method of calculation
Officials (*)	16 200 000	108 kECU x 30 h/yr x 5 yrs
Temporary agents	540 000	108 kECU x 1h/yr x 5 yrs
Other resources (NES - A7003)	185 000	1 NES x 5 years
Total	16 925 000	

(*) Through the use of existing resources allocated to managing the operation (calculation based on headings A-1, A-2, A-4, A-5 and A-7) - annual cost.

10.3. Financial impact of other operational expenditure arising from the operation

(ECU)

Budget heading (number and title)	Amounts	Method of calculation
A-7010 Mission costs	975 000	15 Member States x 20 missions x ECU 650/mission (see 1 below)
A-7030 Costs of meetings, etc.	1 365 000	(4 + 10) meetings x 2 participants x 15 Member States x ECU 650 x 5 years (see 2 below)
A-7031 Costs of organising Meetings of Committees Whose consultation is a Compulsory part of the Preparatory procedure for Community instruments	485 100	3 meetings x 4 participants x 15 Member States x ECU 650 (ECU 753 for both sides of industry) x 5 years (see 3 below)
Total	2 825 100	

The appropriations will be taken from DGXXII's existing budget.

1. On the basis of the missions judged necessary under the current programme and taking account of the fact that more use will be made of decentralised management arrangements involving in particular a higher degree of in situ monitoring, the theoretical estimate of around 20 days of missions per Member State per year seems to be a minimum.

2. The administrative appropriations needed on heading A-7030 (costs of meetings, etc.) are intended to cover the following expenditure:

- four annual meetings of the programme's integrated management structures, involving two participants per Member State;
- ten annual meetings on specific themes connected with programme implementation, each bringing together two participants per Member State.

3. Coverage of the following expenditure: three annual meetings of the programme committee, involving three representatives per Member State (one government representative and two representatives for both sides of industry).

SME IMPACT ASSESSMENT

Impact of the proposal on the business community, with particular emphasis on small and medium-sized enterprises (SMEs)

Title of the proposal

Proposal for a Council Decision establishing the second phase of the Community vocational training action programme "Leonardo da Vinci"

Document reference number: XXXX

The proposal

- 1. In the light of the principle of subsidiarity, why is Community legislation necessary in this field and what are its main objectives?*

The proposal for a Decision presented by the Commission follows on from the Commission's Communication "Towards a Europe of knowledge" (COM(97) 563 final), backed up by the provisions of Articles 126 and 127 of the Treaty aimed at promoting European cooperation in the fields of education, youth and vocational training. It builds on the experience gained from the first phase of implementation of the Leonardo da Vinci programme (1994-99), as per the interim evaluation carried out by the Commission (COM(97) 399 final). Through greater European-level cooperation between the different parties involved in vocational training, the aim is to create a European education area fostering the lifelong development of vocational training and skills enhancement.

The approach proposed by the Commission, respecting fully the responsibility of the Member States for the content and organisation of vocational training systems, and being in no way designed to harmonise the applicable laws, regulations or administrative provisions, places the emphasis on three key policy elements reflecting priorities shared by all the Member States:

- * access to training resources for workers and other individuals undergoing training;
- * promotion of innovation in the field of vocational training, exploring new avenues through the pooling of experience in the different Member States and through the exchange and wide dissemination of good practice;
- * better mutual awareness of vocational training systems, arrangements and activities in the different Member States.

The operational dimension of the proposal (in particular, the six transnational measures described in Article 3 and in the Annex to the Decision) ties in with the relevant provisions of the Treaty and with the implementing powers thereby conferred on the Commission.

Bearing in mind the programme's three objectives (improving and strengthening the social and occupational integration of young people, in particular through work-linked training and apprenticeship; broadening and developing access to high-quality continuing training and lifelong access to skills; and consolidating the process of getting people in insecure circumstances back to work), the transnational nature of the programme ensures that the overall added value provided by exchanges of experience and good practice, and the emergence of joint training approaches and products, can only be beneficial for the development of a Community vocational training policy dovetailing with the responsibilities of the Member States.

2. *Who will be affected by the proposal?*

The Commission's proposal targets a large number of participants: people undergoing training (in particular, young people in initial training at all levels, including higher education), trainers and bodies involved in training, both sides of industry and organised groups at different levels (including Community level), public authorities (in particular, local and regional partners), companies (especially small and medium-sized enterprises (see below)) and bodies such as chambers of commerce.

The Decision stresses the key role of companies. With the exception of certain measures designed to boost European mobility through work-linked training and apprenticeship in SMEs (see below), the Decision does not discriminate in any way between sectors or in terms of the size of companies.

Since the size of companies (as beneficiaries and providers of initial and continuing training) is not a criterion in itself, SMEs are placed on the same footing as large companies. It is, however, likely that a considerable number of SMEs will be involved, given the goal of developing a European skills and qualifications area, all the more so from the point of view of devising a coordinated strategy for employment (as decided by the Luxembourg European Council in November 1997), for which they are the main players.

3. *What measures will companies be required to take in order to comply with the proposal?*

The participation of companies and/or organisations representing them at different levels (including European level) entails the setting-up of transnational partnerships in the training sphere, for which they are one of the main vehicles. SMEs (and their representative organisations) will be an important component of these partnerships, whether in terms of the transnational mobility of people undergoing training, the development of innovative pilot projects or the setting-up of "multi-player training consortia" at both regional and sectoral levels.

The actions implemented in the field by means of transnational training partnerships will greatly encourage companies to comply with the general common principles of quality underlying the programme, as regards objectives and methods of implementation (with particular reference to the procedures for educational follow-up and evaluation of the training products and methods developed within the project partnerships).

4. *What economic effects is the proposal likely to have?*

(a) on employment

The development of skills throughout working life, involving cooperation between training bodies/centres and companies, is highly likely to enhance the employability of the workers concerned, also at the initial training level. The transnational partnerships (under the programme's various measures) are intended to give rise to training products/methods enabling the workers concerned to acquire a wider range of skills more suited to the new forms of work organisation and production. The European experience underpinning these partnerships is designed to make it easier to identify training-based responses to the skills requirements of workers and companies. Consequently, employment opportunities will be boosted.

(b) on investment, creation of new businesses and enterprise culture

Intangible investment, especially in human resources, is one of the keys to strengthening the competitiveness of companies. In a world where the nature of production and work is rapidly evolving, the development of transnational project partnerships focused on training-related objectives in line with the changing skills requirements is such as to promote the development of new businesses (both in the private sector and in the social economy), particularly in the emerging job-creating sectors. Fostering entrepreneurship with the aid of training is a major strand in the second phase of the Leonardo da Vinci programme, in conjunction with the three other objectives identified by the European Council in the "Guidelines for Member States' employment policies".

(c) on the competitiveness of businesses

The competitiveness of businesses stems as much from the skills mobilised by workers as from the methods of work organisation and production. The discovery of different systems, along with the development of innovative approaches to training and of validated training products and methods, is likely to boost the expertise of the workforce and companies in the wider European context.

5. *Does the proposal contain measures to take account of the specific situation of small and medium-sized enterprises (reduced or different requirements, etc.)?*

As stated above, specific provision has been made in the proposal to promote the participation of SMEs (and their representative organisations) in the second phase of the Leonardo da Vinci programme. This applies particularly to the "physical mobility" action for work-linked training and apprenticeship (one of the main strands of Leonardo), with provision being made for incentives to facilitate the placement and educational support of people undergoing training in SMEs. Moreover, the proposed approach geared to concentration of objectives, visibility and transparency, particularly by means of decentralised selection closer to the operational arena, is again designed to support the necessary involvement of SMEs in the implementation of the programme.

Consultation

6. *List of organisations which have been consulted about the proposal and summary of their main viewpoints*

The Advisory Committee on Vocational Training (ACVT) - a statutory tripartite body created by a Council Decision - was formally consulted on 4 and 5 May 1998 and gave a favourable opinion (attached). Moreover, the Directors-General in charge of vocational training in the Member States will have an opportunity to examine the Commission's proposal at their informal meeting on 27 and 28 April 1998. Finally, the interim evaluation report on the first phase of the Leonardo programme (COM(97) 399 final) has been examined in detail by the Leonardo Committee (containing representatives of both sides of industry at Community level and the European organisations representing SMEs).

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