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Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work

(Text with EEA relevance)

{SWD(2014) 137 final}
{SWD(2014) 138 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

At EU level, undeclared work is defined as "any paid activities that are lawful as regards their nature but not declared to public authorities, taking account differences in the regulatory systems of the Member States"[1].

The fact that undeclared work is not observed or registered, and defined differently in national legislation, makes it difficult to obtain reliable estimates of how widespread it is across Member States. As a result, estimations of undeclared work vary widely[2].

According to the latest Eurobarometer survey[3] of 2013[4], only 4% of respondents admitted that they performed undeclared work. However, 11% admitted that they had purchased goods or services in the previous year where they had good reasons to believe it involved undeclared work. There are considerable variations across the EU. The incidence and policies to address undeclared work are analysed in the chapter "Undeclared work: recent developments" in the Employment and Social Developments in Europe 2013 review.[5]

Undeclared work has serious budgetary implications through decreased tax and social security revenues. It has negative impacts on employment, productivity and working conditions, skills development and life-long learning. It results in lower pension rights and less access to health care. It causes unfair competition between undertakings. Moving from informal or undeclared work to regular employment can also contribute to achieving the employment target as part of the Europe 2020 Strategy[6].

A closely related phenomenon is falsely declared work, or bogus self-employment, which occurs when the worker is formally declared as self-employed on the basis of a service contract but the work he/she performs fulfils all the criteria that are used by national law and practice to characterize an employment relationship. Bogus self-employment has negative consequences in terms of health and safety and social security coverage of the workers concerned, as well as on tax revenue, although normally less harmful than undeclared work.

In the Communication "Towards a job-rich recovery"[7], the Commission stressed that strengthening job-rich growth calls for employment policies that generate favourable

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1 Commission Communication "Stepping up the fight against undeclared work" COM(2007)628, http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52007DC0628:EN:HTML

2 See Impact Assessment on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work, Annex II.

3 All figures result from direct surveys, which were based on face-to-face interviews with EU citizens. Meaning that awareness, national definitions, transparency of undeclared work and trust in the interviewer, are important factors for citizens to enable them to indicate that they have performed or benefitted from undeclared work.

4 Special Eurobarometer 402 "Undeclared work in the European Union", 2013 http://ec.europa.eu/public_opinion/archives/ebs/ebs_402_en.pdf

5 European Commission, Employment and Social Developments in Europe 2013, Luxembourg, 2014.

6 Communication from the Commission "Europe 2020 – A Strategy for smart, sustainable and inclusive growth", COM (2010)2020 of 3 March 2010 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF
Communication from the Commission "An agenda for new skills and jobs: A European contribution towards full employment" COM 2010(682) of 23 November 2010

7 Communication from the Commission "Towards a job-rich recovery", COM(2012) 173 final of 18 April 2012

conditions for job creation, and that the transformation of informal or undeclared work into regular employment could have a positive impact on labour demand.

Consequently, the Employment Guideline Nr 7 on "Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality"[8] urges Member States to step up social dialogue and tackle labour market segmentation with measures addressing precarious employment, underemployment and undeclared work.

In the 2012 and 2013 Country Specific Recommendations[9], several Member States received recommendations concerning fighting undeclared work, the shadow economy, tax evasion and/or tax compliance.

The European Parliament in its Resolution of 14 January 2014 called for stronger cooperation and reinforcement of labour inspectorates to fight undeclared work[10].

The new Enforcement Directive on Posting of Workers will contribute to tackling better fraud and abuse and certain forms of undeclared work.

The main responsibility for tackling undeclared work lies with the Member States. The fight against undeclared work relies mostly on three types of enforcement bodies: (a) labour inspectorates to address abusive behaviour regarding working conditions and/or health and safety norms, (b) social security inspectorates fighting fraud on social insurance contributions, and (c) tax authorities to deal with tax evasion. In some Member States, social partners[11] are also involved in these tasks. In addition, in some Member States, customs authorities, migration bodies, the police and the public prosecutor's office are involved. It has however been noticed that, in some cases, cooperation between these different bodies at national level is not as structured or effective as necessary.

Since measuring undeclared work remains a big challenge, it makes it more difficult to develop targeted policies and to improve inspection practices for preventing, reducing or at the very least monitoring the incidence of undeclared work. The common challenge governments face in reducing undeclared work and ensuring conditions of decent work for undeclared workers, calls more coordinated steps on the part of governments and public institutions. There is a need to pursue policies that will at the same time reduce the incentives for employers to use undeclared work and for workers to engage in such activities.

Undeclared work can occur in a variety of sectors. The single sector most often over-proportionately affected by undeclared work is the construction sector[12]. Other sectors are household services, which include domestic cleaning services as well as child and elderly care, personal services, private security, industrial cleaning, agriculture and hotel, restaurant and catering industry.

It is found in a wide range of workplaces and involving workers with different profiles and backgrounds. Such heterogeneity makes undeclared work difficult to approach and demand specific strategies.

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8 2010/707/EU Council Decision of 21 October 2010 on "Guidelines for employment policies of the Member States"

9 http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

10 http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P7-TA-2014-0012

11 In Germany, agreements between Federal Ministry of Finance and social partners in construction, painters and industrial textile services sectors, in Bulgaria the establishment of the national "Rules for business" centre and in Luxembourg introduction of an ID card for every worker on the construction site.

12 Special Eurobarometer 402, Undeclared work in the European Union Report, 2013

Preventing and deterring undeclared work contributes to better enforcement of EU and national law, especially in the areas of employment, labour law, health and safety and coordination of national social security systems. As the challenges are common to Member States, and as undeclared work often has a cross-border dimension, EU level action can play an important role by reinforcing cooperation between enforcement authorities within and between different Member States in the prevention and deterrence of undeclared work. At the moment, there is no formal mechanism in place for all relevant authorities from the Member States to address issues related to cross-border aspects of undeclared work.

EU level action would therefore help Member States to tackle undeclared work more effectively and efficiently. It would also contribute to addressing at EU level, in a positive and constructive way, the challenges associated with labour mobility, while safeguarding free movement of workers as one of EU's fundamental freedoms.

Cooperation between national enforcement authorities already takes place at EU level, where the work of several committees or working groups is linked to undeclared work. However, they do it on an occasional and limited basis: the Senior Labour Inspectors Committee (SLIC) looks at undeclared work from the occupational health and safety angle; the Expert Committee on Posting of Workers deals with undeclared work in relation to circumventing the rules on posting of workers; the Employment Committee (EMCO) discusses the impact of employment policy on undeclared work; the Administrative Commission for social security coordination looks at error and fraud in the framework of social security coordination; the Working Group on administrative cooperation in the field of direct taxation aims at facilitating the exchange of information, experience and good practice in that field.

In addition, useful exchange of experiences has taken place, either in the context of the Mutual Learning Programme under the European Employment Strategy or as part of multilateral projects[13], which shows that Member States are interested in cooperation to tackle undeclared work. Member States have also carried out multilateral projects on certain aspects of undeclared work and concluded bilateral agreements. The Platform will not prevent the application of bilateral agreements or arrangements concerning administrative cooperation.

However, the lessons learnt show that not all Member States take part in these exercises. In case of such voluntary multilateral cooperation, there is no obligation for Member States to participate, nor is there a mechanism to make participation mandatory in case the participation is found necessary by other Member States. As a result, EU level cooperation remains patchy both in terms of the Member States involved and the issues covered.

The existence of common challenges for the relevant enforcement authorities across Member States is another incentive for them to cooperate in this area. Inspection authorities face difficulties in cross-border situations, in particular when the aim is to identify or sanction cases of undeclared work, because their traditional mechanisms are meant to tackle mostly domestic aspects of undeclared work. Inspecting the nature and/or conditions of the employment relationship of migrant workers can be difficult due to communication problems, lack of knowledge of rules or the presence of organised networks operating at the margins of the law, often making use of complex legal constructions, involving agencies or intermediaries located in several Member States and sometimes having recourse to bogus self-employment forms of work. Many Member States face difficulties in ensuring appropriate communication and cooperation between different enforcement bodies within the Member States and in a cross-border context.

[13] See Impact Assessment on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work, Chapter 3.2.2, Table 1

In addition, it is commonly perceived that excessive taxation or regulation of labour may boost undeclared work and that there may be effective, non-punitive ways to encourage employers to declare work and comply with law.

Finally, while in general all Member States agree on the need to prevent and deter undeclared work, in practice there may be different ways and levels of commitment to this goal and this might end up with low political priority and low sense of urgency to tackle undeclared work.

The Communication "Towards a job-rich recovery" therefore highlighted the need for improved cooperation among Member States and announced the launch of consultations on setting up an EU-level platform between labour inspectorates and other enforcement bodies to combat undeclared work, aimed at improving cooperation, sharing best practices and identifying common principles for inspections.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

This proposal stems from various studies and consultations undertaken recently.

In 2010, an external feasibility study[14] on the establishment of a European platform for cooperation between labour inspectorates and other relevant monitoring and enforcement bodies to prevent and fight undeclared work was carried out. The study analysed existing national institutional frameworks and policy measures, difficulties encountered by enforcement bodies on national and international levels, existing cross-border co-operation, best practices and identifies possible options for a European platform to prevent and fight undeclared work.

The special Eurobarometer[15] on undeclared work and a recent report from Eurofound on tackling undeclared work in the Member States[16] also fed into the preparation of this initiative. The Eurofound report was accompanied by an updated database[17] of measures taken between 2008 and 2013. The database includes 186 case studies from all EU Member States as well as from candidate countries. The database can be used to search measures by country, type of measures, target group and sector.

The consultation of stakeholders was carried out in the framework of the group of Directors General of Industrial Relations (DG IR), the Senior Labour Inspectors Committee (SLIC) and the Administrative Commission for social security coordination. In general, Member States' representatives recognized the added value in EU level action targeted at preventing and deterring undeclared work and welcomed the intention of the Commission to become more involved in this policy area.

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14 "Joining up in the fight against undeclared work in Europe: Feasibility study on establishing a European platform for cooperation between labour inspectorates, and other relevant monitoring and enforcement bodies, to prevent and fight undeclared work", Regioplan 2010 http://ec.europa.eu/social/BlobServlet?docId=6676&langId=en

15 Special Eurobarometer 402, Undeclared work in the European Union Report http://ec.europa.eu/public_opinion/archives/ebs/ebs_402_en.pdf

16 "Tackling undeclared work in 27 European Union Member States and Norway. Approaches and measures since 2008", Eurofound 2013 http://www.eurofound.europa.eu/publications/htmlfiles/ef13243.htm

17 http://www.eurofound.europa.eu/areas/labourmarket/tackling/search.php

The views of the European Social Partners have been collected in a 1st stage consultation[18] (4 July 2013 to 4 October 2013). The Commission identified the main problems related to prevention and deterrence of undeclared work, recalled the most recent activities taken by the Commission and introduced the objectives and possible content of the initiative. The aim of the consultation was to consult management and labour on the possible direction of EU action. The Commission received 15 replies from them (2 joint replies, 3 replies from the workers' representatives and 10 replies from employers' organisations). Social Partners agreed with the overall problem description and indicated that action at EU level is justified with the main objective of assisting national authorities, such as labour inspectorates, social security and tax authorities to prevent and deter undeclared work. In general, social partners agreed that a European platform could be an appropriate vehicle for enhancing cooperation between Member States. However, the views of social partners were divergent.

Most of the employers' representatives were of the opinion that the Platform should be established. However, they considered that there was no need for a separate new structure. Instead, options such as the creation of a subgroup to an existing group or better coordination of existing groups, could be considered. All trade unions and some employers' representatives favoured the establishment of an independent new body in order to ensure that all the facets of undeclared work be covered, which could not happen if existing structures would be used. Regarding the participation in the Platform, trade unions and some employers' representatives argued in favour of a mandatory approach for Member States, while some employers' organisations preferred a voluntary approach. The Social Partners supported the Commission's objective to present an initiative, but did not wish to enter into negotiations on this issue.

A 2nd stage consultation of Social Partners took place from 30 January to 13 March 2014[19]. In this consultation, the Commission presented an overview of the results of the 1st stage consultation and outlined the content of the planned initiative. The aim of the consultation was to obtain Social Partners' views on the content of the envisaged initiative on enhancing cooperation between Member States in the prevention and deterrence of undeclared work. The Commission received 16 replies (1 joint reply, 4 replies from the workers' representatives and 11 replies from employers' organisations). Social partners generally lent their support for action at EU level to prevent and deter undeclared work and reiterated the views expressed during the 1st stage consultation regarding the objectives, scope, tasks/initiatives, participation and form of the Platform. New elements were provided regarding social partners' participation in the Platform. Trade unions and employers' representatives agreed that EU level social partners, both cross-sectoral and in sectors with high incidence of undeclared work should be involved in the Platform as observers. Some trade unions and employers' representatives suggested that social partners should be given member status[20].

The Impact Assessment included several options for enhancing EU cooperation in the prevention and deterrence of undeclared work. The first option considered was no new action beyond the existing working groups and initiatives. The option of better coordination of the work of the different existing working groups and committees was also considered.

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18 "Consultation of social partners under article 154 TFEU on enhancing EU cooperation in the prevention and deterrence of undeclared work", Consultation document C(2013)4145 http://ec.europa.eu/social/BlobServlet?docId=10345&langId=en

19 "Second stage consultation of Social Partners under Article 154 TFEU on enhancing EU cooperation in the prevention and deterrence of undeclared work" C(2014)452 final http://ec.europa.eu/social/BlobServlet?docId=11424&langId=en

20 For more details see Impact Assessment on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work, Annex I

The third option was the establishment of a European Platform to enhance EU cooperation in the prevention and deterrence of undeclared work. Several sub-options were considered for setting up the Platform, such as a Platform with voluntary or mandatory membership and giving a responsibility for coordinating Member States actions against undeclared work to Eurofound. An option to create a decentralised agency responsible for enforcement of EU law and fight against undeclared work was considered.

The analysis concluded that the preferred option would be the establishment of a European Platform with mandatory membership. The Platform would provide for the involvement of all relevant authorities of all Member States in the EU level activities and enable regular and operational cooperation in this area. The sub-option of a voluntary multilateral cooperation was considered sub-optimal since the refusal of some Member States to participate would greatly diminish the value of EU cooperation for more ambitious Member States. In particular, mandatory participation was considered necessary, because cooperation to tackle cross-border aspects of undeclared work could not be fully achieved if some Member States were in (Member States with high priority in dealing with such aspects, mostly destination countries) and others out. The cross-border aspects of undeclared work could also have negative impact on the functioning of the Single Market as employers providing services in other Member States using undeclared workers would cause unfair competition. These employers can provide cheaper services due to the fact that they do not pay taxes or comply with obligations arising, for instance, from health and safety and working conditions regulations.

Taken into account all of the above, namely the need for improved EU cooperation, cross-border aspects of undeclared work and their impacts on the functioning of the Single Market, all Member States need to be included on the mandatory basis in the enhanced cooperation to tackle all aspects of the phenomenon.

Other options would not guarantee the involvement of all the relevant authorities of all Member States, would limit cooperation to the exchanges of best practices or would not allow for enforcement issues to be addressed appropriately and would thereby fail to support the holistic approach needed to tackle the problem. In addition, other options would contribute to a lesser degree to the visibility and prioritisation of the problem at EU level.

The Platform will bring together different enforcement authorities of all Member States as members. Other stakeholders, in particular the Social Partners at EU level, relevant Union decentralised agencies, such as Eurofound and European Agency for Safety and Health at Work (EU-OSHA) and international organisations, such as the International Labour Organisation (ILO) and representatives of EEA states, will have an observer status.

The Platform will carry out a number of tasks to be defined and implemented on the basis of agreed work programmes. Exchange of good practice would be the first practical step of cooperation. It would improve the knowledge of the phenomenon and develop better understanding about how undeclared work is tackled and who the main actors are in the Member States. To make best use of this exchange, based on a Eurofound database, a Knowledge Bank could be established, which could *inter alia* elaborate further on enforcement issues and lead to the development of common guidelines and principles. It is foreseen that the Platform will evolve progressively from a forum for exchange of information and good practice to more elaborate forms of cooperation as mutual trust and experience build up. Ultimately, the Platform should be able to undertake joint trainings and exchange of staff, and coordinate operational actions, including joint inspections and data sharing.

The proposal will enhance the development, implementation, monitoring and evaluation of the Union's instruments, policies (promoting a high level of quality and sustainable

employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions) and relevant law and promote evidence-based policy-making and social progress, in partnership with different stakeholders.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1. Legal basis

The EU has the competence to act in the field of undeclared work based on Social Policy articles in the TFEU. In particular, **Article 151 TFEU** stipulates that the Union and the Member States "shall have as their objectives the promotion of employment, improved living and working conditions, […] proper social protection, […] with the view to lasting high employment and the combating of social exclusion." **Article 153 TFEU** lists the fields where the Union shall support and complement the activities of the Member States, which include working conditions, integration of persons excluded from the labour market and combating social exclusion.

The proposal on an enhanced EU cooperation in deterrence and prevention of undeclared work is based on **Article 153 (2) (a) TFEU**, which allows for the European Parliament and the Council to adopt measures designed to encourage cooperation between Member States through initiatives aimed at improving knowledge, developing exchanges of information and best practices, promoting innovative approaches and evaluating experiences, excluding any harmonisation of the laws and regulations of the Member States.

The main objectives to be achieved by this initiative are the promotion of employment and improved working conditions (Art 151 TFEU). Taking into account the fact that the fight against undeclared work in different Member States relies on different types of enforcement bodies (as explained in Chapter 1), it is necessary that this initiative is extended to all national authorities, including those which will not be active in the employment and social fields, but are also responsible for, or have a role in the deterrence or prevention of undeclared work, such as taxation, migration and customs authorities.

3.2. Subsidiarity and proportionality principles

The choice of legal instrument – a Decision of the European Parliament and of the Council – is the most appropriate, taken into account that the Article foresees the ordinary legislative procedure for the adoption of the initiative.

While the main competences for tackling undeclared work lie with the Member States, the challenges faced, such as the negative impact of undeclared work on the economy and the society, the difficulties in tackling cross-border forms of undeclared work, the trade-off between appropriate levels of taxation / regulation and the need to avoid encouraging employers to resort to undeclared work, and the lack of cooperation between different enforcement authorities, are common to all Member States. The EU action enhancing cooperation at EU level would support the efforts of Member States in the deterrence and prevention of undeclared work by making it more effective and efficient. It thereby adds value to Member States' actions. National enforcement authorities are indeed the most appropriate level to tackle the challenges linked to undeclared work. In addition, the cross-border aspects can be better tackled at EU level. The proposal thereby complies with the principle of subsidiarity.

The proposal complies with the proportionality principle since it is a measure designed to encourage cooperation between Member States without any harmonisation of the laws and regulations of the Member States. An option of creating a new EU decentralised agency was

considered, but was discarded given the administration costs entailed in establishing a new agency.

4. BUDGETARY IMPLICATION

Regulation (EU) No 1296/2013 of the European Parliament and of the Council[21] establishes a European Union Programme for Employment and Social Innovation ("EaSI") for the period 2014-2020. Funding for the Platform will come from the PROGRESS axis. An indicative amount of 2.1 million EUR per year is foreseen for carrying out the tasks, such as the establishment of practical tools, support by service providers, publishing of common guidelines and principles, and handbooks, developing a permanent training capacity and a common framework for carrying out joint trainings, organising peer reviews and European Campaigns. In addition, grants to finance projects supporting the achievement of the objectives of the Platform will be covered. Up to 224 000 EUR per year will be used to reimburse the costs related to participation in the Platform meetings.

It is also recalled that the European Social Fund (ESF) supports Member States' efforts to improve the quality of public administration and governance and, by doing so, promote their structural reforms. Financing is foreseen within the Multiannual Financial Framework 2014-2020. Member States are encouraged to use the ESF to reinforce the capacity of their national authorities in tackling undeclared work.

The legislative proposal is budget-neutral and does not require additional staff resources. The COM staff – 2.5 full time employees – currently working in the Directorate General for Employment, Social Affairs and Inclusion – will act as the Platform's Secretariat. Details are explained in the legislative financial statement annexed to this proposal.

The involvement of the European Union's decentralised agencies, Eurofound and European Agency for Safety and Health at Work, in the work of the Platform as observers will not extend their existing mandates. Regarding these Agencies, the proposal is budget neutral.

[21] Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion

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Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 153 (2) (a) thereof,

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee[22],

Having regard to the opinion of the Committee of the Regions[23],

After consulting the European Data Protection Supervisor,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) In its Communication of 18 April 2012[24], the Commission highlighted the need for improved cooperation among Member States and announced the launch of consultations on setting up an EU-level platform between labour inspectorates and other enforcement authorities to combat undeclared work, aimed at improving cooperation, sharing best practices and identifying common principles for inspections.

(2) In accordance with Article 148(4) of the Treaty, the Council by Decision 2010/707/EU[25] adopted guidelines[26] for the employment policies of the Member States. These integrated guidelines give orientations to the Member States on defining their national reform programmes and on implementing reforms. The employment guidelines form the basis for country-specific recommendations that the Council addresses to the Member States under that Article. In recent years, those recommendations have included country-specific recommendations on the fight against undeclared work.

(3) Article 151 of the Treaty sets out as objectives in the field of social policy the promotion of employment and improved living and working conditions. With a view to achieving these objectives, the Union can support and complement the activities of

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22 OJ C , , p. .

23 OJ C , , p. .

24 Communication from the Commission "Towards a job-rich recovery COM (2012)173 of 18 April 2012 http://ec.europa.eu/social/main.jsp?langId=en&catId=101&newsId=1270&furtherNews=yes

25 Council Decision 2010/707/EU of 21 October 2010 on guidelines for the employment policies of the Member States (OJ L 308, 24.11.2010, p. 46)

26 The guidelines have been maintained for 2011, 2012 and 2013.

Member States in the fields of health and safety at work, working conditions, the integration of persons excluded from the labour market and the combating of social exclusion.

(4) The European Parliament in its resolution on "Effective labour inspections as a strategy to improve working conditions in Europe" welcomed the Commission's initiative to create a European Platform and called for enhanced cooperation at EU level to fight undeclared work[27].

(5) At European level undeclared work is defined as "any paid activities that are lawful as regards their nature but not declared to public authorities, taking into account differences in the regulatory systems of the Member States"[28], thus excluding all illegal activities.

(6) The abuse of the status of self-employed, either at national level or in cross-border situations, is frequently associated with undeclared work. Bogus self-employment occurs when a person is declared as self-employed while fulfilling the conditions characteristic of an employment relationship, in order to avoid certain legal or fiscal obligations. Bogus self-employment is, therefore, falsely declared work and should come under the scope of the Platform.

(7) Undeclared work has serious budgetary implications through decreased tax and social security revenues. It has negative impacts on employment, productivity, compliance with working conditions' standards, skills development and life-long learning. It undermines the financial sustainability of social protection systems, deprives workers of adequate social benefits and results in lower pension rights and less access to healthcare.

(8) A wide range of policy approaches and measures to tackle undeclared work have been introduced across the Member States. Member States have also concluded bilateral agreements and carried out multilateral projects on certain aspects of undeclared work. The Platform will not prevent the application of bilateral agreements or arrangements concerning administrative cooperation.

(9) EU level cooperation remains far from comprehensive, both in terms of the Member States involved and the issues covered. There is a no formal mechanism in place for cross-border cooperation between Member States' relevant authorities to address issues related to undeclared work.

(10) The strengthening of cooperation among Member States at EU level is necessary to help Member States to prevent and deter undeclared work more efficiently and effectively.

(11) The Platform will aim to facilitate the exchange of best practices and information, provide a framework at EU level to develop expertise and analysis, and improve operational coordination of actions between the different national enforcement authorities of the Member States.

(12) The Platform should make use of all relevant sources of information, in particular studies, bilateral agreements concluded between Member States and multilateral

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27 European Parliament resolution of 14 January 2014 on effective labour inspections as a strategy to improve working conditions in Europe (2013/2112/INI) http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=en&reference=2013/2112(INI)

28 Communication from the Commission "Stepping up the fight against undeclared work" COM (2007)628 of 24 October 2007 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52007DC0628:EN:HTML

cooperation projects and create synergies between existing EU level instruments and structures to maximise the deterrent or preventive effect of these measures. The operational coordination of actions of the Member States could take the form of joint trainings, peer reviews and solutions for data sharing. European campaigns or common strategies could increase the awareness of undeclared work.

(13) Three different national enforcement authorities are mainly involved with undeclared work: labour inspectorates, social security inspectorates and tax authorities. In some cases, migration authorities and employment services as well as customs authorities, the police, the public prosecutor's office and the social partners are also involved.

(14) In order to address undeclared work comprehensively and successfully, a policy mix is to be implemented in the Member States, that is facilitated by structured cooperation between relevant authorities. The cooperation should include all national authorities which are leading and/or active in the prevention and/or deterrence of undeclared work.

(15) To achieve its objectives, the Platform should be supported by a 'Single point of contact' in each Member State who should have the necessary authority to liaise with national authorities dealing with the multifaceted aspects of undeclared work.

(16) The Platform should involve the social partners at EU level, both cross-industry and in those sectors more severely affected by undeclared work, and cooperate with relevant international organisations, such as the International Labour Organisation (ILO), and Union decentralised agencies, in particular Eurofound and European Agency for Safety and Health at Work. The involvement of Eurofound and European Agency for Safety and Health at Work in the work of the Platform as observers will not extend their existing mandates.

(17) The Platform should adopt its rules of procedure, work programmes and regular reports.

(18) Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data[29] as well as the the national implementing measures thereto apply to the processing of personal data carried out by the Member States in the framework of this Decision. As the Commission is part of the European Platform, Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data[30] equally applies to processing of personal data carried out in the framework of this Decision.

(19) The Platform can establish working groups to examine specific issues and should be able to rely on the expertise of professionals with specific competences.

(20) The Platform will cooperate with the EU level relevant expert groups and committees whose work has links with undeclared work.

(21) The Platform and its tasks should be funded through the PROGRESS axis of the programme for Employment and Social Innovation (EaSI) within the appropriations set by the budgetary authority.

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[29] Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31)

[30] Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1)

(22) The Commission will take the necessary administrative steps to set up the network.

HAVE ADOPTED THIS DECISION:

Chapter I

General provisions

Article 1

Establishment of the Platform

(1) A Platform to enhance EU cooperation in the prevention and deterrence of undeclared work, hereinafter referred to as "the Platform", is hereby established.

(2) The Platform shall be composed of:

(a) national enforcement authorities as nominated by all the Member States,

(b) the Commission.

(3) The following may attend the meetings of the Platform as observers under the conditions set in its rules of procedure:

(a) representatives of the cross-industry social partners at Union level, as well as social partners in sectors with a high incidence of undeclared work,

(b) a representative of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) and a representative of the European Agency for Safety and Health at Work (EU-OSHA),

(c) a representative of the International Labour Organisation (ILO),

(d) representatives of EEA states.

Article 2

Objectives

The Platform, as set out in Article 1 (1), shall contribute to better enforcement of EU and national law, to the reduction of undeclared work and the emergence of formal jobs, hence avoiding the deterioration of quality of work, and to promote integration in the labour market and social inclusion by:

(a) improving cooperation between Member States' different enforcement authorities at EU level to prevent and deter undeclared work, including bogus self-employment, more efficiently and effectively,

(b) improving Member States' different enforcement authorities' technical capacity to tackle cross-border aspects of undeclared work,

(c) increasing public awareness on the urgency of action and encouraging Member States to step up their efforts in dealing with undeclared work.

Chapter II

Mission and tasks

Article 3

Mission

To achieve the objectives listed in Article 2, the Platform shall:

(a) Exchange best practices and information,

(b) Develop expertise and analysis,

(c) Coordinate cross-border operational actions.

Article 4

Tasks

(1) For the execution of its mission, the platform shall in particular carry out the following tasks:

(a) Improve the knowledge of undeclared work by means of common concepts, measurement tools and promotion of joint comparative analysis and related relevant indicators,

(b) Develop the analysis of effectiveness of different policy measures in curbing the incidence of undeclared work, including preventive and punitive as well as deterrence measures in general,

(c) Establish tools, for instance a knowledge bank of different practices/measures, including bilateral agreements used in the Member States to deter and prevent undeclared work,

(d) Adopt non-binding guidelines for inspectors, handbooks of good practice and common principles of inspections to tackle undeclared work,

(e) Develop forms of cooperation increasing the technical capacity to tackle cross-border aspects of undeclared work by adopting a common framework for joint operations for inspections and exchange of staff,

(f) Examine ways to improve data sharing in compliance with the Union data protection rules, including exploring possibilities to use of the Internal Market Information System (IMI) and the Electronic Exchange of Social Security Information (EESSI).

(g) Develop permanent training capacity for enforcement authorities and adopt a common framework for carrying out joint trainings,

(h) Organise peer reviews to follow Member States progress when fighting undeclared work, including support for the implementation of country-specific recommendations related to fight or prevent undeclared work issued by the Council.

(i) Increase awareness of the problem by carrying out common activities such as European Campaigns and adopting regional or EU wide strategies, including sectoral approaches.

(2) In carrying out its tasks, the Platform will make use of all relevant sources of information, including studies and multilateral cooperation projects and take into account relevant Union instruments and structures, as well the experience of relevant bilateral agreements. It will establish appropriate cooperation with Eurofound and EU-OSHA.

Chapter III

Functioning of the Platform

Article 5

Single point of contact

(1) Each Member State shall appoint one single point of contact as a member of the Platform. They may also appoint one alternate member.

(2) In appointing their representatives, Member States should involve all public authorities having a role in the prevention and/or deterrence of undeclared work, such as labour inspectorates, social security authorities, tax authorities, employment services and migration authorities, hereinafter referred to as "enforcement authorities". They may also, in accordance with national law and/or practice, involve the social partners.

(3) Member States shall provide the Commission with the list and contact details of all enforcement authorities which are involved in the prevention and/or deterrence of undeclared work.

(4) Single points of contact shall liaise with all enforcement authorities which are involved in the prevention and/or deterrence of undeclared work regarding the activities of the Platform and guarantee their participation at the meetings and/or contribution to the activities of the Platform or its working groups if issues discussed involve their field of competence.

Article 6

Representatives of the social partners

(1) Representatives of the social partners at cross-industry level, as well as from sectors with high incidence of undeclared work may attend meetings of the Platform as observers, according to the procedures determined by their organisations.

(2) On the basis of the proposals from cross-industry and sectoral social partners at Union level, this group of observers shall be composed of:

(a) A maximum of 8 observers representing social partners at cross-industry level (divided evenly between employers' and workers' organisations),

(b) A maximum of 10 observers representing social partners in sectors with a high incidence of undeclared work (divided evenly between employers' and workers' organisations).

Article 7

Operation

(1) The Commission shall coordinate the work of the Platform and chair its meetings.

(2) For the execution of its mission, the Platform shall adopt by majority decision:

(a) the rules of procedure, containing, inter alia, the decision-making arrangements of the Platform,

(b) a two-year work programme of the Platform setting out, inter alia, its detailed tasks and regular reports of the Platform in every two years,

(c) the establishment of working groups to examine issues specified in work programmes of the Platform. Such working groups shall be dissolved as soon as their mandates are fulfilled.

(3) Experts with specific competence in a subject under discussion may be invited on a case-by-case basis to participate in the Platform's or working group's deliberations if this is useful and/or necessary.

(4) The Platform shall be assisted by a Secretariat provided by the Commission. The Secretariat shall prepare the meetings, the work programmes of the Platform and its reports.

(5) The Commission shall inform regularly the European Parliament and the Council about the activities of the Platform.

Article 8

Cooperation

The Platform shall work, as appropriate, in cooperation with other relevant Union level expert groups and committees, whose work has a link with undeclared work, in particular the Senior Labour Inspectors Committee (SLIC), the Expert Committee on Posting of Workers, the Administrative Commission for Social Security Coordination, the Employment Committee (EMCO), the Social Protection Committee (SPC) and the Working Group on Administrative Cooperation in the field of Taxation. Joint meetings may also be organised.

Article 9

Reimbursement of expenses

The Commission shall reimburse travel and, where appropriate, subsistence expenses for members, observers and invited experts in connection with the Platform's activities.

The members, observers and invited experts shall not be remunerated for the services they render.

Article 10

Financial support

The global resources for the implementation of this Decision shall be established within the framework of the programme for Employment and Social Innovation (EaSI), the annual appropriations of which shall be authorised by the budgetary authority within the limits of the Financial Framework.

Chapter IV

Final Provisions

Article 11

Review

Four years after its entry into force, the Commission shall submit a report on the application of this Decision to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The report shall in particular assess to what extent the Platform has contributed to the achievement of the objectives set out in Article 2 and fulfilled the tasks as set out in Article 3 and in work programmes of the Platform.

Article 12

Addressees

This Decision is addressed to the Member States.

Article 13

Entry into force

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

Legislative financial statement

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

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

1.3. Nature of the proposal/initiative

1.4. Objective(s)

1.5. Grounds for the proposal/initiative

1.6. Duration and financial impact

1.7. Management mode(s) envisaged

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

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3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

3.2. Estimated impact on expenditure

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3.2.2. Estimated impact on operational appropriations

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3.2.5. Third-party contributions

3.3. Estimated impact on revenue

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Decision of the European Parliament and of the Council on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work

1.2. Policy area(s) concerned in the ABM/ABB structure[31]

Employment, social affairs and inclusion

1.3. Nature of the proposal/initiative

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

☐ The proposal/initiative relates to **a new action following a pilot project/preparatory action**[32]

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

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

1.4. Objective(s)

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

Contributing to the Europe 2020 targets:

- Promote increased participation in the labour market
- Develop a safe, flexible and mobile European labour market
- Promote social inclusion
- Promote social and economic cohesion

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

Specific objective No 1

Support the development, implementation, monitoring and evaluation of the Union's instruments, policies (promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions) and relevant law and promote evidence-based policy-making, social innovation and social progress, in partnership with the social partners, civil society organisations and public and private bodies.

ABM/ABB activity(ies) concerned: Employment, Social Affairs and Inclusion

[31] ABM: activity-based management – ABB: activity-based budgeting.

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

1.4.3. Expected result(s) and impact

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

The objective of the proposal is to improve cooperation at EU level between enforcement bodies, such as labour inspectorates, social security, tax and other relevant authorities, with the aim of preventing and deterring undeclared work more efficiently and effectively.

1.4.4. Indicators of results and impact

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

The output indicators to be achieved will be defined in two-year work programmes of the Platform. In addition, the Commission will once a year report to the Council on the work of the Platform. These reports would inform about the detailed work programmes of the Platform, initiatives taken by the Platform and the frequency of meetings.

Four years after the decision has entered into force, the activities of the Platform will be evaluated.

1.5. Grounds for the proposal/initiative

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

The aim of this decision is to contribute to better enforcement of the Union laws, the creation of formal jobs, the increase in quality of working conditions, the inclusion in the labour market and overall social inclusion by:

(a) improving cooperation between Member States' different enforcement authorities at EU level to prevent and deter undeclared work more efficiently and effectively,

(b) improving Member States' different enforcement authorities' technical capacity to tackle cross-border aspects of undeclared work,

(c) increasing Member States' awareness on the urgency of action and encouraging the efforts in the fight against undeclared work.

1.5.2. Added value of EU involvement

Preventing and deterring undeclared work contributes to a better enforcement of EU and national law, especially in the areas of employment, labour law, health and safety and coordination of social security. In accordance with the objectives set in Article 151, EU level action to tackle undeclared work would contribute to the creation of formal jobs, increase the quality of working conditions, and help to increase inclusion to the labour market and overall social inclusion. Taking into account Article 153 TFEU, where Member States and the Union have shared competencies, the EU action would support the efforts of Member States by enhancing cooperation in the deterrence and prevention of undeclared work at EU level, making it more effective and efficient and thereby adding value to Member States' actions.

1.5.3. Lessons learned from similar experiences in the past

So far there has been no comprehensive approach involving all relevant authorities of all Member States to tackle undeclared work at EU level.

1.5.4. Compatibility and possible synergy with other appropriate instruments

Fundamental rights: The proposal is consistent with the EU's fundamental rights strategy (COM(2010) 573 final)

Europe 2020 strategy: The initiative will contribute to the creation of employment and to social inclusion, within the strategy for smart, sustainable and socially inclusive growth. (COM (2010) 2020)

1.6. Duration and financial impact

☐ Proposal/initiative of **limited duration**

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

– ☐ Financial impact from YYYY to YYYY

■ Proposal/initiative of **unlimited duration**

– Implementation with a start-up period from the date of the adoption of the Decision,

– followed by full-scale operation.

1.7. Management mode(s) planned[33]

■ **Direct management** by the Commission

– ■ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies;

☐ **Shared management** with the Member States

☐ **Indirect management** by delegating implementation tasks to:

– ☐ third countries or the bodies they have designated;

– ☐ international organisations and their agencies (to be specified);

– ☐the EIB and the European Investment Fund;

– ☐ bodies referred to in Articles 208 and 209 of the Financial Regulation;

– ☐ public law bodies;

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

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

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

– *If more than one management mode is indicated, please provide details in the "Comments" section.*

[33] Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

Comments

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

Four years after the decision has entered into force, the activities of the Platform will be evaluated. The evaluation will be be based on the result indicators, such as the quality of the cooperation with other Member States, regular reporting and further research. The evaluation will assess to what extent the Platform has contributed to the achievement of the objectives of the Platform. This report will be submitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions.

2.2. Management and control system

2.2.1. Risk(s) identified

Regarding accompanying measures under EU Programme for Employment and Social Innovation ("EaSI"): under this programme direct management will involve the attribution of contracts and grants for specific activities and the payment of grants to governmental and non-governmental organisations. The main risk will be relating to the capacity of (especially) smaller organisations to effectively control expenditure as well as to ensure the transparency of operations carried out.

2.2.2. Information concerning the internal control system set up

Regarding accompanying measures under EU Programme for Employment and Social Innovation ("EaSI"): the control measures indicated in the Regulation 1296/2013 will be used.

2.2.3. Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

Regarding accompanying measures under EU Programme for Employment and Social Innovation ("EaSI"): measures to prevent fraud and irregularities indicated in the Regulation 1296/2013 will be used.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

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

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number […]Heading……...……]	Diff./non-diff. (34)	from EFTA countries 35	from candidate countries[36]	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
1	04.03.02.01 EaSI	Diff	YES	YES	NO	NO
1	04.01.04.02 EaSI	non-diff.	YES	NO	NO	NO

34 Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations.

35 EFTA: European Free Trade Association.

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

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	1	Smart and inclusive growth

DG: EMPL			Year 2014[37]	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
• Operational appropriations										
04.03.02.01 (EaSI)	Commitments	(1)	0,150	2,100	1,200	1,800	1,100	1,800	1,000	**9,150**
	Payments	(2)	0	2,100	1,200	1,800	1,100	1,800	1,000	**9,000**
Number of budget line	Commitments	(1a)								
	Payments	(2a)								
Appropriations of an administrative nature financed from the envelope of specific programmes[38]										
04.01.04.02 (EaSI)		(3)	0,115	0,224	0,224	0,224	0,224	0,224	0,224	**1,459**
TOTAL appropriations for DG EMPL	Commitments	=1+1a +3	0,265	2,324	1,424	2,024	1,324	2,024	1,224	**10,609**
	Payments	=2+2a +3	0,115	2,324	1,424	2,024	1,324	2,024	1,224	**10,459**

[37] Year N is the year in which implementation of the proposal/initiative starts.

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

• TOTAL operational appropriations	Commitments	(4)	0,150	2,100	1,200	1,800	1,100	1,800	1,000	**9,150**
	Payments	(5)	0	2,100	1,200	1,800	1,100	1,800	1,000	**9,000**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0,115	0,224	0,224	0,224	0,224	0,224	0,224	**1,459**
TOTAL appropriations for HEADING <…> of the multiannual financial framework	Commitments	=4+ 6	0,265	2,324	1,424	2,024	1,324	2,024	1,224	**10,609**
	Payments	=5+ 6	0,115	2,324	1,424	2,024	1,324	2,024	1,224	**10,459**
	Payments	=5+ 6								

Heading of multiannual financial framework	**5**	" Administrative expenditure "

EUR million (to three decimal places)

		Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
DG: EMPL									
• Human resources		0,330	0,330	0,330	0,330	0,330	0,330	0,330	**2,310**
• Other administrative expenditure									
TOTAL DG EMPL	Appropriations	0,330	0,330	0,330	0,330	0,330	0,330	0,330	**2,310**

TOTAL appropriations for HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	0,330	0,330	0,330	0,330	0,330	0,330	0,330	**2,310**

EUR million (to three decimal places)

		Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	0,595	2,654	1,754	2,354	1,654	2,354	1,554	**12,919**
	Payments	0,445	2,654	1,754	2,354	1,654	2,354	1,554	**12,769**

3.2.2. Estimated impact on operational appropriations

– ☐ The proposal/initiative does not require the use of operational appropriations

– ■ The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **2014**		Year **2015**		Year **2016**		Year **2017**		Year **2018**		Year **2019**		Year **2020**		**TOTAL**	
	OUTPUTS																	
	Type[39]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No total	Total cost
SPECIFIC OBJECTIVE No 1[40]: Support the development, implementation, monitoring and evaluation of the Union's instruments, policies and relevant law and promote evidence-based policy-making, social innovation and social progress, in partnership with the social partners, civil society organisations and public and private bodies.																		
Exchange of best practices and information, training, technical capacity building to enhance cooperation, awareness raising	Knowledge bank, common guidelines etc, joint operations, exchange of staff, training activities,campaigns, strategies, evaluation	0,366	1	0,15	4	2,100	4	1,200	4	1,800	4	1,100	4	1,800	4	1,000	25	9,150

39 Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

40 As described in point 1.4.2. 'Specific objective(s)…'

Subtotal for specific objective No 1			1	0,150	4	2,100	4	1,200	4	1,800	4	1,100	4	1,800	4	1,000	25	9,150
TOTAL COST			1	0,150	4	2,100	4	1,200	4	1,800	4	1,100	4	1,800	4	1,000	25	9,150

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ■ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year **2014**[41]	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**	**TOTAL**
HEADING 5 of the multiannual financial framework								
Human resources	0,33	0,33	0,33	0,33	0,33	0,33	0,33	**2,31**
Other administrative expenditure								
Subtotal HEADING 5 of the multiannual financial framework								

Outside HEADING 5[42] **of the multiannual financial framework**								
Human resources								
Other expenditure of an administrative nature	0,115	0,224	0,224	0,224	0,224	0,224	**0,224**	**1,459**
Subtotal outside HEADING 5 of the multiannual financial framework								

TOTAL	**0,445**	**0,554**	**0,554**	**0,554**	**0,554**	**0,554**	**0,554**	**3,769**

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

41 Year N is the year in which implementation of the proposal/initiative starts.

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

3.2.3.2. Estimated requirements of human resources

– ☐ The proposal/initiative does not require the use of human resources.

– ■ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

		Year **2014**	Year **2015**	Year **2016**	Year **2017**	Year **2018**	Year **2019**	Year **2020**
• Establishment plan posts (officials and temporary staff)								
XX 01 01 01 (Headquarters and Commission's Representation Offices) (2AD+0,5AST)		2.5	2.5	2.5	2.5	2.5	2.5	2.5
XX 01 01 02 (Delegations)								
XX 01 05 01 (Indirect research)								
10 01 05 01 (Direct research)								
• External staff (in Full Time Equivalent unit: FTE)[43]								
XX 01 02 01 (CA, SNE, INT from the "global envelope")								
XX 01 02 02 (CA, LA, SNE, INT and JED in the delegations)								
XX 01 04 yy[44]	- at Headquarters							
	- Delegations							
XX 01 05 02 (CA, SNE, INT - Indirect research)								
10 01 05 02 (CA, INT, SNE - Direct research)								
Other budget lines (specify)								
TOTAL								

XX is the policy area or budget title concerned.

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

Description of tasks to be carried out:

Officials and temporary staff (2AD + 0,5 AST)	AD1: Overview of the activities in connecction to undeclared work, organising the work of the secretariat of the Platform, managing the meetings of the Platform, including preparing the draft agenda, discussion documents and draft minutes of the meetings. Coordination of cooperation. Coordination call for proposals/tenders. AD2: Overview of the operational activities of the Platform, such as management of the knowledge bank, joint trainings, inspections, staff exchanges, publishing of common documents etc. Support to coordination of cooperation. Support to call for proposals/tenders. 0,5AST: Administrative support to the secretariat, including document management, organising meetings (room bookings, invitations, reimbursement documents etc), distribution of meeting documents, general correspondence.
External staff	

[43] CA= Contract Staff; LA = Local Staff; SNE= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations).

[44] Sub-ceiling for external staff covered by operational appropriations (former "BA" lines).

3.2.4. Compatibility with the current multiannual financial framework

– ■ Proposal/initiative is compatible the current multiannual financial framework.

– ☐ Proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

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

– ☐ Proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework[45].

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

3.2.5. Third-party contributions

– ■ The proposal/initiative does not provide for co-financing by third parties.

– ☐ The proposal/initiative provides for the co-financing estimated below:

Appropriations in EUR million (to 3 decimal places)

	Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations cofinanced								

[45] See points 19 and 24 of the Interinstitutional Agreement (for the period 2007-2013).

3.3. Estimated impact on revenue

– ■ Proposal/initiative has no financial impact on revenue.

– ☐ Proposal/initiative has the following financial impact:

– ☐ on own resources

– ☐ on miscellaneous revenue

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[46]						
		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article ……								

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

Specify the method for calculating the impact on revenue.

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