



EUROPEAN CENTRAL BANK

EUROSYSTEM

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DIRECTORATE GENERAL HR, BUDGET AND ORGANISATION

DIRECTORATE GENERAL LEGAL SERVICES

RESTRICTED

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To: The Executive Board

Via: G. Tumpel-Gugerell [*approved*]; S Keuning [*approved*]; C Zilioli [*approved*]

From: [REDACTED]

Cc: [REDACTED]

Date: 2 February 2010

Subject: **RULES GOVERNING THE ECB TRAINEESHIP PROGRAMME**

Executive summary

So far traineeships are not governed by an exhaustive set of rules stipulating the applicable conditions. Recent experience has reinforced the need to clarify the status, duties and entitlements of ECB trainees.

This memo therefore proposes the adoption by the Executive Board of a Decision on the rules governing the traineeship programme of the European Central Bank, which you find enclosed in SEC/EB/10/667/14a.

After outlining the reasons for formalising the rules for ECB trainees, the memo summarises the main features of the proposed rules which have been developed on the basis of the rules which apply for traineeships at other Community institutions and bodies. Finally it outlines the required implementation steps. Some details of the ECB Traineeship Programme are part of these implementation steps and will be specified by the Director-General of DG/H and published on the ECB Website, facilitating easy up-dating when necessary [REDACTED]

The main current administrative practices remain unchanged.

The rules and their rationale have been presented to the Heads of Divisions, the Management Committee, and the Staff Committee (SC). The latter was not formally consulted because trainees are not ECB staff members and thus do not fall under the scope of the SC's mandate. The SC welcomed the rules but regretted not to have been formally consulted, as well as the fact that the aspect of the representation of trainees is not mentioned in the rules.

The *Executive Board* is invited to adopt the decision on the rules governing the traineeship programme of the European Central Bank.

1. Reasons for the formalisation of the rules into a legal act

Traineeships are so far not governed by an exhaustive set of rules stipulating the applicable conditions¹. Recent experience has however reinforced the need to clarify the status, duties and entitlements of ECB trainees. German statutory health and accident insurances have recently concluded that ECB traineeships constitute an employment under German employment law², requesting the ECB to pay for its trainees the employer's contributions to social security. In another instance, a German statutory health insurance was not willing to cover an ECB trainee. In yet another case a trainee was not sufficiently medically insured in his home country, as a result of which the ECB bore the expenses not covered by his insurance. Moreover, a variety of questions had arisen, which were not (sufficiently) addressed by the existing documents³.

To solve these issues, it is therefore proposed to adopt a Decision which comprehensively specifies the rules applicable to trainees, including the clarification that trainees are not members of staff, and provides trainees with compulsory accident at work coverage, *inter alia* by enabling them to opt for medical insurance via an insurance policy concluded by the ECB specifically for trainees.

2. Main features of the traineeships

The main current administrative practices remain unchanged, related to e.g. traineeship purpose, duration of up to 12 months, amount of the traineeship grant and provision of accommodation under certain conditions. The applicable conditions to traineeships are however clarified and the rules further provide for *medical coverage* and for an *accident at work insurance*.

The main features of ECB traineeships, which are similar to the conditions in other European Communities and bodies, are now unified into *a single legal act laying down the main conditions of traineeship* in 6 chapters:

1. Rationale of the programme:

- The *purpose of traineeships* remains educational as well as to contribute to ECB tasks. Admission to a traineeship does not entitle to the *status* of ECB staff member or to any further employment contract with the ECB in the future.

2. Admission and selection:

- The *conditions of admission* require that – amongst others – a first cycle qualification (i.e. bachelor) or its equivalent was completed and that either post-graduate studies/training are

¹ At present, trainees receive a traineeship offer in the form of an agreement, which – in an incomplete manner - lays down some key elements like the subsistence allowance and the confidentiality rules.

² The exemption from German labour and social security law only applies to members of staff, not to trainees.

³ E.g. whether trainees are entitled to paid leave; how to address the fact that the ethical rules and the BPH are not binding on trainees; whether and under which procedure trainees or the ECB could terminate a traineeship; whether and under what conditions a trainee could use results of any research performed at the ECB for a PhD or a publication.

ongoing or that the applicant has a maximum of six months traineeship and a maximum of 12 months professional experience since the completion of the most recent educational qualification. Individuals who have worked for the ECB as staff members, consultants, agency staff or the like since the completion of their most recent educational qualification are not eligible. The conditions of admission also aim at preventing that the ECB traineeship programme becomes a form of precarious work; e.g. it should not enable the recruitment of experienced professionals under traineeship conditions.

- The *admission procedure* requires applicants to submit their application via the ECB website.

3. Traineeship period:

- The initial period is 3 to 6 months but it can be prolonged once, up to a *12-month total duration*.
- The rules also specify the *entitlement to the equivalent of annual leave* (i.e. 2.5 days per completed month), the procedure in case of illness and accident, as well as the conditions for interrupting the traineeship. Interruptions must be reasoned and only in cases of compelling studies reasons or exceptional circumstances. They are for a minimum of 2 weeks and a maximum of 3 months.
- *The conditions for termination of the traineeship are stated.* From the ECB side, traineeship contracts can be terminated after a 2-week written notice if the ECB has established that trainees have insufficient language skills, deliver repeatedly unsatisfactory contributions, breach their duties or behave in a manner incompatible with the ECB's ethical framework or the ECB values.⁴

4. Supervision of the traineeship:

- Further to specifying the manager's duties, the *duties of the trainees* are also clearly established, as well as their obligation to familiarise themselves and comply with the ECB values, the ethical framework including *professional secrecy, conflicts of interest*, and the relevant rules of the *Business Practice Handbook*. The rights with regard to intellectual property are also stated.

5. Financial and insurance matters:

- Trainees will continue getting a **traineeship grant**. Its amount will continue to depend on the tasks to be performed and on the qualification required, as specified in the vacancy notice.
- They are solely responsible for discharging tax and social security contributions arising out of their traineeship in accordance with the applicable rules in the relevant Member State.
- Trainees can still opt for a self-organised *medical coverage*. Should they however fail to prove it to the ECB, the ECB will compulsorily insure them under a slimmed down health insurance

⁴ DG/H establishes the reasons for termination based on factual evidence gathered by line managers or DG-H as the case may be. A factual written summary (memo or e-mail) is provided to ensure a plausibility check on the spot including the perspective of the person concerned. A decision is made only after having checked that the facts presented warrant termination. In case trainees call upon the assistance of a staff representative in their handling, this would be allowed while acknowledging that trainees are not part of the constituency of the Staff Committee.

scheme with Vanbreda and the trainee will have to bear 1/3 of the €36.20 monthly premium. Trainees will also be subject to *accident at work insurance* at the expense of the ECB (around €7.40 plus 0.499% of the traineeship grant per month).

6. **Final provision:**

- The *entry into force* is currently foreseen for *1 April 2010*. The rules also apply to traineeships started before that date, except for the conditions of admission.

3. Implementation steps

Prior to the entrance into force of the new rules, the following steps have to be finalised:

- Finalisation of the trainees' health and accident insurance procurement. The latter can be swiftly concluded in accordance with procurement rules, as confirmed by DG/H, DG/L and the CPO.
- The incorporation in ISIS of some of the processes related to trainees; e.g. the insurance contribution and the recorded annual leave in ISIS. Some more time will be needed to (a) update the ISIS portal, in order for trainees to have access to the portal (e.g. this will entitle trainees to apply for leave electronically according to a process similar to the one for staff) and for managers to see trainees in their overview portal. This would however not require delaying the entry into force of the rules.
- The completion of the other implementation steps e.g. updating the recruitment pages of the ECB's website, the relevant intranet pages and the contract letters. The recruitment pages will also include the traineeship grant amount (€ 850). It will also mention that the grant is doubled when (i) the tasks specified in the vacancy notice are defined as being at a PhD level, and (ii) the selected applicants have at least accomplished 2 years of their PhD studies.

[REDACTED]

[REDACTED]

[REDACTED] A gradual adjustment of the amounts (e.g. from € 850 to € 950 in 2011 and thereafter possibly slightly further revised upwards) is foreseen for implementation as of 2011, subject to submission and approval into next year's budget. In 2009 the expenses for the traineeship grants amounted to around € 1 million (paid to the equivalent of 85 FTE trainees, out of which 18 were paid the higher grant). Updating the grant would result in an increase of the expenses of € 0.2 million. The updating of the grant would be communicated through an update of the ECB's recruitment Website, and would therefore not necessitate an adjustment of the rules themselves.