



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2011/0455(COD)

21.3.2012

OPINION

of the Committee on Budgets

for the Committee on Legal Affairs

on the proposal for a regulation of the European Parliament and of the Council amending the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union
(COM(2011)0890 – C7-0507/2011 – 2011/0455(COD))

Rapporteur: George Lyon

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SHORT JUSTIFICATION

Background information

In the current economic context, the opportunity to modernise EU Staff Regulations to better reflect the demographic and economic realities of Europe should be supported. However it is important that the principles underpinning a sound and modern human resources policy in the EU institutions should be based in particular on the need to reward performance and quality of service and take account of geographical balance. Your Rapporteur believes that these principles should be at the heart of the new reforms and any changes must also ensure the fairness of the EU system, reflect the national administrations' consolidation efforts and the conditions offered by other international organisations.

In this regard, your Rapporteur welcomes the Commission's proposal which, following due social dialogue, appears to strike a satisfactory balance between the need for further efficiency and savings, in line with the consolidation of public finances in EU Member States, and the need for institutions to attract highly qualified and independent staff with the ability to implement EU policies in an efficient and effective manner.

The major reform of the Staff Regulations in 2004 which introduced significant changes to all areas of the European civil service has already achieved savings of EUR 3 billion with a further 5 billion Euros to come by 2020. The administrative expenditure of the EU represents only 5.8% of the multi-annual financial framework (MFF) 2007 – 2013 which itself represents around 1% of the EU's GDP.

BUDG Committee's competence

Your Rapporteur notes that the main elements of the proposal, changes to pensions, weekly working hours, new solidarity levy, new method for adjusting salaries and pensions, changes in the career system etc. are all explicitly dealt with by the new legislative provisions. However, your Rapporteur considers that, while these elements will be decided in this legislative procedure, the proposed 5% reduction in all institutions and bodies' staffing falls within the remit of the Committee on Budgets (BUDG).

BUDG is responsible within EP for any decision on EU institutions' administrative budget and establishment plans, in the context of the annual budget procedure. Any staff reduction objective should not pre-empt the decisions of the budgetary authority, nor the outcome of upcoming negotiations on 2014-2020 MFF, also under the remit of BUDG in the EP.

Your Rapporteur believes that given the enlargement to Croatia and new tasks arising from the Lisbon Treaty and the economic crisis, a careful scrutiny of all the institutions and bodies' needs must be carried out to assess the impact of the proposed staff reductions on the level and quality of programmes' implementation and, more generally, on the quality of the institutions' work before any political commitment can be taken in this field.

The amendments proposed by your Rapporteur are to give clarity in this regard and ensure the BUDG prerogatives are protected, and not pre-empted by decisions in the context of other procedures.

Your Rapporteur considers that the substance of the proposed legislative modifications should be dealt with by JURI as competent Committee. Nevertheless, to better inform the latter's upcoming decisions, the detailed budgetary impact of the measures proposed is presented below.

Finally, your Rapporteur is confident in the continued close cooperation between JURI and BUDG Committees, should amendments that have any significant budgetary impact be considered later during the procedure.

Short description of the budgetary impact of Commission's proposal

The budgetary impact of the Commission's proposal is an overall saving of EUR 1 010 million in the period 2014-2020, some 80% of which stem from the 5% staff reduction which is outside the Commission's formal proposal, and 'long-term' savings of EUR 1 022 million per annum at cruising speed (from 2060 onwards). The sources of such savings are presented below (according to Commission's methodology used for the legislative financial statement attached to its proposal).

Estimation of expected savings in administrative expenditure in the short and long-term (Excluding operational MFF headings, e.g. agencies)

		Budgetary impact on Heading V (in EUR million)	
		Total savings 2013-2020	Annual savings at "cruising speed" (long term)
5% staff reduction	Remuneration	832	195
	Pensions	2	144
	Total	834	339
New carrier structure for Assistants	Remuneration	85	64
	Pensions	5	86
	Total	90	150
New function group for secretaries (AST/SC)	Remuneration	97	213
	Pensions	0	160
	Total	97	373
Increase of the retirement age	Remuneration	0	-49
	Pensions	2	207
	Total	2	158
Travel allowances	Remuneration	18	2
	Pensions	0	0
	Total	18	2
ALL MEASURES	Remuneration	1.032	425
	Pensions	9	597
	Total	1.041	1.022

Finally, your Rapporteur wishes to express his concerns about the pressure on the timetable and the unfortunate possibility that if no agreement is reached on the proposal by the end of 2012, there is a real possibility of all salaries in the institutions increasing by 5.5% due to the lapsing of the current special levy. This would run contrary to the desired outcome of the reform and would place all institutions and staff in an uncomfortable position with our EU citizens who are deeply affected by the crisis and therefore, we should make every effort to avoid that situation.

AMENDMENTS

The Committee on Budgets calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Draft legislative resolution Paragraph 1 a (new)

Draft legislative resolution

Amendment

1a. Considers that no political agreement on staff reductions in Union institutions and bodies should impair its budgetary prerogatives in the context of other procedures, such as the annual budgetary procedure and upcoming negotiations on the 2014-2020 multiannual financial framework; will strongly oppose any attempt to pre-empt the outcome of such negotiations;

Justification

The EP as Budgetary Authority is responsible for any decision on EU institutions' administrative budget and establishment plans in the context of the annual budget procedure. Any staff reduction objective should not pre-empt the decisions of the budgetary authority in this context, nor the outcome of upcoming negotiations on 2014-2020 MFF. This is all the more crucial that the impact of any significant staff reductions on the quality of the institutions' work should be thoroughly assessed before any political commitment can be taken in this field.

Amendment 2

Draft legislative resolution

Paragraph 1 b (new)

Draft legislative resolution

Amendment

1b. Believes that the Commission proposal, which mainly tries to make savings to the detriment of staff in low grades, is problematic in terms of social justice;

Amendment 3

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The European Union and its more than 50 institutions and agencies should be equipped with a high-quality European public administration, so as to enable it to perform its tasks to the highest possible standard in accordance with the Treaties and to meet the challenges, both internal and external, that it will face in the future.

Amendment

(1) The European Union and its more than 50 institutions and agencies should be equipped with a high-quality European public administration, so as to enable it to perform its tasks, ***including the new tasks deriving from the Treaties***, to the highest possible standard in accordance with the Treaties and to meet the challenges, both internal and external, that it will face in the future, ***notably the possible accession of further countries***.

Amendment 4

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) Consequently, it is necessary to provide a framework for the recruitment of ***high calibre*** staff ***in terms of productivity and integrity***, drawn on the widest possible geographical basis from among citizens of the Member States, and to enable such staff to carry out their duties as effectively and

Amendment

(2) Consequently, it is necessary to provide a framework for the recruitment of staff ***with the highest level of skills and competences***, drawn on the widest possible geographical basis from among citizens of the Member States, and to enable such staff to carry out their duties as effectively and efficiently as possible, ***notably through an***

efficiently as possible.

appropriate career development system that rewards performance, dedication and quality of service.

Amendment 5

Proposal for a regulation

Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) While the amendments to the Staff Regulations introduced by this Regulation will result in some savings for the Union budget, they should in no way pre-empt upcoming decisions on changes in the staffing of Union institutions and agencies, which fall within the sole remit of the budgetary authority.

Justification

The EP as Budgetary Authority is responsible for any decision on EU institutions' administrative budget and establishment plans in the context of the annual budget procedure. Any staff reduction objective should not pre-empt the decisions of the budgetary authority in this context, nor the outcome of upcoming negotiations on 2014-2020 MFF. This is all the more crucial that the impact of any significant staff reductions on the quality of the institutions' work should be thoroughly assessed before any political commitment can be taken in this field.

Amendment 6

Proposal for a regulation

Recital 6

Text proposed by the Commission

Amendment

(6) The potential advantages for officials and other servants of the European Union of the application of the method should be balanced by the continuation of the system of special levy, to be renamed as 'solidarity levy'. While the rate of the special levy in force during the period from 2004 to 2012 increased gradually over time and averaged at 4.23 %, it seems appropriate in the

(6) The potential advantages for officials and other servants of the European Union of the application of the method should be balanced by the continuation of the system of special levy, to be renamed as 'solidarity levy'. While the rate of the special levy in force during the period from 2004 to 2012 increased gradually over time and averaged at 4.23 %, it seems appropriate in the

present circumstances to increase the solidarity levy at the uniform rate of 6%, so as to take account of a difficult economic context and its ramifications for public finances throughout the European Union. Such a solidarity levy should apply to all officials and other servants of the European Union for the same period as the 'method' itself.

present circumstances to increase the solidarity levy at the uniform rate of 6%, so as ***to help to finance the Union's growth and employment policies from the Union's budget and*** to take account of a difficult economic context and its ramifications for public finances throughout the European Union, Such a solidarity levy should apply to all officials and other servants of the European Union for the same period as the 'method' itself.

Amendment 7

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) Taking this request into account, it is appropriate that promotion to a higher grade should be made conditional on performing duties whose importance justifies the official's appointment to that higher grade.

Amendment

(11) Taking this request into account, it is appropriate that promotion to a higher grade should be made conditional on ***personal dedication, improving skills and competences, and*** performing duties whose importance justifies the official's appointment to that higher grade.

Amendment 8

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) Working hours applied in the institutions should be aligned to those in force in certain of the Member States of the European Union ***to compensate for the reduction of staff in the institutions.*** The introduction of a minimum number of weekly working hours will ensure that the staff employed by the institutions is able to carry out the work-load resulting from the European Union's policy objectives while, at the same time, harmonising working conditions in the institutions, in the interest

Amendment

(14) Working hours applied in the institutions should be aligned to those in force in certain of the Member States of the European Union. The introduction of a minimum number of weekly working hours will ensure that the staff employed by the institutions is able to carry out the work-load resulting from the European Union's policy objectives while, at the same time, harmonising working conditions in the institutions, in the interest of solidarity throughout the European Union's civil

of solidarity throughout the European Union's civil service. service.

Justification

The size of the EU public service is to be determined in the context of the MFF 2014-2020 negotiation and of the annual budgetary procedures. While current fiscal consolidation efforts carried out by Member States would advise a temporary reduction of EU administrative expenditure, this reduction should not apply automatically to all institutions nor become permanent in view of the increasing competences and tasks conferred upon the EU.

Amendment 9

Proposal for a regulation

Article 1 – point 3

Staff Regulations of Officials

Article 6 – paragraph 1

Text proposed by the Commission

1. The establishment plan appended to the section of the budget related to each institution shall indicate the number of posts in each grade and function group.

Each institution's establishment plan shall reflect the obligations set out in the multi-annual financial framework and the inter-institutional agreement on its implementation.

Amendment

1. The establishment plan appended to the section of the budget related to each institution shall indicate the number of posts in each grade and function group.

Justification

Such obligation is redundant since already provided for in Article 312 of the TFEU

Amendment 10

Proposal for a regulation

Article 1 – point 8

Staff Regulations of Officials

Article 27 – paragraphs 1 and 2

Text proposed by the Commission

Recruitment shall be directed to securing for the institution the services of officials

Amendment

Recruitment shall be directed to securing for the institution the services of officials

of the highest standard of ability, efficiency and integrity, recruited on the broadest possible geographical basis from among nationals of Member States of the European Union. No posts shall be reserved for nationals of any specific Member State.

The principle of the equality of Union's citizens shall allow each institution to adopt corrective measures following the observation of a long lasting and significant imbalance between nationalities among officials which is not justified by objective criteria. These corrective measures shall never result in recruitment criteria other than those based on merit. Before such corrective measures are adopted, the appointing authority of the institution concerned shall adopt general provisions for giving effect to this paragraph in accordance with Article 110.

of the highest standard of **skills, competences**, ability, efficiency and integrity, recruited on the broadest possible geographical basis from among nationals of Member States of the European Union. No posts shall be reserved for nationals of any specific Member State.

The principle of the equality of Union's citizens shall allow each institution to adopt corrective measures following the observation of a long lasting and significant imbalance between nationalities among officials, **taking into account the breakdown into each category and into each grade separately**, which is not justified by objective criteria. These corrective measures shall never result in recruitment criteria other than those based on merit. Before such corrective measures are adopted, the appointing authority of the institution concerned shall adopt general provisions for giving effect to this paragraph in accordance with Article 110.

Amendment 11

Proposal for a regulation

Article 1 – point 10

Staff Regulations of Officials

Article 31 – paragraph 2

Text proposed by the Commission

Without prejudice to Article 29(2), officials shall be recruited only at grades SC 1, AST 1 to AST 4 or AD 5 to AD 8.

Amendment

Without prejudice to **Article 27 and** Article 29(2), officials shall be recruited only at grades SC 1, AST 1 to AST 4 or AD 5 to AD 8.

Amendment 12

Proposal for a regulation

Article 1 – point 14 a (new)

Staff Regulations of Officials

Article 44 – paragraph 1

Text proposed by the Commission

Amendment

14a. The first paragraph of Article 44 shall be replaced by the following:

An official who has been at one step in his grade for two years shall automatically advance to the next step in that grade, except officials in grade AD 12 or AST 10 or higher and without staff management responsibilities, who shall automatically advance to the next step in their grade after three years.

PROCEDURE

Title	Staff Regulations of Officials and Conditions of Employment of Other Servants of the EU
References	COM(2011)0890 – C7-0507/2011 – 2011/0455(COD)
Committee responsible Date announced in plenary	JURI 19.1.2012
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 19.1.2012
Rapporteur(s) Date appointed	George Lyon 25.1.2012
Date adopted	21.3.2012
Result of final vote	+: 30 –: 3 0: 3
Members present for the final vote	Marta Andreasen, Richard Ashworth, Reimer Böge, Zuzana Brzobohatá, James Elles, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Ingeborg Gräßle, Carl Haglund, Lucas Hartong, Jutta Haug, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, George Lyon, Claudio Morganti, Nadezhda Neynsky, Potito Salatto, Helga Trüpel, Derek Vaughan, Jacek Włosowicz
Substitute(s) present for the final vote	Lidia Joanna Geringer de Oedenberg, María Muñoz De Urquiza, Georgios Papastamkos, Georgios Stavrakakis, Gianluca Susta
Substitute(s) under Rule 187(2) present for the final vote	Eva Ortiz Vilella