



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2011/0455(COD)

15.2.2012

DRAFT 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;

Or. en

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

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 efficiently as possible.

Amendment

(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 efficiently as possible, ***notably through an appropriate career development system that rewards performance, dedication and quality of service.***

Or. en

Amendment 3

Proposal for a regulation

Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) While these amendments to the Staff Regulations 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.

Or. en

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 4

Proposal for a regulation

Article 1 – point 3

Staff Regulations of Officials of the European Communities

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.

Or. en

Justification

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