

# The use of contract agents in decentralised EU agencies





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## **Abstract**

This study examines the management of Contract Agents in seven decentralised Agencies of the European Union: ECHA, EEA, EIGE, ENISA, ESMA, Eurofound and Europol. It evaluates the evolution of Contract Agents as part of the workforce, and presents findings on processes related to personnel budgeting, recruitment and retention, salary and remuneration, and advancement prospects for contract staff. This document was prepared by the Policy Department at the request of the Committee on Budgetary Control.

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## LIST OF ABBREVIATIONS

<b>AMLA</b>	Anti-Money Laundering Authority
<b>CSAM</b>	European Union Centre to prevent and counter child sexual abuse
<b>AACC</b>	Authority Authorised to Conclude Contracts of Employment
<b>ACER</b>	Agency for the Cooperation of Energy Regulators
<b>AD</b>	Administrator
<b>AST</b>	Assistant
<b>CA(s)</b>	Contract Agent(s)
<b>CAST</b>	Contract Agents Selection Tool
<b>CdT</b>	Translation Centre for the Bodies of the European Union
<b>CEPOL</b>	The European Union Agency for Law Enforcement Training
<b>CIS</b>	Interstate Statistical Committee of the Commonwealth of Independent States
<b>CPVO</b>	Community Plant Variety Office
<b>DG BUDG</b>	Directorate-General Budget
<b>EAEC</b>	The European Association of ERASMUS Coordinators
<b>EASA</b>	European Union Aviation Safety Agency
<b>EBA</b>	European Banking Authority
<b>EC</b>	European Commission
<b>ECA</b>	European Court of Auditors
<b>ECHA</b>	European Chemicals Agency
<b>EDA</b>	European Defence Agency
<b>EEA</b>	European Environment Agency
<b>EEC</b>	European Community
<b>EFCA</b>	European Fisheries Control Agency

<b>EFSA</b>	European Food Safety Authority
<b>EIGE</b>	European Institute for Gender Equality
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority
<b>EIT</b>	European Institute of Innovation & Technology
<b>ELA</b>	European Labour Authority
<b>EMA</b>	European Medicines Agency
<b>EMCDDA</b>	European Monitoring Centre for Drugs and Drug Addiction
<b>EMSA</b>	European Maritime Safety Agency
<b>ENISA</b>	European Union Agency for Cybersecurity
<b>EP</b>	European Parliament
<b>EPSO</b>	European Personnel Selection Office
<b>ERA</b>	European Union Agency for Railways
<b>ESMA</b>	European Securities and Markets Authority
<b>ETF</b>	European Training Foundation
<b>EU</b>	European Union
<b>EUAN</b>	European Union Agencies Network
<b>EUIPO</b>	European Union Intellectual Property Office
<b>EU-OSHA</b>	European Agency for Safety and Health at Work
<b>EUROFOUND</b>	European Foundation for the Improvement of Living and Working Conditions
<b>EUROPOL</b>	European Union Agency for Law Enforcement Cooperation
<b>EUSPA</b>	European Union Agency for the Space Programme
<b>FG (I, II, III, IV)</b>	Function group (I, II, III, IV)
<b>FTE</b>	Full-time equivalent
<b>HR</b>	Human Resources



<b>ICT</b>	Information and Communications Technology
<b>KPI</b>	Key Performance Indicator
<b>NCA</b>	National Competent Authorities
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PMO</b>	Paymaster Office
<b>QL</b>	Qualitative
<b>QT</b>	Quantitative
<b>SC</b>	Secretary
<b>SLA</b>	Service level agreement
<b>SME</b>	Small and medium-sized enterprises
<b>SNE</b>	Seconded National Expert
<b>SPD</b>	Single Programming Document
<b>SRB</b>	Single Resolution Board
<b>TA</b>	Temporary Agent
<b>UNECE</b>	United Nations Economic Commission for Europe

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## EXECUTIVE SUMMARY

### Background of the study

Over recent decades, the regulating or supporting activities of decentralised EU Agencies have become essential for implementing EU policies, with their number growing accordingly. Currently, there are 35 decentralised EU Agencies with separate budgets, collectively employing over 11,000 people. Among the various staff categories are Contract Agents (or contract staff). Contract Agents (CAs) were created in 2004 as part of the reform of the Staff Regulations, with lower entry-level salaries combined with a longer career path comprising more grades. CAs are hired on a fixed-term contract and their employment conditions are stipulated by the Staff Regulations of Officials and the Conditions of Employment of Other Servants. In 2014, the EU Agencies were subject to a 5-10% cut in staff establishment plan posts. This impacted the general workforce composition, with many Agencies compensating for staffing gaps by employing Contract Agents.

### Aim of the study

The overall goal of this study is to examine various aspects of CA employment by the EU decentralised Agencies. In particular, the study explores five research dimensions: (1) workforce composition, (2) salary and remuneration, (3) personnel budgeting, (4) recruitment and retention, and (5) prospects for advancement. The study addresses research questions related to the evolution of the number of CAs, the process of determining the hiring needs of CAs, the salary and remuneration levels of CAs compared to local income levels, and the recruitment and retention of CAs, including the use of interim agencies. The study also investigates the decentralised Agencies' personnel budgeting practices, as well as the career progression of CAs.

### Study methodology

Overall, the study follows a mixed-method approach, in which both quantitative and qualitative analyses are combined to contextualise ongoing practices in Contract Agent employment. Both quantitative and qualitative data was collected and analysed in parallel and used to discuss areas of convergence or divergence in the quantitative and qualitative results. To ensure a balanced sample, seven decentralised EU Agencies were selected for the study, based on their location, workforce size, and remuneration compared to local average income. Descriptive statistics are mainly used to understand workforce composition and salary, and CA remuneration. Qualitative data was collected from consultation rounds, publicly available Agency reports, audit reports, and additional follow-up interviews to contextualise CA employment conditions.

### Study observations

The study presents a list of findings and conclusions in line with the above-mentioned research dimensions. In terms of **workforce composition**, the number of Contract Agents has been increasing over the last decade across decentralised Agencies, both in absolute terms and as a relative share of the total workforce: from 17% in 2012 to 21% in 2021. Furthermore, function groups III and IV have become the most common CA types employed at the Agencies. The number of staff in category IV has seen the largest increase over time, potentially indicating that Agencies may be employing CAs to perform core tasks within their mandate. The CA population can be divided into two sub-categories: administrative, supportive, and corporate-service roles; and project management/specialist or expert roles. Amongst the Agencies in scope of this study, CAs are mostly considered part of the structural workforce, rather than part of specific, time-bound assignments or projects.

Following the standard process for **personnel budgeting** and defining the need for Contract Agents, the Agencies leverage the Single Programming Documents and the annual work programmes. Projected staff numbers, including those of CAs, are discussed and approved by the European Commission. It has been noted that when reviewing requests for additional positions, the Commission exercises high scrutiny and monitors the potential impacts of a growing workforce, such as the long-term impact on administrative costs (including pension costs). The uniform procedures for defining the numbers of authorised CA positions for all Agencies seem to restrict the flexibility of deploying CAs within the Agencies in scope, thereby limiting agility in responding to emerging workforce needs. Next to this, based on the information gathered in the study there are differences in how the Agencies in scope reach agreements with the European Commission to define the numbers of authorised CA positions. For example, Europol has agreed on a maximum number of posts and can thus move through the negotiation process relatively faster. By contrast, ESMA, a partially self-financed Agency, has noted that because its revenues are relatively less predictable, current processes make it cumbersome to forecast staff numbers and corresponding budgets. Consequently, more alignment with the Commission is needed.

All Agencies in scope of this study offer contracts within the rules stipulated by the Staff Regulation, with a first **contract duration** varying from three to five years, and the second from two to five. Any potential further renewal is in principle indefinite. The information gathered through the study suggests that the Agencies are cautious about contract durations and renewals, as the number of authorised CA positions and the corresponding budgets may change in the future.

All Agencies in scope of this study have noted that the **recruitment and selection** process for CAs is mostly the same as for Temporary Agents. Among the sampled Agencies the study saw differences in the duration of recruitment procedures (varying from three to nine months) and the tools used, with some Agencies leveraging the EPSO CAST databases, e-recruitment tools or the reserve lists of other Agencies. Among the Agencies in scope of this study, those working with **interim employment agencies** seem to use their services to address short-term business needs and absences. Following the ruling of the Court of Justice of the European Union in Case C-948/19, Agencies are obliged to follow the principle of equal pay for equal tasks, regardless of their contractual situation.

Overall, the study shows that Contract Agents do not seem to be at higher risk of contributing to the **revolving door** issue, defined as a potential conflict of interest in employment after public service. However, it has been noted that the higher rotation of CAs working within more specialised roles could pose challenges for the retention of organisational knowledge.

The study evaluates the **salaries of Contract Agents** with the applicable correction coefficients and compares them with (1) local average salaries in the host Member States, and (2) salaries offered for comparable jobs across Europe. The study shows that the differences between CA and local salaries seem to vary across Member States and function groups. For three Agencies in scope of this study (EEA, Eurofound, Europol) the CA salaries of all function groups in 2020 were lower than the average salaries in the Member States (Denmark, Ireland, the Netherlands). In contrast, the CA salaries of all function groups employed at ENISA and EIGE were higher than the local average salaries in Greece and Lithuania respectively. The differences between the local and CA salaries seem to be most prominent for FG I, II and III.

When comparing the salaries of Contract Agents to salaries of comparable jobs across Europe, the study shows that for the majority of the Agencies in scope of this study, the salaries of Contract Agents FG II, III, IV were relatively lower compared to the comparable jobs in the countries of Western and Northern Europe. The differences between the salaries for the variety of roles (secretarial, support

functions, project coordination, specialists) can impact the recruitment procedures and their success rates. Next, the financial attractiveness of the CA posts in various regions can impact the geographical diversity of applicants.

The study notes differences and limitations in **prospects for advancement** available to CAs compared to officials or Temporary Agents. The career advancement of CA is generally longer (more years and experience in grades) and less financially rewarding. Next to this, CA roles and responsibilities are defined and limited by the Staff Regulation. CAs who would like to grow further into managerial or expert roles, for instance, need to consider becoming Temporary Agents or officials.

Additionally, the information gathered from the Agencies indicated that similarities in tasks between AD5-7 and CA FG IV, as well as AST 5-6 and CA FG III, could lead to challenges with staff motivation. In situations where TAs AD5-7 and CA FG IV or AST 5-6 and CA FG III are posted for similar roles (for example, project management or coordination, or providing specialist advice to projects) the daily work of staff requires strong alignment and the differences between roles and responsibilities may become blurry. Situations where job roles within the above-mentioned grades overlap can be perceived as dissatisfactory for CAs, as Temporary Agents receive higher salaries and more long-term career opportunities.

Finally, the study also noted that Agencies seem to deploy several talent management strategies aimed at increasing CA engagement and satisfaction. All Agencies in scope of this study have acknowledged the potential long-term challenges for the development and advancement of contract staff, and have identified several initiatives that could help. These focus on competency development, learning, and work assignments allowing Contract Agents to build experience, skills and knowledge.

This study has shown that the overall staff reduction and pressure to cut administrative costs might have longer-term consequences for CA talent management at the decentralised EU Agencies. The creation of the Contract Agent staff category has lowered administrative and staff costs. But it has also impacted several talent management processes, including recruitment, retention and the employee experience of contract staff.

# 1. INTRODUCTION

## 1.1. Focus and context of the study: Contract Agents at decentralised EU Agencies

Decentralised Agencies of the European Union are **distinct legal entities** located across the 23 Member States that address specific policy needs. Each Agency is characterised by its specific mandate, technical expertise and governance structure. What ties the Agencies together is their common purpose to implement EU policies and support cooperation with national governments<sup>1</sup>. The Agencies **address policy needs in areas of vital importance to European citizens' daily lives**, such as<sup>2</sup>:

- Ensuring an area of freedom, security and justice (e.g. CEPOL, Eurojust and Europol)
- Supervising financial systems (e.g. ESMA, SRB and EBA)
- Providing security and defence (e.g. EASA, EUSPA and EMSA)
- Supporting EU businesses and innovation (e.g. ENISA, ACER and ECHA)
- Fostering citizens' well-being (e.g. EFSA, ETF and Eurofound)

**Over the years, decentralised EU Agencies** have not only been **growing in number<sup>3</sup> but also in importance** with mandates increasing the scope of responsibilities<sup>1</sup>. Based on the Draft Budget for 2023 of the European Commission<sup>4</sup>, there are currently **35 decentralised Agencies** established and 2 where negotiations for establishment are currently ongoing (i.e., AMLA and CSAM). The decentralised Agencies operate with separate budgets, collectively **employing over 11,000 people<sup>5</sup>**, including Temporary Agents (TAs) and Contract Agents (CAs), but excluding national experts who are seconded. In the previous 2014-2020 Multiannual Financial Framework, the evolution of decentralised Agency staffing and appropriations was guided by two overall constraints: (1) the objective of cutting Agency establishment plan by 5-10%, and (2) the loss of additional posts as a result of indicative envelopes for Agency expenditure<sup>6</sup>. With additional pressure to take on more responsibilities with a potentially smaller workforce, **Agencies increasingly looked at options to leverage other staff categories, including Contract Agent staff.**

Contract Agent is a staff category created in 2004 as part of the reform of the Staff Regulations. CAs are hired on fixed-term contracts that are renewable and covered by operational funds, as opposed to officials and TA posts, which are limited by the establishment plans. As stipulated by Staff Regulations, decentralised Agencies can hire CAs for up to 75% of posts within the establishment plan at the Agency. In general, Contract Agents' activities and salaries are clearly defined based on their function group<sup>7</sup>:

<sup>1</sup> European Court of Auditors (2020), Special Report Future of EU Agencies – Potential for more Flexibility and Cooperation.

<sup>2</sup> EU Agency Network (2023), 'Agencies' contribution according to themes covering different aspects of citizens' every lives'. <https://euagencies.eu/> (accessed on March 5th 2023).

<sup>3</sup> European Court of Auditors (2022), Annual Report on EU Agencies for the Financial Year 2021.

<sup>4</sup> European Commission (2023), Draft General Budget of the European Union.

<sup>5</sup> Excluding the CdT and the fully fee financed agencies i.e. EUIPO, SRB, CVPO.

<sup>6</sup> European Court of Auditors (2019), Special Report Implementation of the 2014 Staff Reform Package at the Commission – Big Savings but not without Consequences for Staff.

<sup>7</sup> European Personnel Selection Office (2023), *EU careers*. <https://epso.europa.eu/en/eu-careers/staff-categories>. (Accessed on 06 March 2023).



Table 1: Overview of function groups

Contract Agent function group	Tasks in the scope of the FG
FG I	Manual and administrative support-service tasks
FG II	Clerical or secretarial tasks, office management and other equivalent tasks
FG III	Executive tasks, drafting, accountancy and other equivalent technical tasks
FG IV	Administrative, advisory, linguistic and equivalent technical tasks

Source: European Personnel Selection Office.

Next to the function groups, Council Regulation (EEC, Euratom, ECSC) No 259/68 laying down Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union<sup>8</sup>, defines two types of Contract Agents:

- 'Contract staff', defined by Article 3a of the above-mentioned Regulation, and
- 'Contract staff for auxiliary tasks', defined by Article 3b of the same Regulation<sup>9</sup>.

The Contract Agent category grew out of the idea that CA recruitment would provide EU institutions, bodies and Agencies with somewhat more flexibility in recruitment and staffing, as compared to other staff categories. The limited CA contract duration made it an interesting vehicle for decentralised Agencies addressing their workforce needs related to growing responsibilities and tasks.

## 1.2. Study objective

The overall study goal is twofold: (1) provide a general overview of CA numbers across the Agencies, and (2) uncover commonalities, best practices and challenges within the EU's decentralised Agencies in scope, with regards to the defined dimensions. The research objectives were defined to study the following:

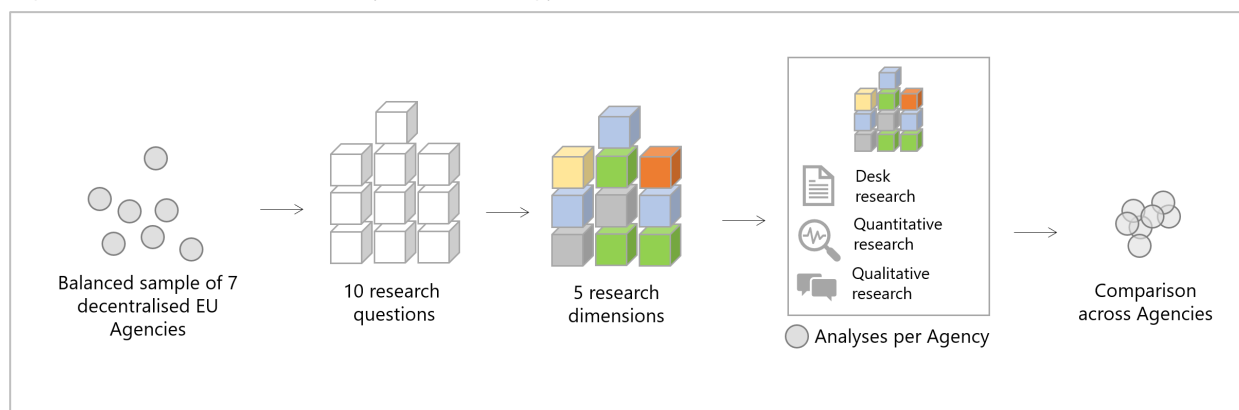
- The evolution of **CA workforce composition** since 2012 (in total, per Agency cluster and function group) to understand the relative importance of this staff category in the EU workforce
- The decentralised Agencies' **personnel budgeting** approach and practices, to understand any differences among the Agencies and the processes for defining the staffing needs
- **CA salaries and remuneration** (including any applicable correction coefficient), as well as comparing CA salaries to local income levels in corresponding fields across the EU, to understand the financial attractiveness of CA jobs
- **Recruitment and retention** policies and practices for CAs, including the use of interim agencies, to understand common challenges and best practices
- The **prospects for advancement** for Contract Agents, to understand limitations in their career tracks

<sup>8</sup> European Council (2014), Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community.

<sup>9</sup> Decentralised EU Agencies cannot employ contract staff 3b.

### 1.3. Study methodology

Figure 1: Overview of the study methodology



#### 1.3.1. Research questions

The study is structured around four research dimensions: (1) workforce composition, (2) personnel budgeting, (3) recruitment and retention, (4) salary and remuneration, and (5) prospects for advancement. Table 2 provides a detailed overview of the different research dimensions<sup>10</sup> and the associated research questions.

Table 2: Research dimensions and research questions

Research dimension	Research questions
1. Workforce composition	<p>1.1. How has the number of CAs across all decentralised Agencies evolved since end-2012 in total?</p> <p>1.2. How has the number of CAs across all decentralised Agencies evolved since end-2012 by Agencies cluster?</p> <p>1.3. How has the number of CAs across all decentralised Agencies evolved since end-2012 in by CA function group?</p>
2. Personnel budgeting	<p>3.1. How are hiring needs for CAs determined and projected and what roles do each Agency's Director &amp; Management Board play in this process?</p>
3. Recruitment and retention	<p>4.1. Are there any differences in CA hiring procedures among decentralised Agencies, or between them and executive Agencies or EU institutions?</p> <p>4.2. To hire interim staff, do decentralised Agencies use local interim agencies in their host Member States? If so, are there any issues encountered or good practices to share?</p> <p>4.3. Does the use of CAs lead to difficulties in retaining key staff? Does it feed into the 'revolving door' problem flagged by the European Court of Auditors?</p>
4. Salary and remuneration	<p>2.1. How do CA salary and remuneration levels (including any correction coefficient) compare to local income levels in the Agencies' host countries or cities, and to salary levels in respective comparable fields across the EU?</p>

<sup>10</sup> Definitions of the research dimensions are in Annex.

	2.2. Concerning CA contract durations and accrual of pension rights, are there any differences among decentralised Agencies, or between them and executive Agencies or EU institutions?
5. Prospects for advancement	5.1. Concerning CAs' prospects for advancement, are there any differences among decentralised Agencies, or between them and executive Agencies or EU institutions?

### 1.3.2. Methodological framework: a mixed-method approach

Overall, the study follows a mixed-method approach<sup>11</sup> in which quantitative analyses and qualitative analyses are combined to contextualise ongoing practices with Contract Agent employment. Both quantitative and qualitative data were collected and analysed in parallel and used to discuss areas of convergence or divergence in the quantitative and qualitative results.

**Quantitative study.** Publicly available data and personnel data at the Agencies in scope were collected to measure the evolution in CA headcounts from 2012-2021<sup>12</sup>. Descriptive statistics were mainly used to understand the workforce composition and the salary and remuneration of Contract Agents.

**Qualitative study.** Several qualitative data sources were collected and analysed: (1) induction meetings with each sampled Agency, (2) focus groups with each sampled Agency, (3) work programmes of the sampled Agencies, (4) publicly available reports on decentralised Agencies, (5) follow-up clarification meetings. The qualitative data sources were mainly analysed to understand CA recruitment/retention and personnel budgeting.

### 1.3.3. Sample of the Agencies in scope

To ensure a balanced sample of participating decentralised Agencies, parameters related to location, size, remuneration compared to local average income<sup>13</sup>, and compliance with the maximum number of CAs were used to nominate seven EU Agencies for the study<sup>11</sup> (see Table 3). The nominees were then proposed to the European Parliament, which validated them.

Table 3: Sampling of decentralised EU Agencies

Sampled Agency	Geographical dispersion <sup>13</sup>	Size of staff	Correction coefficient	Duration of contract <sup>14</sup>
ECHA	North	Large	117.5%	Fixed period of maximum 3 years. Renewable for a definite period. Any further renewal is for an indefinite duration.
EEA	North	Medium	131.5%	Fixed period of maximum 4 years. Renewable for a definite period. Any further renewal is for an indefinite duration.

<sup>11</sup> Please refer to Annex for detailed methodology approach.

<sup>12</sup> The study was limited by the availability of data across the Agencies before 2012. Several Agencies have recently adopted SYSPER to manage staff data, however the availability of coded information on an employee-level was mostly not possible.

<sup>13</sup> The study leverages the United Nations Geoscheme – Standard M49 and the UNECE Statistical Database, compiled from national and international (OECD, EUROSTAT, CIS) official sources.

<sup>14</sup> This data was retrieved from each Agency's website.

Sampled Agency	Geographical dispersion <sup>13</sup>	Size of staff	Correction coefficient	Duration of contract <sup>14</sup>
EIGE	East	Small	81.6%	Fixed period of maximum 3 years. Renewable for 3 years. Any further renewal is for an indefinite duration.
ENISA	South	Small	83.7%	Fixed period of maximum 4 years. Renewable for 4 years. Any further renewal is for an indefinite duration.
ESMA	West	Medium	118.7%	Fixed period of maximum 5 years. Renewable for a definite period. Any further renewal is for an indefinite duration.
EUROFOUND	North	Small	136.3%	Fixed period of maximum 5 years. Renewable for a definite period. Any further renewal is for an indefinite duration.
EUROPOL	West	Large	110.3%	Fixed period of maximum 4 years. Renewable for 2 years. Any further renewal is for an Indefinite duration.

Source: Each Agency's website, the United Nations Geoscheme – Standard M49 and the UNECE statistical database.

**Box 1: Sample of nominated decentralised EU Agencies****European Chemicals Agency (ECHA)**

The European Chemicals Agency was established on 1 June 2007 by Regulation (EC) No. 1907/2006 to manage and carry out technical, scientific and administrative aspects for the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). It also manages tasks related to the classification and labelling of chemical substances, the export and import of hazardous chemicals, and the use of biocidal products.

**European Environment Agency (EEA)**

The European Environmental Agency was established by Council Regulation (EEC) No. 1210/90 of 7 May 1990 and started operations in 1994 in Denmark. Regulation (EC) No 401/2009 stipulates the current mandate of the Agency: providing sound, independent information on the environment to policymakers and the public.

**European Institute for Gender Equality (EIGE)**

The European Institute for Gender Equality was established in Lithuania by Regulation (EC) No. 1922/2006. The Institute contributes to and strengthens the promotion of gender equality, including gender mainstreaming in all EU and resulting national policies; the fight against discrimination based on sex; and the raising of EU citizens' awareness of gender equality.

**European Union Agency for Cybersecurity (ENISA)**

The European Union Agency for Cybersecurity was established in Greece in 2004, by Regulation (EC) No. 460/2004. The Agency contributes to EU cyber policy to achieve a common level of cybersecurity across Europe.

**European Securities and Market Authority (ESMA)**

ESMA is the EU's financial markets regulator and supervisor, established by Regulation No. (EC) 1095/2010. It began operations in Paris on 1 January 2011. ESMA's mandate focuses on fostering supervisory convergence amongst the national competent authorities of Member States responsible for securities and capital markets supervision.

**European Foundation for the Improvement of Living and Working Conditions (Eurofound)**

Eurofound was established in Ireland in 1975 by Council Regulation (EEC) No. 1365/75 to contribute to the planning and design of better living and working conditions in Europe.

**European Union Agency for Law Enforcement Cooperation (Europol)**

Europol supports the Member States in preventing and combating all forms of serious international and organised crime, cybercrime and terrorism. Europol also works with many non-EU partner states and international organisations. It was established in 1998 and became an official EU Agency on 1 January 2010. The Decision of the Management Board of Europol (4 October 2019) lays down the rules on the procedures governing the engagement and use of contract staff at Europol.

The seven sampled decentralised EU Agencies for this study (Europol, EIGE, ESMA, Eurofound, ENISA, EEA and ECHA) were nominated to ensure a balanced sample, based on the following considerations.



**Geographical dispersion** - representing each EU region: North, South, West and East

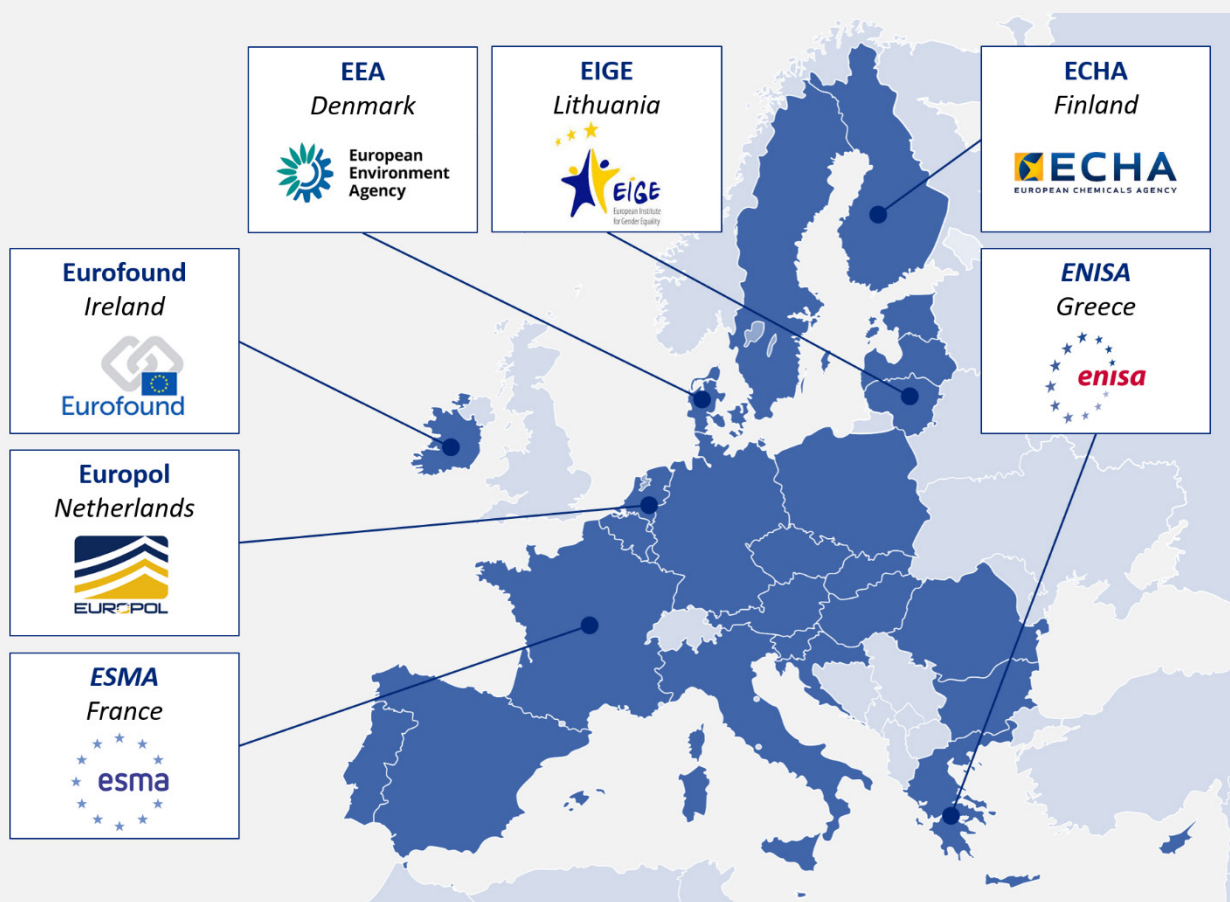


**Staff size** - representing different sizes: low (<150 active staff members), medium (approx. 150-500), and high (>500)

**Correction coefficient** - representing different ranges: low (<85%), medium (85-115%), and high (>115%)



**Contract duration** - reflecting the variation offered to CAs, factoring in both the initial contract duration and first renewal



## 1.4. Structure of this report

This report presents the study findings in the following way:

- **Chapter 2** is divided into five sections:
  1. **Workforce composition:** Overview of the evolution of CA numbers across all Agencies and other EU Institutions, as well as in the decentralised Agencies in scope. Conclusions are presented at the end of the section.
  2. **Personnel budgeting:** Identified challenges, trends and practices within the Agencies in scope related to personnel budgeting, with a zoom-in on Contract Agents. Conclusions are presented at the end of the section.
  3. **Recruitment and retention:** Identified challenges, trends, and best practices within the decentralised Agencies in scope of this study, related to contract duration, recruitment processes, interim agency use, and retention of Contract Agents. Conclusions are presented at the end of the section.
  4. **Salary and remuneration:** Summary of the main findings from the analysis conducted on Contract Agent salaries. It compared CA salaries at decentralised EU Agencies to salary levels commonly offered within the host Member States, as well as to salaries of comparable jobs across Europe. Conclusions are presented at the end of the section.
  5. **Prospects for the advancement of Contract Agents:** Key insights from the analysis of the Staff Regulation and the review of applicable policies and practices for managing CA careers within the Agencies in scope. Conclusions are presented at the end of the section.
- **Chapter 3** presents the conclusions aggregated according to the information gathered and analysed for the seven Agencies in scope with regards to the research questions. In addition, considerations are presented for potential CA management enhancements, as well as future research.
- The **Annexes** include details of the study methodology.

## 2. ANALYSIS OF BEST PRACTICES, TRENDS AND CHALLENGES IN THE MANAGEMENT OF CONTRACT AGENTS IN DECENTRALISED EU AGENCIES

This chapter discusses CA management practices, trends and challenges identified in the Agencies in scope. Following the employee lifecycle, the chapter starts with identifying, defining and budgeting for hiring needs. It continues with recruiting the most suitable talent, talent pool retention, and providing appropriate rewards. It concludes with looking ahead to prospects for advancement. More specifically, in five sections this chapter discuss the following.

- **Workforce composition:** Evolution in workforce composition across the different EU Institutions and Agencies, by Agency cluster and by function group, with key insights on workforce composition in the Agencies in scope
- **Personnel budgeting:** Challenges, trends and best practices across the Agencies in scope in personnel budgeting, with key insights on personnel budgeting
- **Recruitment and retention:** Contract duration of Contract Agents, as well as recruitment and retention challenges, trends and best practices across the Agencies in scope, with key insights on recruitment and retention.
- **Salary:** CA salary levels at decentralised EU Agencies compared to salaries commonly offered within host Member States, and to those of comparable jobs within relevant sectors across Europe
- **Prospects for advancement:** Key insights from the analysis of the Staff Regulation and the review of applicable policies and practices for CA career management within the Agencies in scope

**Conclusions are presented at the end of each section.**

### 2.1. Workforce composition

**This chapter presents the research findings on the workforce composition of CAs from 2012 to 2021. First, the evolution in the number of CAs across EU Institutions and Agencies is presented. This includes an analysis of changes in the proportion of CAs to total workforce of the institutions and Agencies. It also includes an analysis of how the number of CAs evolved in absolute numbers across different function groups and clusters of decentralised Agencies. Finally, an overview is provided on the evolution of the number of CAs within the Agencies in scope.**

Workforce composition refers to the various elements that comprise an organisation's staff population. In this study, CAs are considered to be one segment of the decentralised EU Agencies' workforce.

#### 2.1.1. Evolution of the number of Contract Agents

This section compares the evolution of both the absolute numbers and the proportion of CAs compared to the total workforce across EU institutions and Agencies, as well as the evolution of CA numbers across all decentralised EU Agencies by Agency cluster and function group. Each of these evolutions is discussed separately below.

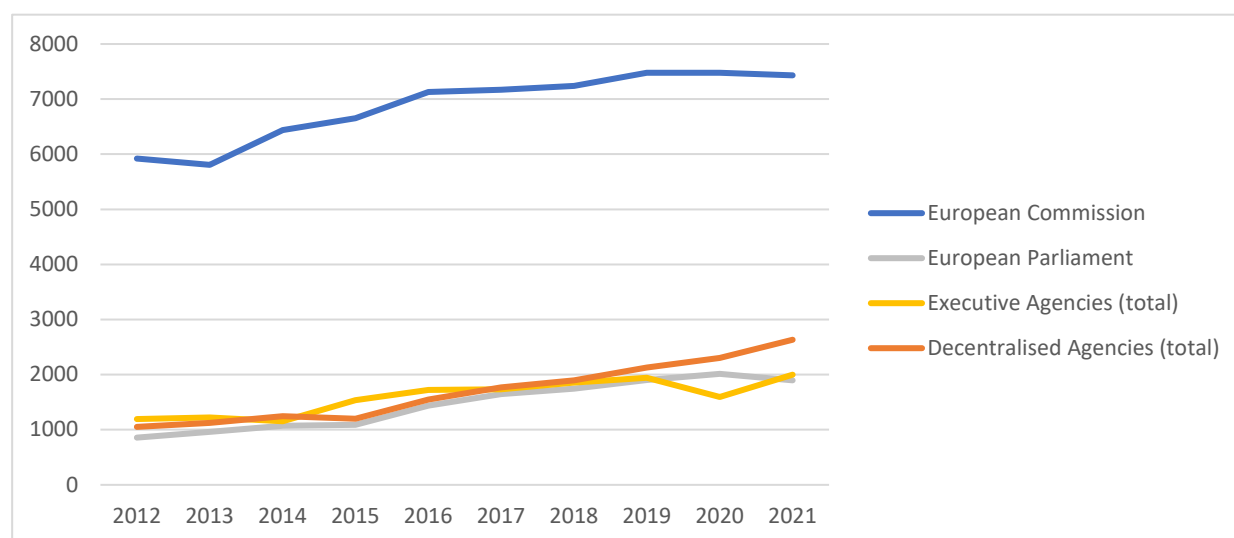


This study investigates the number of CAs between 2012 and 2021. It utilises publicly available data, as well as data obtained through requests to nominated Agencies for more nuanced and granular analyses. One important finding is variance in the number of CAs recorded: discrepancies in the data provided by the Agencies and the reports from the European Commission ranged from -8% to +40%. Further investigation revealed that these differences could be attributed to variations in reference dates and differing methods of data collection among the various sources. For instance, while most Agencies reported the number of CAs at the beginning of each year, the European Commission reported data on the number of CAs at the end of each year. In addition, some Agencies reported the total number of CAs employed throughout the year for a particular post, whereas publicly available data reflected the number of CAs occupying a given post at a specific point in time. In order to arrive at a consistent comparison across EU institutions and Agencies, clusters and Function Groups, the information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III). The information from the EC reports on the CAs contributed to the workforce data for the European Parliament and the European Commission.

#### a. Increasing number of CAs across the institutions and Agencies

Focusing on the evolution of absolute numbers (Figure 2), the European Commission had the most CAs every year between 2012 and 2021, ranging from 5,921 in 2012 to 7,433 in 2021 (+25% during that period). The European Parliament employed a total number of CAs ranging from 857 in 2012 to 1,899 in 2019 (+121%). The number of CAs in the Executive Agencies increased steadily over the years, starting from 1,191 in 2012 and reaching 1,999 in 2021 (+68%). The number of CAs in decentralised Agencies also showed an increasing trend, starting from 1,052 in 2012 and reaching 2,633 in 2021 (+150%). Overall, the data shows that the absolute number of CAs employed by EU Institutions and Agencies has generally increased over the years.

Figure 2: Evolution of absolute number CAs across the Institutions and Agencies

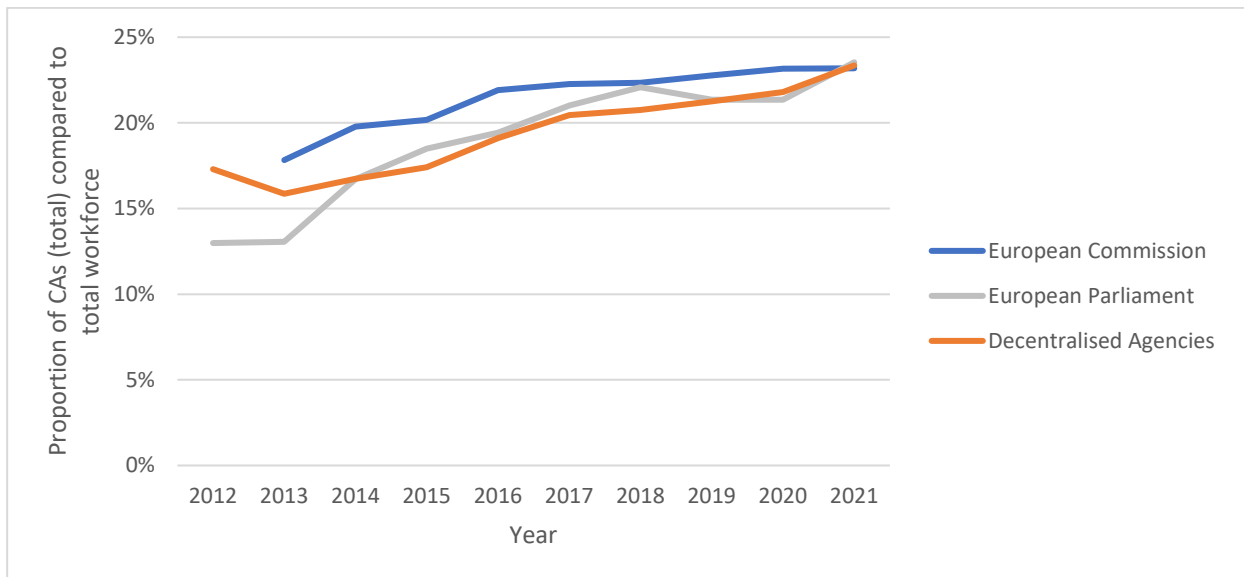


Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III). The information from the EC reports on the CAs contributed to the workforce data for the European Parliament and the European Commission.

The analysis in Figure 3 focuses on the evolution of the proportion of CAs within the total workforce of European Institutions and decentralised Agencies. The European Commission's workforce comprised between 20.18% and 23.18% of CAs, while the European Parliament ranged from 12.98% to 23.53% and the decentralised Agencies between 15.86% and 23.35%. Overall, there is an increasing trend in the proportion of CAs within the decentralised Agencies and Institutions.

Furthermore, the European Parliament exhibits a steeper trend compared to the decentralised Agencies and European Commission. It is worth noting that the Executive Agencies, which perform operational and executive tasks related to EU programmes, typically have a much higher proportion of CAs in their workforce, accounting for around 75% of the total<sup>15</sup>. Importantly, in the timeframe evaluated (2012-2021), three new decentralised Agencies were set up: eu-LISA in 2011, SRB in 2014, and ELA in 2019.

Figure 3: Evolution of proportion of CAs (total) compared to total workforce across the Institutions and Agencies



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III). The information from the EC reports on the CAs contributed to the workforce data for the European Parliament and the European Commission.

<sup>15</sup> European Commission (2023), Draft General Budget of the European Union Working Document Part III.

### Box 2: Are Contract Agents part of the Agency structural workforce?

The research into the practices of the Agencies in scope has shown two trends in the management of Contract Agents. On one hand, some decentralised EU Agencies use CAs to complement their workforce within a staff category that carries out specific projects or addresses temporary workload increases. On the other hand, the majority of the Agencies in scope consider this staff category as an integral part of the workforce.

**Contract Agents complement the workforce short- or medium term.** For instance, Eurofound conducts a diligent evaluation to determine whether a task is temporary or time-bound, and therefore more suitable for a Contract Agent. Similarly, Eurofound exercises caution in deciding whether to renew CA contracts for an indefinite period (second contract renewal), underscoring that the nature of the task is key when recruiting/offering extensions. Another example of this approach is EIGE, which employs CAs on a one-year contract to address absences and ensure business continuity (please refer to section 2.3 for the specific case of EIGE and interim workforce).

**Contract Agents augment the workforce and are essential to execute the mandate.** While Contract Agents are contractually classified as a distinct staff category and are managed according to EU Staff Regulations, this study shows that they often contribute to the Agency's core operations and are considered an integral part of the Agency. For example, most of the secretaries at Europol are CAs. Consequently, in daily work there is often little distinction between the tasks performed by Contract Agents and Temporary Agents. The similarity in tasks and scope of work is mostly true for CAs FG IV and TAs AD5-6. Employing CAs as an integral part of the workforce helps Agencies address the exhaustion of options for efficiency gains while accommodating the increased scope of responsibilities with fewer posts. The apparent discrepancy in contract types for similar tasks has important implications for the overall work experience of Contract Agents. (Section 2.5 'Prospects for advancement of Contract Agents' provides more details on this.)

In summary, the studied decentralised EU Agencies typically view Contract Agents as a structural part of their workforce. However, because CAs are employed on a fixed-term basis, this approach presents certain challenges for recruitment, retention and overall management. These are detailed further in the subsequent sections.

### b. Increasing number of CAs compared to the total workforce across all Agency clusters

This study clustered decentralised EU Agencies according to the clustering of the EU Agency Network<sup>16</sup>, i.e. according to the themes the Agencies cover in citizens' lives. Table 4 provides an overview of the different clusters and associated Agencies, numbers related to the total workforce in 2021 as well as the total number of CAs in all Agencies within the clusters. Figure 4 shows the evolution of the number of CAs compared to the total workforce per Agency cluster. In line with the evolution of the number of CAs across all decentralised Agencies, the number of CAs has increased across all Agency clusters from 2012 to 2021.

Between 2012 and 2016, the cluster 'Fostering citizen's wellbeing' had the largest proportion of CAs compared to the total workforce, overall ranging from 19.29% to 24.85%. In 2017, cluster 'Supporting EU business and innovation' had the highest proportion among the clusters. At the same time, year 2017 marked the highest percentage of CAs for this cluster, which afterwards decreased year on year.

<sup>16</sup> EU Agency Network, *Agencies' contribution according to themes covering different aspects of citizens every lives*. <https://euagencies.eu/>. (accessed on March 5<sup>th</sup> 2023).

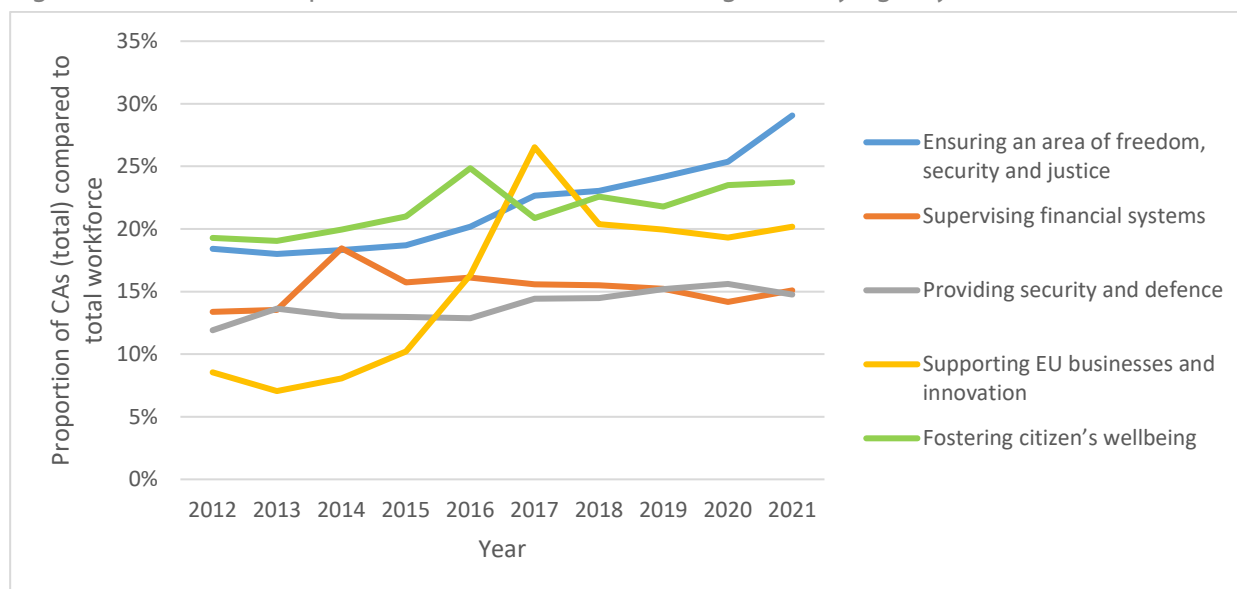
As of 2018, the cluster 'Ensuring an area of freedom, security and justice' had the largest proportion of CAs compared to the workforce, overall ranging from 23.04% (2018) to 29.07% (2021). This cluster also shows a stable increasing trend, which is unique as compared to other clusters. Cluster 'Providing security and defence' shows a relatively stable evolution in the proportion of CAs, ranging from 11.91% to 15.61%. 'Supervising financial systems' also shows a relatively stable trend compared to other clusters, except for 2014, which marked a 5% increase as compared to the previous year.

Table 4: Agency clusters

Name Agency cluster	Clustered decentralised Agencies as per EUAN	Total workforce in 2021	Total number of Contract Agents in 2021
Ensuring an area of freedom, security and justice	CEPOL, EASO, EIGE, EMCDDA, eu-LISA, EUROJUST, EUROPOL, FRA, FRONTEX	3,757	1,092
Supervising financial systems	EBA, EIOPA, ESMA, SRB	1,106	167
Providing security and defence	EASA <sup>17</sup> , EUSPA <sup>18</sup>	995	147
Supporting EU businesses and innovation	ACER, BEREC, CPVO <sup>19</sup> , ENISA, ERA, EUIPO <b>Error! Bookmark not defined.</b>	1,645	332
Fostering citizen's wellbeing	CDT, CEDEFOP, ECDC, ECHA, EEA, EFCA, EFSA, ELA, EMA, EMSA, EPPO, ETF, EU-OSHA, EUROFOUND	3,657	868

Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III). The Agency clusters were retrieved from the EU Agency Network.

Figure 4: Workforce composition across all decentralised Agencies by Agency clusters



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

<sup>17</sup> EASA is clustered by EUAN under 'Fostering citizen's wellbeing' and 'Providing security and defence'. For the purpose of this report and factoring in EASA's core activities, this report clustered the Agency as mentioned above.

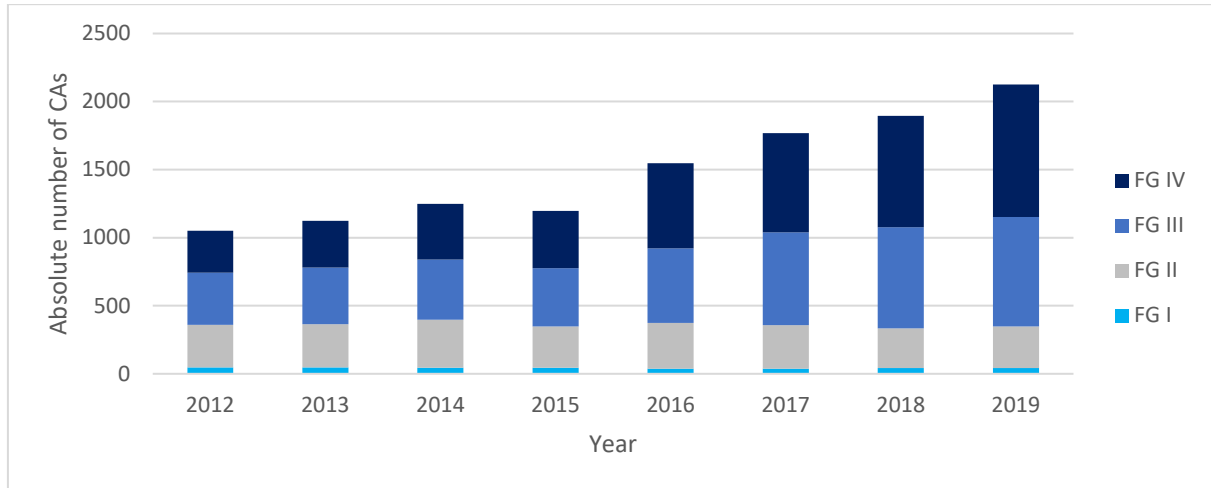
<sup>18</sup> EUSPA is clustered by EUAN under 'Fostering citizen's wellbeing' and 'Providing security and defence'. For the purpose of this report and factoring in EUSPA's core activities, this report clustered the Agency as mentioned above.

<sup>19</sup> The data for the indicated decentralised Agencies was not retrieved for 2012 due to data availability reasons.

### c. Increasing number of CAs FG IV across all decentralised Agencies

The number of CAs across all decentralised Agencies by function group (FG) was retrieved from 2012 to 2019. In 2012, FG III had the highest percentage of CAs (36%), followed by FG II (30%), FG IV (29%), and FG I (4%). Over the years, each FG has evolved differently. The data shows that decentralised Agencies employed very few CAs FG I over the years (2-6%) compared to other FGs. Moreover, the data indicates that FG III had a relatively stable trend in the number of CAs over the years. FG IV shows an increasing trend, reaching the highest percentage of CAs (46%) across the FGs in 2019. FG II shows a declining trend, accounting for 32% of all CAs in 2011 and reaching a minimum of 14% in 2019.

Figure 5: Number of CAs across all decentralised Agencies by FG

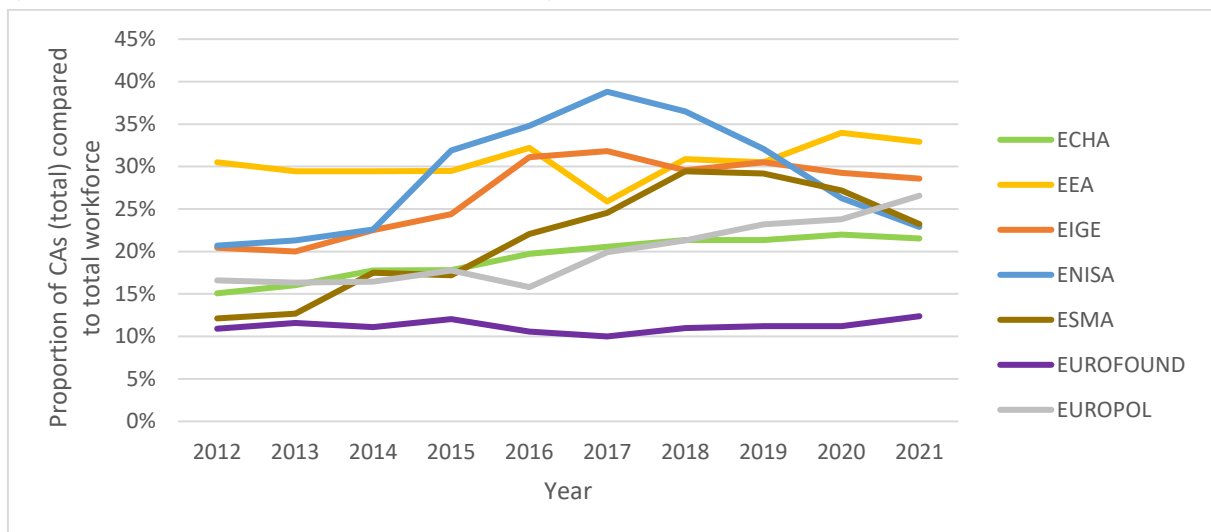


Source: The information on posts filled within the Agencies was collected from the annual report of the European Commission on the use of contract staff.

#### 2.1.2. Case studies on workforce composition in the Agencies in scope

Starting with the study findings on the evolution of the number of Contract Agents across all decentralised EU Agencies and Institutions (section 2.1.1), this section delves deeper into this evolution within the Agencies in scope. To this end, this section first compares CA number evolution across all decentralised EU Agencies and Institutions to that of the Agencies in scope. Subsequently, the number of CAs is discussed for each Agency.

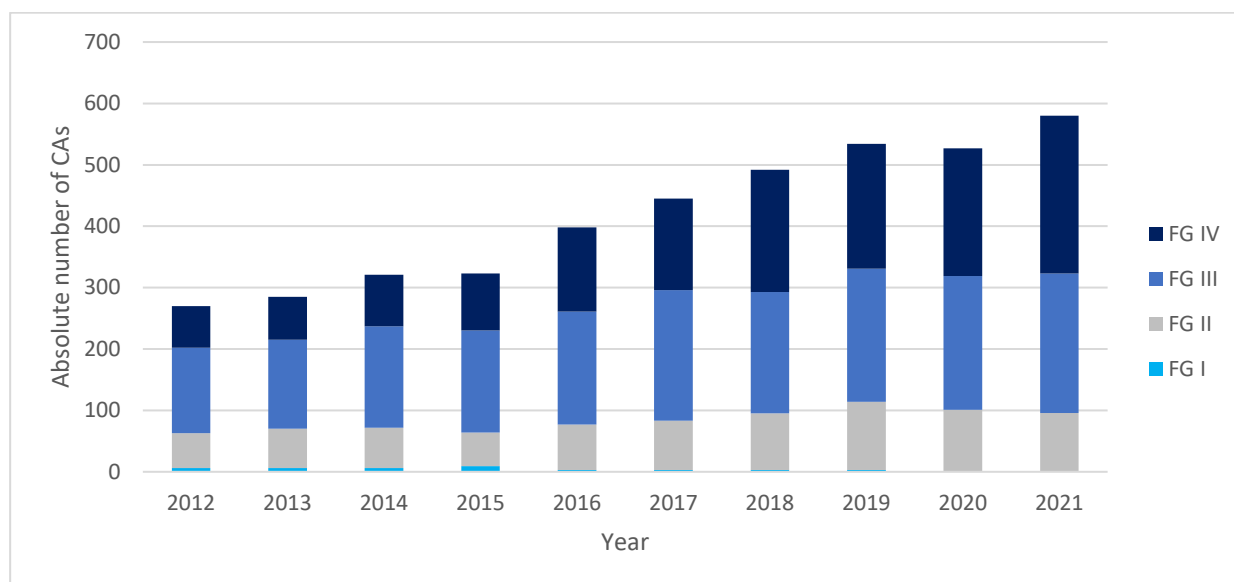
Figure 6: Workforce composition across the Agencies in scope



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

The evolution of CA proportion compared to the Agency's total workforce across all decentralised Agencies is reflected in the Agencies in scope. That is, this study found an increasing trend across all decentralised Agencies in scope in the proportion of CAs compared to the total workforce of the Agency. For some Agencies the increase in the proportion of CAs compared to the total workforce from 2012 to 2021 was larger than others. For example, Eurofound's workforce grew from 10.91% CAs in 2012 to 12.38% in 2021 while Europol's workforce grew from 16.58% to 26.57% in 2021. The evolution of the proportion of CAs compared to the total workforce of each Agency in scope is discussed below.

Figure 7: Number of CAs across all the decentralised Agencies in scope by FG



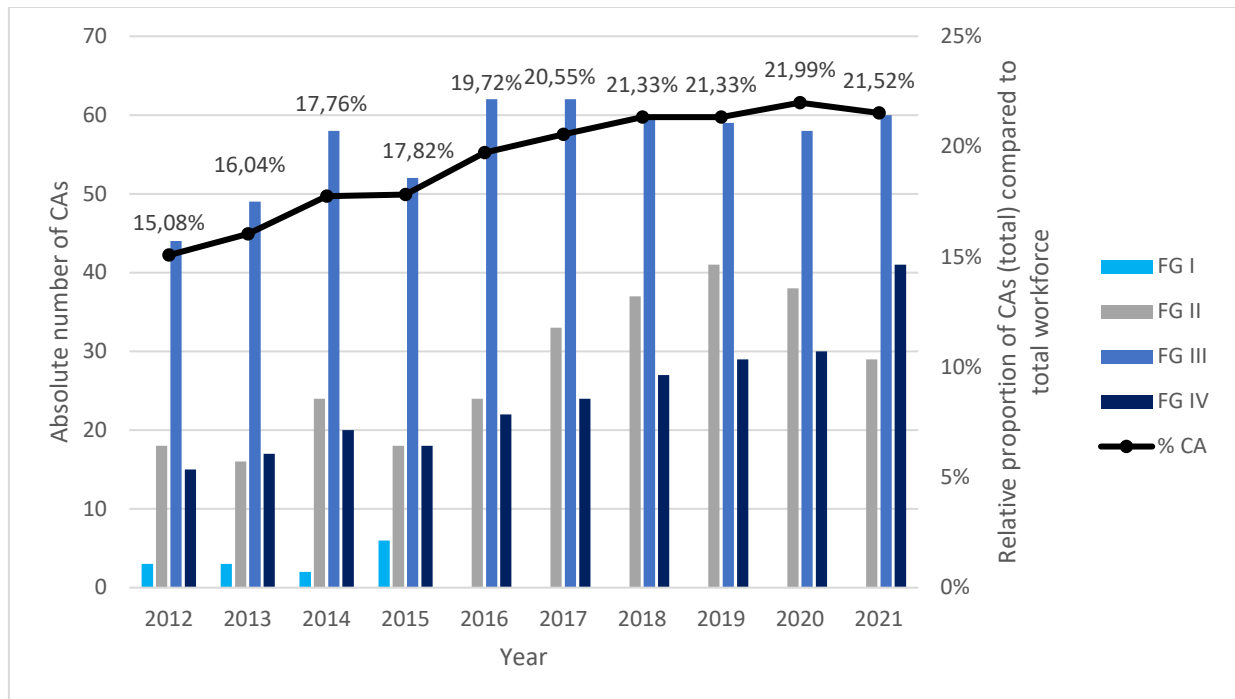
Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

The study findings on workforce composition by FG across all decentralised Agencies are reflected in the overall group of Agencies in scope. More specifically, throughout the years the Agencies in scope employed CA FGI sparsely (between 1-3% of the CA population) compared to the other FGs. FG II accounted for 19% to 32% of the CA population. The FG III proportion shows a declining trend and ranges between 46% and 58%, while FG IV shows an increasing trend and ranges between 19% and 32%. Overall, the decentralised Agencies in scope employ FG III the most.

### a. ECHA

Between 2012 and 2021 ECHA employed 80 to 130 CAs. During this period, the data shows that CAs represented from 15.08% to 21.99% of the total workforce. Overall, the absolute number and proportion of CAs compared to the total workforce show a rising trend between 2012 and 2021.

Figure 8: ECHA: Absolute numbers of CAs in function groups and proportion of CAs (total) compared to total workforce



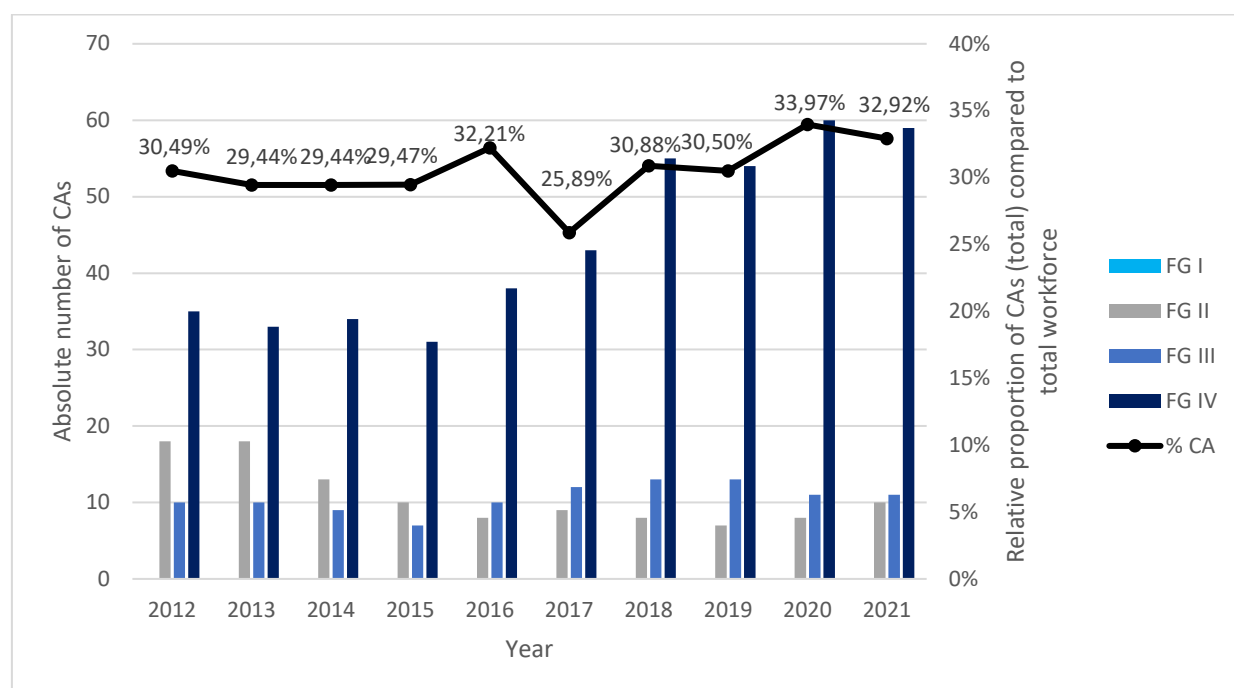
Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

Focusing on the function groups within the CA population, the data indicates that ECHA primarily engaged CAs FG III from 2012 to 2021, with an average annual proportion of 52% of ECHA's CA population. By way of comparison, the corresponding figure for FG I stands at 1%, and for FG II and FG IV, at 25% and 22% respectively. It is noteworthy to point out that the proportion of CAs in FG III compared to the overall CA population shows a decreasing trend, while the proportion of CAs in FG I and FG IV shows an increasing trend. Moreover, it is noteworthy that ECHA did not engage any CAs in FG I since 2016.

## b. EEA

Between 2012 and 2021, EEA employed 48 to 80 CAs. During this period, the data shows that CAs represented from 25.89% to 33.97% of the total workforce. Overall, the absolute number and proportion of CAs compared to the total workforce show a rising trend between 2012 and 2021.

Figure 9: EEA: Absolute numbers of CAs in function groups and proportion of CAs (total) compared to total workforce



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

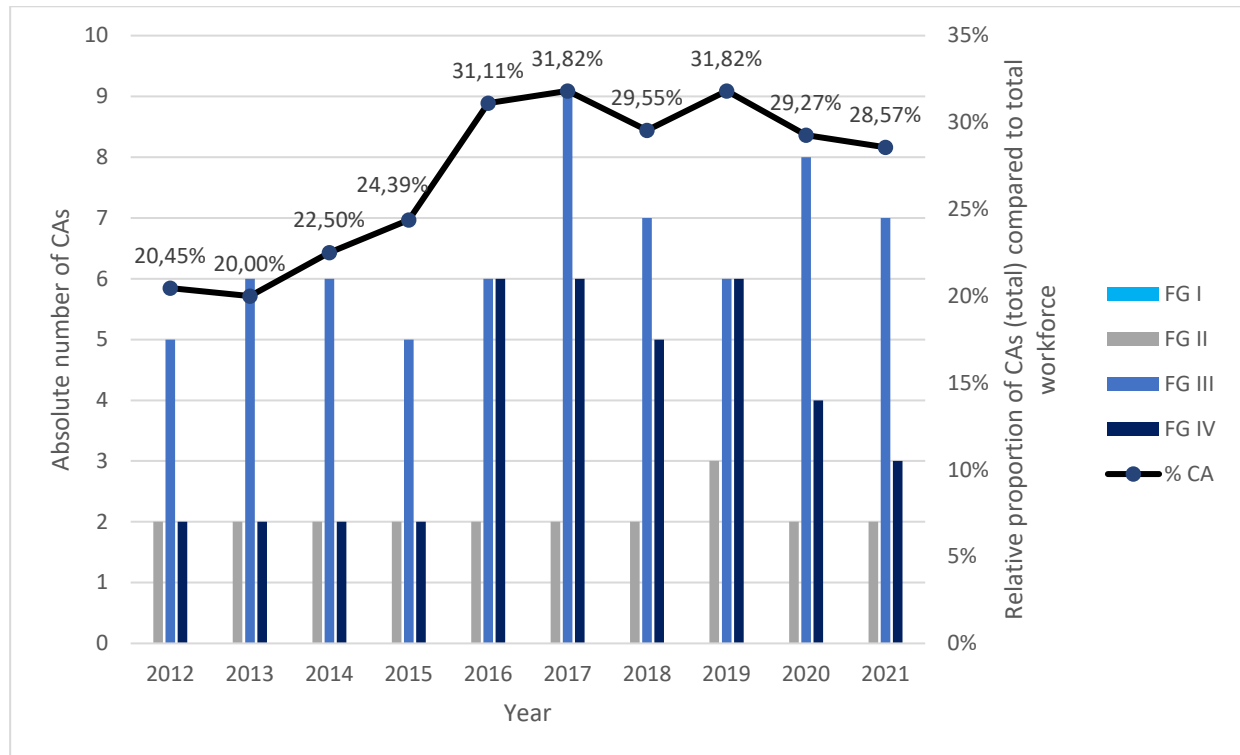
Focusing on the function groups within the CA population, the data indicates that EEA primarily engaged CAs FG IV between 2012 and 2021, with an average annual proportion of 67%. By way of comparison, the corresponding figures for FG II and FG III are 17% and 16% respectively. EEA did not employ any CAs in FG I between 2012 and 2021. The data shows a rising trend of the proportion of CAs in FG III and GF IV compared to the CA population, with an average yearly increase of +8% and +7%. In contrast, the data shows a declining trend in EEA's engagement of FG II, with an average yearly decrease of -4%. Moreover, it is noteworthy that EEA did not engage any CAs in FG I between 2012 and 2021.



### c. EIGE

Between 2012 and 2021 EIGE employed 9 to 17 CAs. During this period, the data shows that CAs represented from 20.00% to 31.82% of the total workforce. Overall, the absolute number and proportion of CAs compared to the total workforce show a rising trend between 2012 and 2021.

Figure 10: EIGE: Absolute numbers of CAs in function groups and proportion of CAs (total) compared to total workforce



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

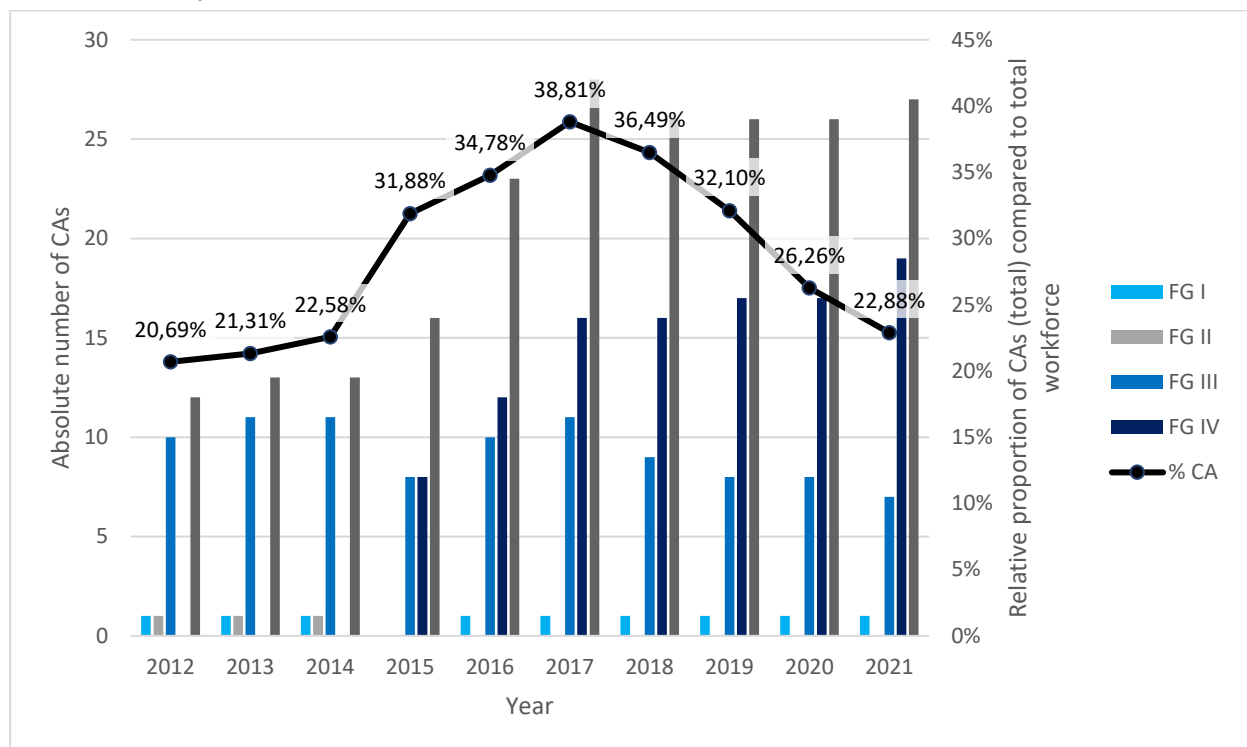
Focusing on the function groups within the CA population, the data indicates that EIGE primarily engaged CA FG III between 2012 and 2021, with an average annual proportion of 53%. By way of comparison, the corresponding figures for FG II and FG IV are 18% and 29% respectively. EIGE did not employ any CAs in FG I between 2012 and 2021.

The data shows a relatively stable engagement of CA FG II: two CAs FG II were employed yearly, except in 2019 when EIGE employed three CAs FG II. A similar evolution is apparent for FG IV between 2012 and 2015: EIGE constantly employed two CAs FG IV. Nevertheless, since 2016, EIGE employed 3-6 CAs FG IV. For all employed function groups the data shows an increasing trend: an average yearly increase of +3% for FG II, +11% for FG III, and +13% for FG IV.

#### d. ENISA

Between 2012 and 2021 ENISA employed 12-28 CAs. During this period, the data shows that CAs represented from 20.69% to 38.81% of the total workforce. Overall, the absolute number and proportion of CAs compared to the total workforce show a rising trend between 2012 and 2021.

Figure 11: ENISA: Absolute numbers of CAs in function groups and proportion of CAs (total) compared to total workforce



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

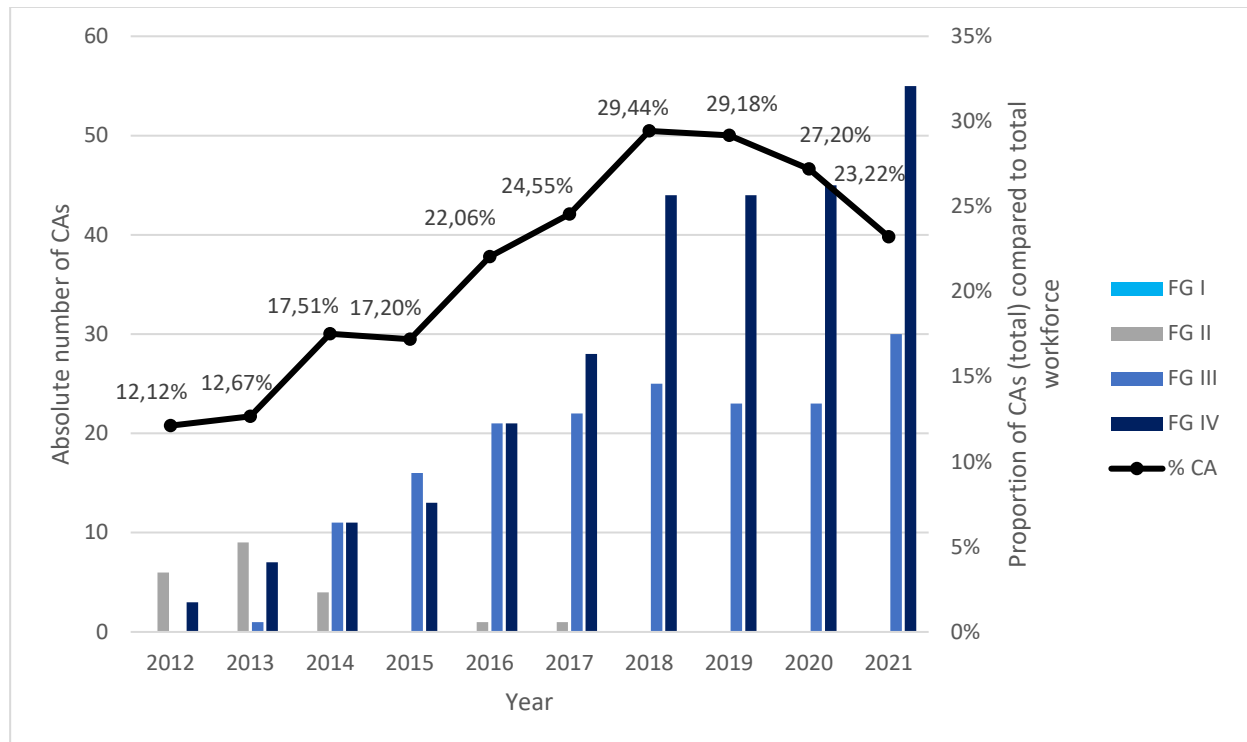
Focusing on the function groups within the CA population, the data indicates that ENISA primarily engaged CA FG III between 2012 and 2021, with an average annual proportion of 51%. By way of comparison, the corresponding figures for FG I, FG II and FG IV are 5%, 2% and 42% respectively.

It is worth mentioning the ENISA did not engage CAs FG IV between 2012 and 2014. This changes as of 2015: CAs FG III and FG IV are employed in equal portions. FG IV increases as of 2015 in a relatively stable manner (between +50% and +70%), making it the most numerous function group across the CA population in 2021. Regarding the evolution of FG I, the data indicates ENISA employed one staff member between 2012 and 2021, except for 2015 when this figure dropped to zero. Similarly, regarding the evolution of FG II, the data indicates ENISA employed one staff member between 2012 and 2014, decreasing to zero in 2015 and remaining stable in subsequent years.

### e. ESMA

Between 2012 and 2021 ESMA employed 9-85 CAs. During this period, the data shows that CAs represented from 12.12% to 29.44% of the total workforce. Overall, the absolute number and proportion of CAs compared to the total workforce show a rising trend between 2012 and 2021.

Figure 12: ESMA: Absolute numbers of CAs in function groups and proportion of CAs (total) compared to total workforce



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

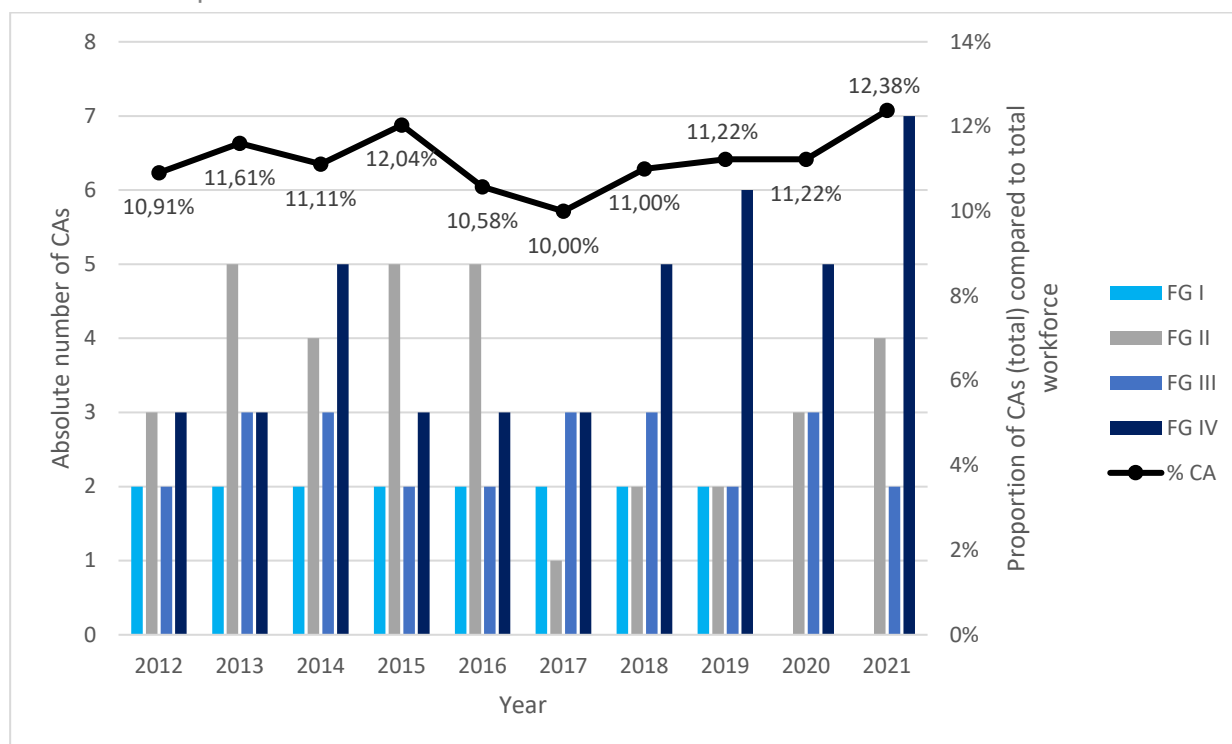
Focusing on the function groups within the CA population, the data indicates that ESMA primarily engaged CA FGIV between 2012 and 2021, with an average annual proportion of 50%. By way of comparison, the corresponding figures for FG II and FG III are 20% and 30% respectively. ESA did not engage any CA FG I between 2011 and 2021.

It is worth mentioning that ESMA started to employ FG III in 2013 and continued until 2018. In 2019 the number decreased. Regarding the evolution of FG II, it was the largest portion of the function groups between 2011 and 2013, after which its proportion decreased yearly. The number of CAs in FG II declines from 2013 gradually to zero in 2018 and remained stable. Regarding the evolution of FG IV, this function group increased in numbers between 2011 and 2021, becoming the largest group of the CA population in 2021.

## f. Eurofound

Between 2012 and 2021 Eurofound employed 9 to 14 CAs. During this period, the data shows that CAs represented from 10.00% to 12.38% of the total workforce. Overall, the absolute number and proportion of CAs compared to the total workforce shows a rising trend between 2012 and 2021.

Figure 13: Eurofound: Absolute numbers of CAs in functions groups and proportion of CAs (total) compared to total workforce



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

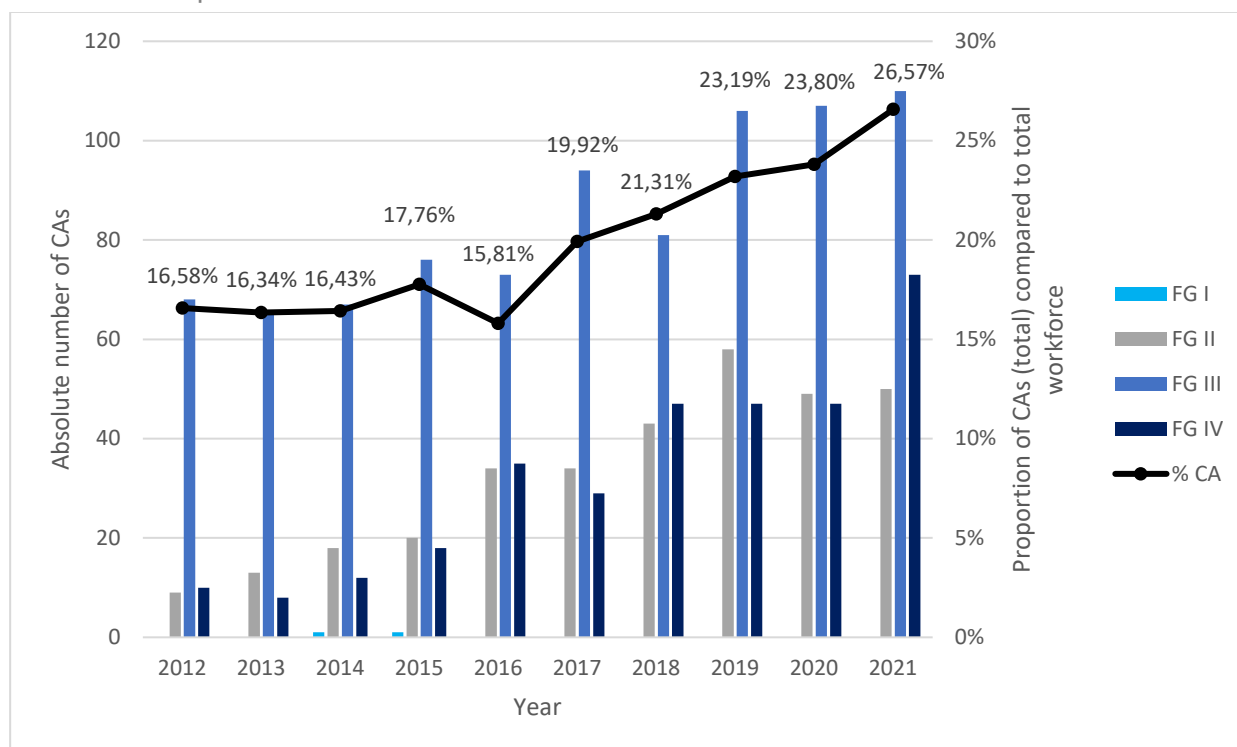
Focusing on the function groups within the CA population, the data indicates that Eurofound primarily engaged CA FG IV between 2012 and 2021, with an average annual proportion of 36%. By way of comparison, the corresponding figures for FG I, FG II and FG III are 14%, 28% and 22% respectively.

It is noteworthy that Eurofound engaged an almost stable number of CA FG I between 2012 and 2019. As on 2020, no CAs FGI were employed at the Agency Furthermore, it is worth noting that FG II and FG IV represented the highest annual proportions in most years between 2012 and 2016 (with the exception of 2014).

### g. Europol

Between 2012 and 2021 Europol employed 86 to 233 CAs. During this period, the data shows that CAs represented from 15.81% to 26.57% of the total workforce. Overall, the absolute number and proportion of CAs compared to the total workforce show a rising trend between 2012 and 2021.

Figure 14: Europol: Absolute numbers of CAs in function groups and proportion of CAs (total) compared to total workforce



Source: The information on posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III).

Focusing on the function groups within the CA population, the data indicates that Europol primarily engaged CA FG III between 2012 and 2019, with an average annual proportion of 60%. By way of comparison, the corresponding figures for FG I, FG II and FG IV are 1%, 20% and 19% respectively.

It is noteworthy that FG III represented the highest annual proportion in all years between 2012 and 2021. Furthermore, the data shows a declining trend in Europol's engagement with CA FG I in absolute numbers, while a rising trend is evident in Europol's engagement with CA FG II, FG III and FG IV.

#### 2.1.3. Conclusions

**The proportion of Contract Agents in the total workforce has been increasing over the last decade across decentralised Agencies.** Similarly, the CA numbers have been increasing in other Institutions, as well as Executive Agencies, reaching 23.18% in the European Commission, 23.53% in the European Parliament and 23.35% across all decentralised Agencies in 2021. Agencies belonging to the 'Supervising financial systems' and 'Providing security and defence' clusters have the lowest proportion of CAs in the workforce overall. 'Fostering citizens wellbeing' and 'Ensuring an area of freedom, security and justice' clusters have noted the highest proportion of CAs in the workforce overall, with the latter doubling the absolute number of CAs between 2017 and 2021. The study findings across all decentralised Agencies are reflected in the Agencies in scope of this study: the

proportion of CAs compared to the total workforce increased in the last decade, reaching between 12.38% and 32.92% in 2021.

**Over time, function groups III and IV have become the most common types of Contract Agents across all decentralised Agencies.** While in 2012, function groups III and IV represented 36% and 29% of total CA numbers respectively, the number of staff in category IV increased to 46% in 2019, making it the most prevalent category across the Agencies. This indicates that the Agencies employ function groups III and IV to cover the core tasks within the mandate, likely trying to address staff reduction within the establishment plans. Function group I has remained the minority of the total CA population across the Agencies, and FG II staff levels decreased from 32% in 2012 to 14% in 2019. The Agencies seem to employ FG II to cover posts in the supporting and secretarial roles, which corresponds to the stipulations of the Staff Regulation.

**Contract Agents mostly seem to be considered part of the structural workforce, despite constituting a separate staff category.** For a majority of the organisations, the role of Contract Agents within the decentralised Agencies has evolved during the last decade. CAs are becoming part of the structural workforce: executing core tasks; joining teams; taking part in processes; and accessing the same learning and development offerings, performance management cycles, etc. Only one out of the seven Agencies in scope is trying to return to the original intent of the contract staff category: employing CAs for specific, time-bound assignments or projects. Nevertheless, the Staff Regulation clearly stipulates the differences between CAs and staff employed within the establishment plans (permanent staff or temporary agents). Furthermore, the CA population can in principle be divided into two key sub-categories: (1) staff in administrative, supportive, corporate-service roles (mostly FGII and III), and (2) project management, specialist or expert roles (mostly FG IV).

## 2.2. Personnel budgeting

**This section addresses the identified challenges, trends and practices within the Agencies in scope related to personnel budgeting, with a zoom-in on Contract Agents.**

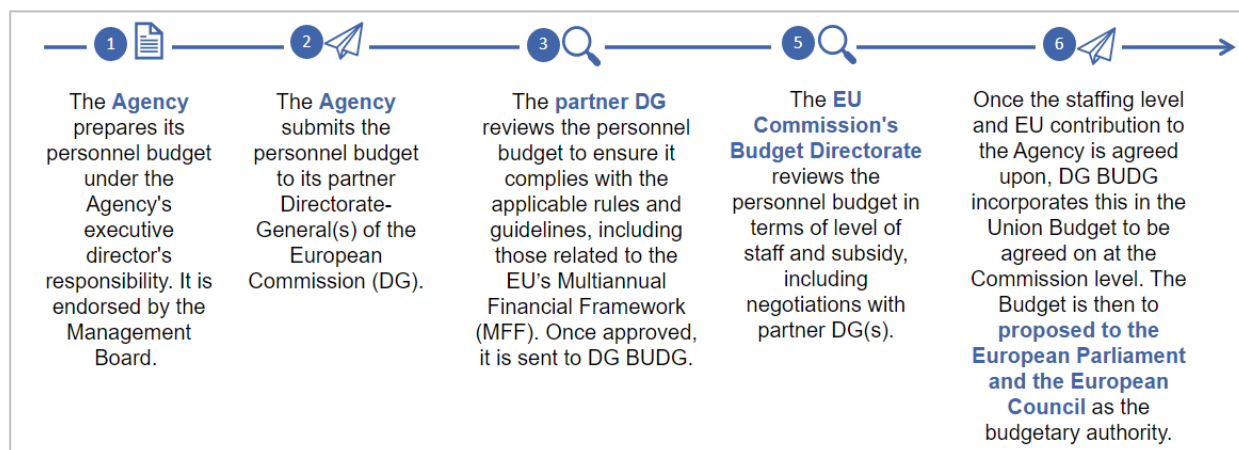
In line with the European Commission's Financial Regulation<sup>20</sup>, each year **by 31 January** the decentralised **EU Agencies submit a Single Programming Document (SPD)** to the European Commission, the European Parliament and the Council. **This is a strategic planning document that sets out the Agency's objectives, activities and expected results. It also outlines the financial resources required to achieve these objectives, including the Agency's establishment plan posts (officials and temporary staff) and the staff funded by the operational budget (Contract Agents, amongst others).**<sup>21</sup> The SPD combines a three-year rolling plan with an annual work programme. It is prepared under the Executive Director's responsibility and approved by the Agency's Management Board. The annual planning cycle leading to the adoption of the SPD is generally extensive: the first version is drafted 18 months before the planning period.

The process for Agencies to submit their budget proposal to the European Commission may vary depending on the specific Agency and its role within the EU. The steps in Figure 15 are generally involved. This chapter presents the identified challenges, trends and best practices identified within the Agencies in scope related to Contract Agent personnel.

<sup>20</sup> European Commission (2018), Financial Regulation Applicable to the General Budget of the Union.

<sup>21</sup> Official Journal of the European Union (2019), On the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/ 1046 of the European Parliament and of the Council.

Figure 15: Annual personnel budget procedure for decentralised Agencies



Source: Official Journal of the European Union (2019), On the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/ 1046 of the European Parliament and of the Council.

It is important to note that **Contract Agents are not part of the Agency establishment plan** (which covers permanent and temporary posts), but are included in the estimated number of authorised CA positions in the annual Draft Budget documentation. The CA number is discussed and reviewed as described in the process above, which links potential staff increases to expanding tasks.

The Draft Budget Working Document Part III states: 'The Commission opinion on the single programming documents looks amongst others at the conformity of general staff policy with the Staff Regulations (including implementing rules), the Commission policy and the Commission guidelines, conformity with the multi-annual financial programming, justification of any additional posts on the basis of new tasks assigned by the legislative authority, workload indicators and past implementation, recruitment at basic grades and promotion rates.'<sup>22</sup>

It has been highlighted that in the view of potentially expanding administrative costs related to staff, including pension costs, there is a need to monitor the number of staff and corresponding costs. Eurostat conducted two studies (in 2010 and 2016<sup>23</sup>) on the long-term budgetary implications of pension costs following the 2004 and 2014 reforms of the Staff Regulations of Officials and Conditions of Employment of other Servants of the European Union.

For the purpose of this study, it is important to note that the 2004 reform, which amongst other things introduced the category of Contract Agents<sup>24</sup>, has decreased expected pension costs for the period 2010-2059: '(...) *total pension expenditure in 2059, which is now projected to increase by 83% as compared to 2010, would instead have increased by 168% without the reform of 2004.*' Alongside this, the 2016 Eurostat report presents the impact of the 2014 reform and further long-term savings to the pension costs, achieved by measures such as staff reduction, raising the pensionable age, and further reducing the yearly pension accrual rate.

<sup>22</sup> European Commission (2023), Draft General Budget of the European Union Working Document Part III.

<sup>23</sup> European Commission (2016), Eurostat study on the long-term budgetary implications of pension costs.

<sup>24</sup> The 2004 reform of the Staff Regulations of Officials and Conditions of Employment of other Servants of the European Union introduced measures aimed to reduce pension costs, including the reduction in the pension accrual rate from 2% of final salary per year of service to 1.9% and the increase of the pensionable age from 60 to 63 and replacement of officials with contract staff.

The information presented above is important to understand the personnel budgeting process, because the argument for highly scrutinising additional posts in light of potential long-term pension impacts has been brought forward by the Agencies in scope, as well as by DG BUDG during the consultation rounds within this study.

### 2.2.1. Overview of findings on personnel budgeting across the Agencies in scope of the study

The figure below provides an overview of the trends and points of attention identified during the research and analysis of practices employed by the Agencies in scope.

Figure 16: Top challenges and trends related to personnel budgeting



**The European Commission exercises scrutiny when evaluating requests for the numbers of authorised number of Contract Agents.** When the mandates and associated tasks of decentralised Agencies expand, it raises the question of whether additional staff is needed. The EU Commission's Budget Directorate noted that in these cases they establish a legal proposal, which includes the new tasks and the required staff to fulfil them. The proposal factors in all staff categories, including CAs. The EU Commission's Budget Directorate aims to reach a balanced staff composition to fulfil the new tasks, combining Contract Agent, Temporary Agent and Seconded National Expert posts, and balancing different function groups, grades and levels. Subsequently, the partner DG and the Agency discuss and scrutinise the legal proposal. A decision on the staff level is then submitted to the European Parliament and European Council.

Similarly, in the annual personnel budget procedure for decentralised Agencies, the different institutions involved scrutinise the Agency's personnel budget to keep the growth of expenditure limited and in line with task growth. As a principle, they aim for a stable subsidy and posts for Contract Agents, factoring in 2% inflation and the phase-in of new tasks (where applicable). This study noted that decentralised Agencies understand that the scrutiny of the CA subsidy is due to the impact on the EU budget (including pension costs) and abide by the personnel budgetary process.

Nevertheless, in practice, this scrutiny is challenging for the decentralised Agencies. To potentially receive additional CAs, they have to go through a lengthy budgetary process requiring alignment between many stakeholders. Consequently, decentralised Agencies look into ways to mitigate the need for additional Contract Agents, for example via efficiency gains. During a consultation round ECHA stated: *'It is considered (...) that ECHA has reached its limit in terms of large-scale efficiency gains and is no longer able to provide more with less or in terms of absorbing new tasks without additional resources or re-deploying resources from existing tasks to new ones, in line with priority-setting.'* Overall this study noted how the high level of scrutiny limits flexibility in Contract Agent numbers, as discussed in more detail in the next paragraph.



**Box 3: Are Contract Agents contributing to increasing costs of the EU pension scheme?**

Staff Regulation Conditions of Employment of Other Servants of the European Union, Art 109, Title IV stipulates the pension for Contract Agents. Contract Agents (or Temporary Agents) are entitled to an EU pension when they have been employed for a minimum of 10 years at any EU body, when they reach the mandatory pension age, or early-retirement age. Contract Agents can work for different EU institutions and bodies at different times in their careers. All the employment periods in EU institutions and bodies are summed (as long as the contract staff have not decided to transfer the accumulated EU pension to a private pension scheme). The Paymaster Office (PMO) is an internal service department that administers, calculates and pays the pension of staff at EU bodies, including the pensions of CAs at decentralised Agencies. Given the eligibility for an EU pension after the stipulated number of years in service, the number of Contract Agents employed at decentralised Agencies (and other and EU institutions and bodies) has an impact on overall EU pension and administrative costs.

It is important to note that partially fee-financed Agencies (ECHA and ESMA in the scope of this study) also receive a contribution from the EU budget to cover their overall expenditures.<sup>25</sup> As pointed out in the study on partially self-financed Agencies, the fees should cover ‘the employer’s prorate contribution to the pension scheme’. As a result, the collected fees partially contribute to the overall EU budget, thereby reducing the impact of employing Contract Agents on the EU’s pension cost.

Another aspect worth noting with regards to the pensions of contract staff are the benefits repayment options. Pension rights (i.e. the accrued benefits) can be regularised in two different ways: either through a severance grant or transfer out. Staff Regulation and CEOS stipulate the potential scenarios and the calculation rules. The options depend on several factors, including the start day of each contract, duration of service, staff member’s age, and any contributions to a national scheme kept up during the service. The severance grant is available to staff, who at the end of their contract are not entitled to a retirement pension from the European institutions. Contract may request the repayment in the form of a severance grant if (1) they have completed less than one year of service and have not transferred pension rights acquired in another scheme to the EU pension scheme, or (2) they have completed at least one year of service but have personally paid contributions into a national or private pension scheme for the duration of their contract, in order to establish or maintain pension rights. In case of staff leaving the service permanently and without the entitlement to the EU retirement pension are entitled to transfer out the accrues benefits. The benefits acquired during their service can be transferred to: (1) a national pension scheme, an international organisation's pension scheme or a scheme to which the former staff member contributes by virtue of their new professional activity or (2) a private insurance scheme or a pension fund of their choice which guarantees the conditions laid out in Staff Regulation<sup>26</sup>.

**Agencies experience limited flexibility and agility in the process of defining the number and categories of Contract Agents.** As mentioned above, the European Commission authorises a budget and the specific number of posts for Contract Agents within each decentralised Agency. CA posts are considered distinct from establishment plan posts and their number is covered by the contribution

<sup>25</sup> European Parliament (2014), Partially self-financed EU Agencies and the principle of fee setting.

<sup>26</sup> European Council (2014), Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community, Annex 8.

provided in the EU Budget or the amount of fees collected by the partially self-financed Agencies – any increase in staff must be correlated with new, additional tasks. CAs are a means to adjust to the requests of the market for the services provided by the partially self-financed Agencies. To illustrate, the focus group at ESMA stated *'Contract Agents can be a way to increase flexibility in the size of the workforce.'*

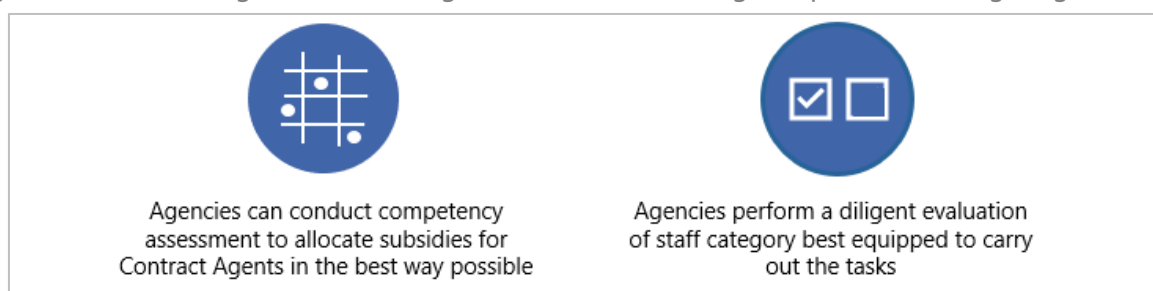
In practice, decentralised Agencies tend to hire several Contract Agents within the limits of the contribution allocated by the EU Budget. DG BUDG commented that if changes take place after the budgetary procedure is closed, the Agencies prefer to negotiate for an increase in the contributions (and an according number of proposed CAs). The Agencies can file to convert or increase the number of CA posts (e.g. converting a Seconded National Expert post to a Contract Agent post). Nevertheless, such requests are scrutinised and can be denied due to the long-term impact on the EU budget. The European Commission is involved in negotiating the additional authorised CA positions and plays an important role in protecting organisational knowledge and ensuring consistency across the Agencies. It was noted that such negotiations are time-consuming and reduce the flexibility intended for the specific category of CAs. When deviations from the authorised number of CA positions do take place, the European Commission's Budget Directorate typically negotiates to realign the number of Contract Agents with the increase in tasks to maintain consistency. To illustrate, the focus group at ECHA stated *'We do not have a lot of flexibility to hire. (...) The more dependent an Agency is on the EU's own resource, the more decision power lies with European Commission and the less flexibility.'*

It is worth noting that the EU Budget estimates the number of full-time equivalent posts for Contract Agents, but the number of employed CA posts can differ from estimated posts due to various factors such as the Agency's Member State correction coefficient, the staff member's family situation, and eligibility for allowances (the latter being difficult to estimate precisely before the candidates are selected and hired). Furthermore, the manoeuvrability in the number of CAs among decentralised Agencies is different for self-financed Agencies. Indeed these have more flexibility in the number of CAs, as they have their own budgetary process<sup>25</sup>, and the impact on the EU budget is limited in comparison to fully subsidised decentralised Agencies.

### 2.2.2. Relevant practices for personnel budgeting of Contract Agents

Several good practices using tools and accelerators were identified during this study and are highlighted in the box below. This section provides an overview of the good practices identified at the Agencies in scope.

Figure 17: Measures Agencies are taking to address the challenges in personnel budgeting



**Agencies can conduct competency assessment to allocate subsidies for Contract Agents in the best way possible.** As mentioned in the paragraphs above, Agencies tend to employ Contract Agents within the authorised limits as stipulated in the EU Budget. To optimise the cost-benefit of the budgeted Contract Agents, it was noted that including a competency-based approach to the workforce planning and conducting competency assessments is a beneficial tool. For example, ENISA

conducts yearly a strategic workforce planning exercise, during which gaps in the workforce to reach the Agency's goals are assessed. Next to that, ENISA has a competency framework comprising approximately 20 competencies which are holistically integrated with the Agency's talent management. The combination of strategic workforce planning and competency framework allows for an assessment of competency gaps in the workforce. This, in turn, allows for allocating staff – including Contract Agents – more flexibly, with the best-fit competencies in a role in the Agency to achieve its objectives.

**Agencies perform a diligent evaluation of staff category best equipped to carry out the tasks.**

Eurofound adopts this practice by thoroughly evaluating whether a fixed-term contract, such as a Contract Agent position, is the most suitable option for completing a specific task. The Agency reviews Contract Agent vacancies and ensures that the tasks associated with the post align with the scope of tasks of contract staff. It is important to note that the Agencies in scope and the EU Commission's Budget Directorate, have indicated that there is generally no clear-cut difference in the allocation of tasks between Contract Agents and Temporary Agents (apart from the managerial responsibilities). There is especially often an overlap of duties between Contract Agents FG IV and Temporary Agents AD 5-6 (please see section 2.5.1 for more insights). In practice, the tasks assigned to Contract Agents often tend to be better suited for a Temporary Agent. An exception to this is Contract Agents who are designated via project financing (grants, SLAs, other contributions), who have a specific mandate and a time-bound assignment.

### 2.2.3. Case studies on personnel budgeting in the Agencies in scope

#### a. ECHA

ECHA is financed through subsidies from three DGs of the European Commission: the budget for the corresponding activity areas is agreed upon with them separately and aligned throughout. This budget is then negotiated with DG BUDG and finally translated into the number of posts. Finally, the budgetary request is submitted and the final number of posts is defined. In the past, there was more flexibility in terms of defining the categories of staff based on the available budget (e.g. transitioning SNE posts to CA posts). This option however has been removed due to the liabilities related to pension rights and the specific number of posts is defined by DG BUDG, both for TA posts in the establishment plan as well as for CAs. In terms of requesting additional posts, the Agency stated that although it seeks efficiency gains to reallocate staff whose tasks might be decreasing to newly allocated tasks, the capacity of the current workforce is put at its limits. It is important to note that cross-financing of staff across the three sources of the budget is strictly prohibited (staffing plans for three activity areas of (REACH / CLP, BIOCIDES and Environmental directives and International conventions are separate). ECHA stressed it complies with the applicable rules, and at the same time highlighted that the efficiency gains are quickly exploited within the budgetary setup. *It is considered, (...), that ECHA has reached its limit in terms of large-scale efficiency gains and is no longer able to provide more with less or in terms of absorbing new tasks without additional resources or re-deploying resources from existing tasks to new ones, in line with priority-setting.* The Director as well as the Management Board are involved in the full process of defining and endorsing of the Single Programming Documents and aware of the constraints and challenges related to the limited capacities.

#### b. EEA

The Agency follows the standard process for the definition of tasks with partner DGs underlying tasks and projects to define the staffing needs. During a consultation round, EEA stated that the number of staff allocated to the Agency is, as reported by EEA, in general, arbitrary. The establishment posts and, as of the recent, the budget and the number of posts for Contract Agents is stipulated by the

European Commission with limited room for negotiation. The Director and the Management Board of the Agency comply with the number of authorised CA positions and do not deviate from the decisions budgetary authority.

#### **c. EIGE**

EIGE's recruitment and hiring needs for Contract Agents are discussed between the Agency's Management and the Director, based on Agency's activities captured in the Single Programming Document. The Director and the Management Board review and endorse the documentation. In cases where the Agency expresses a need for additional staff members, EIGE files a budget request with DG Budget. EIGE noted that Contract Agent as category of staff was originally introduced to support Agencies in their needs to fill in workforce gaps in a flexible manner. In cases where Contract Agents are needed urgently to ensure business continuity (e.g., sick or maternity leave), EIGE leverages other funds to cover short-term contracts.

#### **d. ENISA**

ENISA conducts yearly a strategic workforce planning exercise, during which the gaps in the workforce are analysed from the FTE-needs perspective on one hand, and from the perspective of missing competencies to deliver the necessary tasks. ENISA leverages its competency framework (comprising approximately 20 competencies) that is holistically integrated into all HR processes, including strategic workforce planning as well as recruitment and performance management. The objective of including this approach to talent management is the identification of transferrable skills. During the consultation, ENISA shared that the number of Contract Agents envisaged for the Agency is authorised by the European Commission, after discussions with DG Connect and the European Parliament. The Agency added that although requests for additional Contract Agent posts can be filed with DG Budget, they are usually not authorised, due to budget constraints. ENISA's Finance and HR Departments create the final budget based on the number of authorised CA positions and the average cost per Contract Agent. It was highlighted by the Agency that this is a challenging exercise because the cost of a Contract Agent depends on many factors (e.g., fringe benefits depending on the familial situation) but also due to inflation and its impact on the correction coefficient. The Agency follows the standard process for the endorsement: final budget is presented by the Director to the Management Board for endorsement. Based on the defined needs and the relevant competency gaps, ENISA creates an action plan to fill the posts.

#### **e. ESMA**

The proposed annual budget and the number of FTEs by staff category are determined two years in advance and documented in ESMA's programming document, and the European Commission is consulted on the proposed figures before submission for the ESMA's Board of Supervisors decision. ESMA's budget is calculated on the basis of an Activity-Based Budgeting methodology.

The allocation of Contract Agents is based on their roles and specific activities they are involved in, as per the Single Programming Document. As a partially self-financed Agency, ESMA contributes directly into the EU budget as well as its own operations. The Agency has three sources of income: (1) the European Commission, (2) National Competent Authorities (NCAs), and (3) Supervised entities, the expenditure link to CAs must be corresponding to the specific area of activity, as cross-financing is strictly forbidden. The Agency is closely following the necessary reporting and has deployed a workforce planning tool that supports the effective management of staff overall. As a partially self-financed Agency, ESMA shared that part of their fees goes into the financing of the pension funds of today's pensioners, including Contract Agents.

## f. Eurofound

Eurofound tries to employ Contract Agents as a principle for specific work and projects and hence, the number of Contract Agents overall is relatively smaller in comparison to other Agencies. During the research, the Agency shared that the Director strives to move back closer to the initial idea and purpose of the CAs as a staff category. Eurofound's Management Board approves the Contract Agents in the standard process as all other Agencies in scope: through the endorsement of the SPD, where both the posts, as well as the budget line with the allocated budget, are included. The Director specifically reviews each vacancy of Contract Agents to be recruited afterwards and next to this pays specific attention that each Contract Agent post includes only tasks and the 'job' of a Contract Agent and not tasks of a Temporary Agent. Eurofound stated there is a potential unclarity as to the budgetary process for Contract Agents with the European Commission. More specifically, the Agency shared that although Contract Agents are not part of the establishment plan, the European Commission reserves the right to confirm or reject the number of CA posts requested and often refers to the implications for pension rights. An example of a pilot project was provided, funded by the European Parliament, where Eurofound wanted to directly staff a CA (as the project was time-bound and expanding the current activities). Nevertheless, the Commission initially declined the post with a reference to potential pension liability.

## g. Europol

All Contract Agents are part of the structural workforce at Europol and multiple processes for their management are the same as for the Temporary Agents. In terms of defining the hiring needs for CA posts, the Agency's Management Board endorse the Single Programming Document, which includes the number of Contract Agents based on the business needs. Several years ago, Europol has reached an agreement with the European Commission (DG BUDG) and agreed on a maximum number of 235 FTEs that can be employed by the Agency as part of the structural workforce. Next to this, the Agency hires more Contract Agents, which are financed via other sources (i.e. grants, contributions or service level agreements).

Europol has been experiencing challenges in recent years in terms of the management of other types of sourcing (structural service providers) which have raised questions about the viability of such working arrangement. Specifically, due to the nature of work at the Agency and a robust clearance process, short-term employment of (e.g. consultants, who are not part of the structural workforce) can lead to delays in the commencement of work activities and potential disruptions in business continuity. Following the business-oriented personnel budgeting model and a pragmatic approach to ensuring the right number of resources, Europol would have a strong business case for replacing the consultants with CA posts – an option that is not possible due to high scrutiny on the long-term implications

### 2.2.4. Conclusions

**The Agencies follow the standard process for defining Contract Agent needs with the Single Programming Documents and the annual work programmes as the starting point.** The process for defining staffing needs is generally the same for the total workforce. Agencies balance their task requirements, the numbers of posts within the establishment plans, and the authorised CA positions (the specific budget line) to arrive at a staffing proposal. This is further discussed with the Agency's Executive Director, then with European Commission partner DGs and DG Budget. All Agencies have noted that their Management Board is the body that endorses the Single Programming Documentation. Based on the evidence gathered in this study, the dialogue between the parties

involved in the final agreement on CA posts is perceived as lengthy and complicated. Agencies are looking for tools to enhance the workforce planning processes. For example, ENISA is starting to incorporate strategic workforce planning, combining workforce and staff and competency data to identify potential synergies and efficiencies.

**The uniform procedures for defining authorised number of CAs for all Agencies seem to limit the flexibility of deploying CAs within the Agencies in scope.** The expanding number of Agencies, their increasing mandates, and the corresponding staff increases impact administrative costs, most prominently long-term costs related to pensions, unemployment benefits, etc. DG Budget follows a rigorous, uniform process for evaluating Agency needs for additional staff, regardless of the contract type. The European Commission applies the same rules for all Agencies, regardless of their size, funding scheme, etc. This can limit the ability of Agencies to adapt to emerging needs in agile way. The Agencies in scope of this study follow DG Budget guidance on authorised CA positions, remaining careful about exceeding operational budgets. The majority of Agencies in scope expressed that ideally they would benefit from more staff, including the contract staff. But it seems that contract staff are not easily deployed as an alternative short-term category to address emerging needs in a flexible manner. This might in turn require Agencies to look into alternative workforce sourcing, e.g. for contractors and consultants.

Next to this, based on the information gathered in the study, **there are different ways that Agencies in scope reach agreements with the European Commission on the authorised number of CAs.** For example, Europol has agreed on a maximum number of posts and can move through the negotiation process relatively fast. Partially self-financed ESMA has also noted that due to relatively lower revenue predictability, the current processes make it cumbersome to forecast staff needs and the corresponding budgets, and that more alignment with the Commission is needed.

## 2.3. Recruitment and retention of Contract Agents

**This section addresses the identified challenges, trends and best practices within the decentralised Agencies in scope of this study, related to contract duration, recruitment processes, use of interim Agencies, and retention of Contract Agents.**

### 2.3.1. Contract duration of Contract Agents

Staff Regulation Conditions of Employment of Other Servants of The European Union, Art 85 (1), Title IV stipulates the contract duration for contract staff type 3a as follows:

- *First contract* - a fixed period of at least three months and not more than five years
- *Renewal for a fixed period*- cannot exceed 5 years and can only be performed once
- *Second renewal* - in principle for an indefinite period
- *First contract and the first renewal duration* - not less than six months for FG I, and not less than nine months for the other FGs
- *Third language requirement for FG IV* - in order to be extended for an indefinite contract, CAs FG IV are required to demonstrate the ability to work in a third language<sup>27</sup>

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<sup>27</sup> Third language among those referred to in Article 55(1) of the Treaty on European Union.



Next to this, *'Periods covered by a contract as a member of the contract staff referred to in Article 3a shall not be counted for the purposes of the conclusion or renewal of contracts under this Article.'*

Although Contract Agents type 3b are not employed at the Agencies, it is important to note that the contract duration for that sub-category is different and more restricted. Special Provisions for Members of the Contract Staff Referred to in Article 3b (Staff Regulation, Chapter V, Art 88) stipulates: *'the actual period of employment within an institution, including any period under renewal, shall not exceed six years.'*

In the context of high scrutiny in order to control staff costs, the employment duration combined with the number of contract renewals could have an impact on staff members' eligibility for the European pension. As mentioned in Box 2.4, all personnel (including contract staff) are eligible for an EU pension fund after 10 years of employment. The box below presents, at a glance, the duration of the first and second contracts offered across the Agencies in scope.

**Box 4: Contract duration offered to CAs is at the discretion of the Agency based on the budget available and number of authorised CA positions**

The figure below presents a comparison, across the Agencies in scope, of the duration of the first contract and first renewal. It is important to note that EIGE and ESMA have a twofold approach to offering contracts.

Firstly, following the ruling of the Court of Justice of the European Union in Case C-948/19, EIGE no longer works with interim staff, and uses the Contract Agents category to close short-term gaps. Marked in blue below, EIGE offers one-year contracts to ensure business continuity. The Agency clearly communicates to all candidates the fixed duration of the contract without the possibility of renewal. Based on the vacancy notice history<sup>28</sup>, two such short-term contracts were offered in 2022.

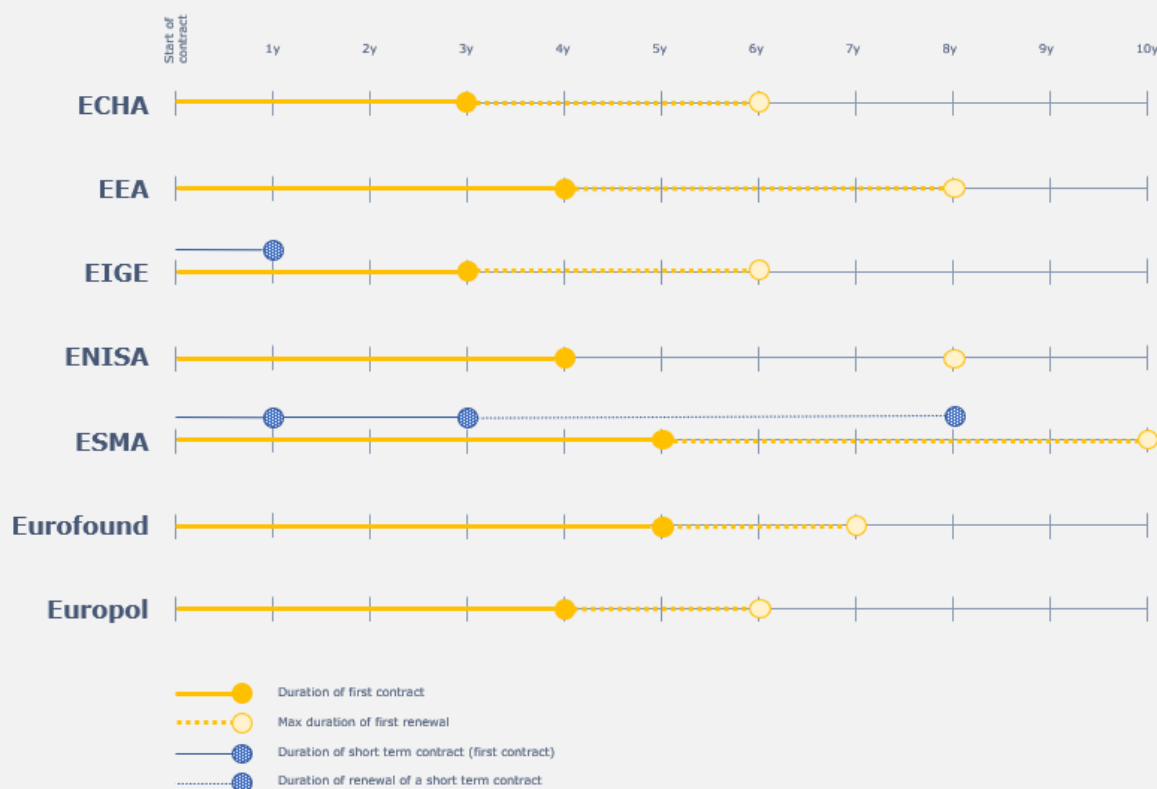
Secondly, ESMA operates with a two-fold approach for contract staff. In the majority of cases, CAs are offered five-year contracts (both the first contract and renewal). Of the total CA population, 2-3% are offered contracts of shorter duration to address very specific business needs: replacing an absent staff member (one year) or for a specific project (three years). The next contract is usually offered for five years and the staff become a structural part of the workforce.

During a consultation round with the EU Agencies Network, it was stressed that five-year contracts with a five-year extension are considered good practice, offering job security to the staff members and a prospect for evolution. Nevertheless, the Agencies are cautious about long-term workforce planning due to anticipated changes in mandates or tasks, or potential budget reductions, and therefore offer contracts of shorter duration. Among the Agencies in scope, it was stressed that predictability and compliance with the number of authorised CA positions and Staff Regulations are key drivers in defining the length of the CA contracts.

Next to this, as mentioned in Figure 18, Eurofound indicated it tends not to extend or renew the contracts to Contract Agents for an indefinite period (second renewal). Along with the high scrutiny and strict needs assessment for additional or long-term CA posts, the Agency takes into account potential challenges related to contract staff motivation. Amongst other things, CAs have relatively limited prospects for advancement and a longer career path compared to TAs (please refer to the section below for details).

<sup>28</sup> EIGE posts all vacancies (including the historical vacancies) on a dedicated [site](#).

Figure 18: Contract duration across Agencies in scope



Source: Each Agency's website.

Shorter contract duration is seen as a way to increase workforce planning flexibility and boost agility in addressing emerging business needs. Both Eurofound and Europol reported this, and consider shorter durations for the first contract as well as the renewal.

In addition to the authorised CA positions by the budgetary procedure with the Commission, Agencies employ contract staff under grants, service level agreements or other contributions. In these specific cases, the tasks involved are usually part of a specific assignment or project and are time-bound together with the source of financing. Contract Agents working in this sub-category are employed within these constraints.

### 2.3.2. Overview findings on recruitment and retention within the Agencies in scope

Figure below provides an overview of the top challenges and trends identified during the research and analysis of practices employed by the Agencies in scope.

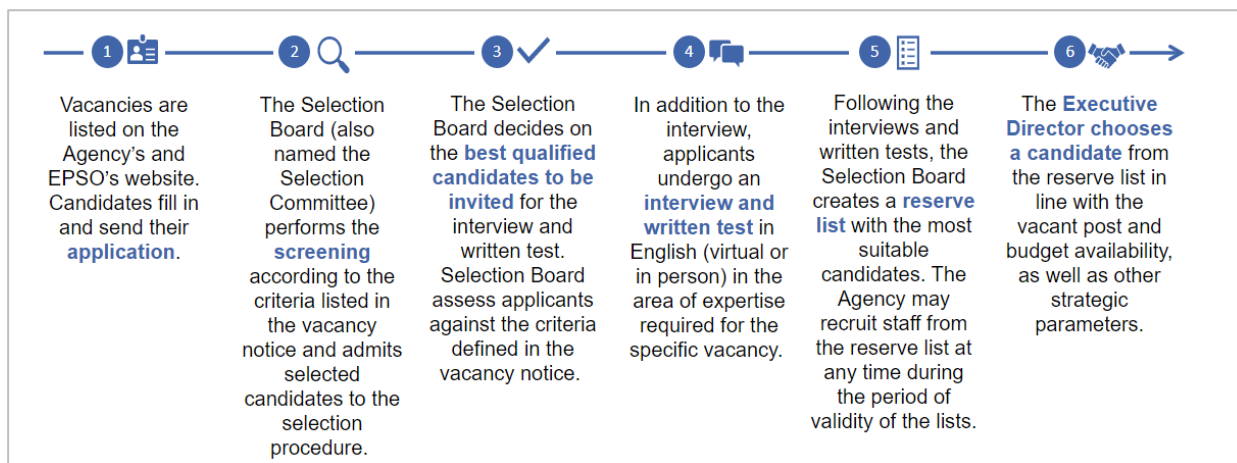


Figure 19: Overview of identified challenges and trends within the Agencies in scope



**Recruitment and selection processes for Contract Agents are consistent in terms of steps but vary in duration.** The Agencies in scope follow a similar CA selection and recruitment process, visualised in Figure 20. But differences and challenges are observed in procedure durations. Only EIGE and Europol reported short, average timelines for their end-to-end processes (approx. 90 days). In other cases, processes took longer, especially for more specialised or expert positions (up to nine months). Lengthier procedures were for two main reasons. Firstly, some Agencies rely on manual tasks instead of digital tools to support the screening process. This results in longer waiting times before candidates can be invited to tests and interviews. Secondly, recruitment processes for niche or highly-sought positions attract relatively fewer applicants. This may require re-launching the full procedure. Several Agencies (including Europol, ENISA and EIGE) noted that especially for ICT positions, the conditions offered for FG II or FG III couldn't compete with the private sector.

Figure 20: Recruitment process at the Agencies in scope



Source: Each Agency's website.

**Available tools (EPSO CAST database and reserve-list sharing) prove somewhat effective in accelerating the recruitment process.** The Agencies have at their disposal the option to use the EPSO CAST database<sup>29</sup> and have highlighted its usefulness for recruiting 'generalist' profiles common

<sup>29</sup> Contract Staff (CAST Permanent) procedure allows the EU institutions, bodies and Agencies to recruit CAs in various professional fields.

across the institutions and agencies. Examples include relevant roles for corporate services, finance, HR, legal or procurement. The database, however, becomes less interesting for recruiting more specialised posts, especially for FG IV. For example, EEA, with a majority of CA posts corresponding to FG IV, has not succeeded in using the database for several years and prefers to rely on its own procedure. The cost of access, applicable in the past, and Agencies' needs are calculated with scrutiny: time invested in the database procedures and the fit of relatively generalist profiles available within EPSO have not provided the expected return on investment. Another challenge with the database (and also the sharing of candidate reserve lists between Agencies) is related to the candidate's willingness to relocate. Agency location can indeed impact the procedure duration and overall success. General vacancies at EPSO do not include locations, and candidates frequently expect the jobs to be in Brussels. Agency reserve lists are commonly shared upon request. (Data protection is monitored proactively and candidates must give consent to sharing information with other organisations.) While in principle leveraging the reserve lists could be beneficial, candidates usually apply for a specific Member State or city and are often apprehensive about relocating. Next to this, the Agencies have highlighted that there is often a mismatch with regard to general organisational fit.

**Agencies experience challenges in attracting geographically diverse talent for Contract Agent posts.** Agencies in the scope of the study have generally noted an increase in applications from Member States with lower salaries. For Agencies located in Greece (ENISA) and Lithuania (EIGE), this boosts the number of local applications. Agencies located in Western and Northern Europe, on the other hand, currently attract candidates from Central-Eastern and Southern Europe. Agencies in these regions also need to compete with more attractive salaries and a dynamic labour market to attract local experts. Agencies are obliged to monitor the geographical balance of their staff and ensure good representation from the Member States. Salaries in countries with a lower correction coefficient have been identified as a key factor in attracting talent from the west and north of Europe. (Please refer to Section 2.4, which elaborates on the salaries and comparison across the countries.)

**Agencies use interim employment agencies to cover short-term needs and absences.** This applies to CA, and TA posts (or other relevant categories). EU Agencies in the scope of the study do not use interim employment agencies to recruit candidates for short-term CA contracts. It should be highlighted that the ruling of Court of Justice of the European Union in the Case C-948/19<sup>30</sup> has impacted the way of working with interim agencies. Specifically, the Agencies are obliged to follow the principle of equal pay for equal tasks, regardless of contractual situation. The ruling has mostly impacted EIGE, which no longer works with interim agencies. Instead, it follows recruitment processes for short-term (one-year) CA posts. (Please refer to Figure 21 below for an overview of interim agency use.) For the purpose and scope of the study, it is important to note that the Agencies that use interim staff do so mostly to ensure business continuity.

<sup>30</sup> Official Journal of the European Union (2022), *The missing fundamental rights protection in the CJEU'S CASE C-948/19 UAB "Manpower Lit"*.

Figure 21: The use of interim employment agencies by the Agencies in scope

	Use of interim employment Agencies	Interim staff as structural part of workforce
<b>ECHA</b>	✓	✗ <i>Reduced reliance on interim staff</i>
<b>EEA</b>	✓	✗
<b>EIGE</b>	✗	✗ <i>Short-term CA contract</i>
<b>ENISA</b>	✓	✗ <i>Planning to phase out</i>
<b>ESMA</b>	✗ <i>No interim recruited in 2021/22</i>	✗
<b>Eurofound</b>	✓	✗
<b>Europol</b>	✓	✗

Source: Each Agency's website.

Due to relatively shorter contract durations offered to Contract Agents, and the rotation of staff within the Agencies, the **risk of the 'revolving door' issue** was investigated. The OECD defines this issue as follows: *'Conflicts of interest can arise and present the risk of policy capture in the movement between positions in the public and private sectors. When functions cover fields that are closed or were directly controlled by the former public official, this so-called revolving door phenomenon can be perceived as granting an unfair advantage in terms of information, relations or any other type of advantage gained in the previous public functions. In some cases, public officials may be tempted to make or be perceived to have made decisions not in the public interest, but in the interest of a former or future employer'*<sup>31</sup>.

Articles 12, 12b, 16 and 17 of the EU's Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union make clear the requirement for staff members to report the name of their post-service employment within two years of concluding the contract, as well as the option for the Agency appointing authority to grant (under conditions) or refuse authorisation. This applies to all staff categories, including CAs. The European Court of Auditors investigated the issue related to the above OECD definition in its *Annual report on EU agencies for the financial year 2021*, which requests the Agencies to proactively perform checks on senior posts and for Management Board members.

### **Contract Agents are not considered at higher risk of contributing to the 'revolving door' issue.**

During the research and analysis of inputs from the Agencies and ECA, it was noted that due to the lower exposure of CA staff and their lack of decision-making power, CAs are not considered as contributing to this issue. All Agencies have highlighted the off-boarding procedure explaining the requirement of informing the Agency about a next employment. Agencies with no regulatory or supervisory power, such as Eurofound and EIGE, have stated that any potential conflict of interest is minimal due to the nature of the work, which focuses on capacity building, technical assistance, research, etc. On the other hand, ESMA or ECHA (highlighted in the ECA report<sup>3</sup> at higher risk of

<sup>31</sup> OECD (2023), *Public Integrity Handbook Chapter 13.3.2* <https://www.oecd-ilibrary.org/sites/ac8ed8e8-en/index.html?itemId=/content/publication/ac8ed8e8-en> (accessed on 20<sup>th</sup> of April 2023).

revolving door issues due to their activities) have stated they are aware of the potential risks, but that the current assessments have not led to a refusal to authorise a next employment. It should, however, be noted that in many cases, staff does not inform the Agencies about their next employment. And the Agencies, with limited resources and capacity, generally struggle to proactively follow up. This omission could potentially lead to undetected movements between the private and public sector, further contributing to conflict of interest in the Agencies. Regarding the CA staff category, it is important to assess whether or not the staff member in their next role could influence, for example, procurement procedures (using the network or insider knowledge while participating in tenders, etc.), or the Agency decision-making process (through attempting contact about the awarding decisions of procurement procedures, etc.).

### **Retention of organisational knowledge for CA FGIV can pose risks to business continuity.**

Although CAs are not at a higher risk of conflict of interest, due to shorter contract durations compared to TAs (please refer to section 2.3.1 for more information on contract duration), a potential risk has been investigated with regard to the loss of organisational knowledge. For FG I, II and III, roles refer in most cases to administrative, HRM, financial, ICT or project assistants. Such roles are usually less involved in highly specific or specialised activities, but rather those that are transversal in nature. Also, competencies required for such posts are less technical, and work outcomes can potentially be well documented in the management systems and by following standard operating procedures. For CA FG IV expert or technical roles filling gaps caused by the establishment plans, the risk of organisational knowledge loss can be considered as higher. While some activities and work outcomes (e.g. project related) can be well documented and managed, the Agencies usually employ specific experts with limited-to-no backups available. Should a CA with an expert role leave the Agency, the risk of business continuity can present itself.

### **2.3.3. Relevant practices for the area of recruitment and retention of Contract Agents**

Although Agencies have limited flexibility in the prescribed process and steps of selecting and recruiting their statutory staff, several good practices with regards to tools and accelerators can be highlighted.

Figure 22: Measures Agencies are taking to address recruitment and retention challenges



**Pro-actively communicating the employment location filters out candidates with no desire to relocate.** As highlighted by EUAN and confirmed during consultation rounds with the Agencies in scope, Agencies commonly share reserve lists. ENISA reported that its location in Greece makes it hard to attract geographically diverse talent, also for contacting candidates on other Agency reserve

lists. ENISA has started to proactively communicate its location, which combined with a no-reimbursement policy for recruitment-associated travel, has helped filter out candidates definitely uninterested in relocation. This way, the HR team can focus efforts on the next steps of recruitment (interviews, etc.) with the most appropriate and willing candidates.

**Tailored searches in the EPSO CAST database can help promote and launch larger-scale recruitment procedures.** Agencies using the EPSO CAST database have highlighted several good practices to follow. ESMA promotes a pre-vacancy notice on the database, informing potential candidates about the intent to hire and giving them the opportunity to update their profiles. This raises the general visibility of the Agency on the platform. Next to this, ESMA, which uses the database as a primary tool for the recruitment of administrative support functions, performs tailored searches in the database mentioning location. Having said that, the Agency reports that in general, it does not encounter challenges in attracting talent due to its location. (Paris is highly regarded amongst candidates and offers a higher correction coefficient of the salary.)

**Promotional activities increase the number of applicants and boost chances for successful recruitment.** As mentioned in the paragraphs above, Agencies in locations considered less central in Europe and/or with lower correction coefficients attract relatively high numbers of local candidates (host country citizens/residents). Also, because the Agencies operate within specific domains, the talent pool within the host country can be limited. ENISA highlighted that the Agency attracts many local candidates due to salaries above local levels, resulting in high participation of Greek nationals in the overall workforce (40% on 31.12.2022, statutory staff only)<sup>32</sup>. To address the lack of diversity, ENISA has invested in online promotional campaigns: posting vacancies on social media such as LinkedIn, and websites such as Euractive. Only relying on traditional ways of recruitment and outreach can be a blocking factor. Targeted social media campaigns and the use of additional online channels for promotion are no longer an option but a must. In an ECA report<sup>33</sup> that included a survey to evaluate certain dimensions of Agency organisation and performance, ENISA (amongst others) scored relatively low on the following statement: *'The Agency has sufficient human resources'*, stressing the need for swift and effective recruitment and promotion.

**Increasing ownership of the recruitment process within the organisation.** Very often the lengthy recruitment process can create unavailability or scheduling issues for the Agencies (apart from the reasons mentioned before, linked to application volume or quality). ENISA's Director has set out performance indicators for quickly and effectively completing recruitment procedures. While the Agency naturally aims to ensure business continuity and strives to attract talent, administrative tasks may at times be deprioritised, or require more time (due to a lack of digital tools to automate parts of processes). This KPI approach sets out the priorities clearly and creates a sense of urgency for the organisation as a whole to manage its human capital effectively. Additionally, it boosts commitment across the Agency and allows for effective follow-up to address any gaps among the managers and the HR team (e.g. providing additional support in case of absence or peaks in workload, sharing best practices, etc.).

**Mass-recruitment procedures for generalist profiles create a pool of talent to tap into.** Europol is leveraging this method to expand its reserve lists of more general profiles (assistants, secretaries), which has proven effective over the last years. Such general, mass calls for applicants do involve an initial time and effort investment from the Agency, but have proven more effective than using the

<sup>32</sup> European Union Agency for Cybersecurity (2023), *ENISA Single Programming Document 2023-2025*.

<sup>33</sup> European Court of Auditors (2022), *Future of EU agencies – Potential for more flexibility and cooperation*

general EPSO CAST database. Specifically, candidates applying for the positions are made aware of the Agency's mandates, expected tasks, organisational values and culture, and last but not least, the location of work. Europol's reserve lists remain valid for two years after procedures close, which allows the Agency to use the most recent pool of talent for the opening of any relevant posts.

#### 2.3.4. Case studies on recruitment and retention in the Agencies in scope

This section presents the collection of insights per Agency: providing additional information about the challenges, trends and best practices highlighted in sections 2.3.2-3. Each Agency-specific description follows the information-gathering processes for the defined research questions.

##### a. ECHA

**Recruitment and selection process for Contract Agents.** ECHA has recently noted a high recruitment success rate, attributed to the Agency's employer value proposition, its location and the corresponding remuneration. On average, the selection procedure may take up to six months from close of applications to reserve-list approval. All vacancies are advertised through the ECHA and EPSO websites. Vacancies are promoted via social media (e.g. LinkedIn), and candidates must apply via the e-recruitment tool.

**Accelerators for effective recruitment used by the Agency.** ECHA receives many requests from other Agencies to share its reserve list. Exceptionally, it requests reserve lists from other Agencies for very specific expert roles (not the predominant CA FG III profile at ECHA). ECHA added that it rarely relies on other reserve lists, due to a rather low vacancy rate and high recruitment success rate.

**Challenges in attracting diverse talent among Contract Agents.** The Agency has shared concerns about attracting geographically diverse staff for CA posts. Western European applications are decreasing, while those from Central and Southern Europe tend to increase.

**Use of interim employment agencies.** ECHA has a framework contract with interim employment agencies to recruit staff during workload peaks and to cover absences. Interim staff are currently used in two specific work areas (agreed with the Management Board): SME verification and manual verification in the technical completeness check. For this, interim staff are in an additional workforce category that compensates for the limited statutory workforce. Nevertheless, upon request from the European Commission, the Agency has reduced its reliance on interim staff.

**Retention of key staff and risks of contributing to the 'revolving door' issue.** During qualitative information gathering and analysis, it was noted that ECHA experiences low Contract Agent turnover, only 6-8% in most recent years. The Agency has set out specific targets to keep this below 10% (below 5% for Temporary Agents). CAs often apply for TA posts, creating a useful talent pipeline for TA staff. However, this can also produce CA gaps.

In the *Annual report on EU Agencies for the financial year of 2021* by the European Court of Auditors, it was stated that ECHA could be particularly prone to revolving-door risk due to its industry links. The report, however, focused mostly on senior staff and board members who are considered at high risk of conflict of interest. For all staff, ECHA follows the applicable rules as stipulated by the Staff Regulation (Articles 12, 12b, 16, 17). The Agency set up a joint committee to review the post-employment of former staff (up to two years after exiting the Agency). It provides recommendations to the Director, who decides if any conditions should be imposed on staff (this applies not only to CAs but to all statutory staff). Taking into consideration seniority, access to data, and exposure to external stakeholders (risk factors that are low for Contract Agents), ECHA has not viewed CAs as a high-risk category. Only in exceptional cases has the Agency imposed post-employment conditions on Contract Agents.



## b. EEA

**Recruitment and selection process for Contract Agents.** All Agency vacancies are advertised through the EEA and EPSO websites. Vacancies are promoted via social media (e.g. LinkedIn), and candidates must apply via the e-recruitment tool.

**Accelerators for effective recruitment used by the Agency.** EEA no longer uses the EPSO CAST database. It was noted that for approximately five years the recruitment procedures were unsuccessful and the Agency decided not to leverage the generic candidate lists. One reason is because the Agency's location is not communicated within the general EPSO recruitment procedures. Also, the database does not cater for the expert profiles the Agency is searching for. EEA sees more value in its own recruitment procedures, which assess candidate fitness more specifically. When it comes to sharing reserve lists, EEA has shared its reserve list, but has not so far requested access to those of other Agencies. This is due to the fact that EEA has large reserve lists at its disposal, which can be leveraged up to five years after creation. This proves to be a useful source of candidates, especially for administrative support functions.

**Use of interim employment agencies.** EEA has a contract with an interim agency, but it covers only short-term needs for interim staff who cannot become statutory staff members. During the analysis, it was noted that interim staff receive a matching salary as per the post they temporarily occupy.

**Labour market challenges impacting Contract Agent recruitment.** Although the correction coefficient is the second highest in the EU, the cost of living is high in Copenhagen, and salaries offered by the Agency are not as attractive as those of the private sector. Indeed, Denmark in general has one of the most dynamic labour markets, and salaries are among the highest in the EU. This is especially the case for CAs FG II, who are difficult to both attract and retain at EEA.

**Retention of key staff and risks of contributing to the 'revolving door' issue.** EEA has its own rules for board members to tackle this, as well as offboarding procedures common for all staff. During the consultation round, it was noted that CAs are not at risk of contributing to the issue. In fact, only Temporary Agents can have key leading functions within the Agencies. Due to limitations in their scope of tasks and responsibilities, this is not possible for Contract Agents.

## c. EIGE

**Recruitment and selection procedure for Contract Agents.** EIGE's CA recruitment procedure is the same as for Temporary Agent posts. The Agency documents every stage (e.g. through interview minutes) and is subject to external audits. Recruitment and selection typically takes within 90 days (from vacancy launch to Director's decision to offer a contract), and the Agency strives for a short duration to minimise any disruptions to its operations.

**Accelerators for effective recruitment used by the Agency.** EIGE is currently developing an online tool to further optimise the recruitment process. The goal is to facilitate the application and selection procedure, allowing the applicant to upload documentation and review the procedure status directly. Regarding reserve lists, EIGE has received sharing requests from other Agencies. However, no candidates from EIGE's lists matched the requested profiles.

**Use of interim employment agencies.** Following the ruling of the Court of Justice of the European Union in Case C-948/19, engaging interim staff via a contractor to carry out specific tasks for a short period is no longer feasible. Instead, EIGE relies on one-year contracts for Contract Agents. EIGE highlighted a specific challenge related to managing short-term CAs. The Agency is obliged to inform these job-holders six months before the end of the contract that there will be no renewal due to lack

of business need. However, the probation report drawn up after nine months usually designates the CA as a 'suitable employee'. This creates a lack of consistency in the messaging to staff members.

**Labour market challenges impacting Contract Agent recruitment.** During the research, EIGE provided insights about the decreasing number of applicants for specific CA vacancies, and of having to re-launch vacancies, with subsequent knock-on recruitment delays. The Agency attributes this to the overall shortage of specific skills within the European labour market; a comparatively lower correction coefficient (the focus group stated, *'The same post pays more in EU Member States'*); and limited general awareness of Lithuania among EU citizens.

**Retention of key staff and risks of contributing to the 'revolving door' issue.** EIGE said that it abides by the legal framework related to its mandate, and shared that Contract Agents are regarded as low risk and unlikely to result in conflicts of interest, particularly if they leave EIGE to join another EU body.

#### d. ENISA

**Recruitment and selection process for Contract Agents.** The Agency's vacancies are promoted via the ENISA and EPSO websites, as well as via social media (such as LinkedIn) and Euractiv. The recruitment process usually takes over six months, although ENISA is striving to shorten the process, with a target of approximately four months).

**Accelerators for effective recruitment used by the Agency.** ENISA is planning to introduce the Allegro recruitment tool at the end of 2023 to decrease manual work during screening and speed up the overall process. Using the EPSO CAST database, the Agency has had a positive experience with searches and recruitment for general corporate services-related profiles, such as HR and IT professionals. The database proved to be less beneficial for recruiting highly specialised cybersecurity profiles.

ENISA sometimes leverages the Agencies Network helpdesk to inquire about the reserve lists of other Agencies. Most are willing to share, as is ENISA. During the consultation round, ENISA highlighted that candidates from other reserve lists or the CAST database may not always want to relocate to Greece. Consequently, before scheduling interviews the Agency currently asks if they would be open to relocating. ENISA confirmed that this saves time and effort.

**Labour market challenges impact the recruitment of Contract Agents.** ENISA has recently experienced challenges filling Contract Agent posts due to competition for talent in the labour market. The Agency noted that they might not be the employer of choice for many candidates, as CA posts do not offer job security (i.e. definite contract) and because the private sector offers higher salaries for the specialised posts. But ENISA highlighted that it attracts many local candidates due to offering a salary higher than the local level, resulting in a large number of Greek nationals in its overall workforce (40% on 31.12.2022, statutory staff only)<sup>32</sup>. The overall geographical diversity has improved recently due to recruitment outreach on social media and websites such as Euractiv.com, which reach a broader audience.

**Usage of interim employment agencies.** ENISA has a Framework Contract in place with an employment agency for providing interim staff services, fully in line with Greek Law. ENISA has noted a decreasing development in this category. More specifically, in recent years the Agency used approximately 30 interim employees, while although after a mass call for Temporary Agents and Contract Agents, interim staff dropped to 10 with further reductions envisaged. Interim staff salaries are commensurate with the CA Staff salary scale.



**Retention of key staff and risks of contributing to the ‘revolving door’ issue.** ENISA's yearly turnover is less than 5%, posing no overall retention problems. Staff leaving the Agency at the end of the contract are extensively off-boarded. The HR team explains the rights of departing staff members, lists required actions, shares how and when to inform the Agency about future employment, and requests the name of the new employer. The Agency highlighted that in practice not many staff members inform it about future employment and potential conflicts of interest, but that the Agency reaches out to inform them of their legal obligation, if possible.

#### e. ESMA

**Recruitment and selection process for Contract Agents.** To recruit CAs (administrative support functions), ESMA searches directly in the EPSO CAST Permanent database of applications. Alongside these tailored searches, the Agency publishes a pre-vacancy notice, which raises awareness of the upcoming procedures and allows candidates to update their profile. The Agency publishes a specific vacancy notices to recruit specific technical profiles. Recruitment procedures take 3-5 months.

**Geographical trends for Contact Agent posts.** ESMA has noticed links between certain FGs and the applicants' geographical origins. Candidates for CA FG II positions are mostly local staff, while those for FGIII-IV positions the agency struggles to attract CAs who earn similar or higher salaries in their home countries. This contributes to the difficulty in improving geographical balance.

**Accelerators for effective recruitment used by the Agency.** ESMA has received increasing numbers of requests to share its reserve list with other Agencies, and regularly requests lists itself.

**Use of interim employment agencies.** Although ESMA has a framework contract with interim agencies, no interim staff was recruited in 2021 and 2022. The Agency has raised concerns related to the cost, limited control over staff quality, and limited integration into the organisation. These factors led to a decision to limit the number of interim staff to a minimum.

**Retention of key staff and risks of contributing to the ‘revolving door’ issue.** Highly qualified CA candidates are drawn by salaries higher in Paris than those in their home countries, but are often disappointed by tasks, roles and responsibilities that are limited by the Staff Regulation. The Agency noted a higher retention risk for these CA staff, who tend to look for another position (usually searching for a TA position, very often at ESMA or other EU bodies) to receive a higher salary and have better prospects for advancement. In the Annual report on EU Agencies for the financial year of 2021 by the European Court of Auditors, it was stated that ESMA could be particularly prone to revolving-door risk due to its high regulatory power. The report shows that the Agency has processed the highest number of cases related to board members and post-EU-service employment. With robust processes in place and a good understanding of the revolving door issue, ESMA does not assess the CA category as high risk, mostly because they occupy posts with lower organisational influence and seniority.

#### f. Eurofound

**Recruitment and selection process for Contract Agents.** To recruit CAs, Eurofound primarily uses its own website, social media and the EPSO website to promote vacancies. The Agency's recruitment procedures have a good geographical balance in all staff categories and locals are not overrepresented among Contract Agents (compared to other Agencies). The Agency attributed this to the overall quality and availability of talent in the Irish labour market.

**Accelerators for effective recruitment used by the Agency.** After several attempts at using the EPSO CAST database, Eurofound observed that the number and quality of candidates were lower than those selected through the Agency's general procedure. Candidates applying directly to the

Agency do so specifically for the work, the location and the specific post (tasks, role and responsibilities). Other Agencies are increasingly asking to share Eurofound's candidate reserve lists, and the Agency sometimes makes reciprocal requests. While this approach is beneficial in theory, in practice candidates from another Agency's reserve list are often not willing to work in a different location. To address this, Eurofound is working on a solution of joint recruitment with other Agencies.

**Use of interim employment agencies.** Eurofound currently works with Orange recruitment, but a new procurement procedure might change this. Interims are employed to ensure business continuity and cover absences (maternity or illness). After receiving post specifications, the interim agency shares suitable candidate profiles and Eurofound interviews the candidates. If hired, they are offered interim staff contracts of 3-11 months, in line with Irish labour law. Longer interim employment contracts are not allowed. Following the Court of Justice of the European Union in Case C-948/19, Eurofound takes the ruling on equal pay into consideration and matches the interim pay to that of the CAs.

**Retention of key staff and risks of contributing to the 'revolving door' issue.** In general, Eurofound does not experience challenges retaining Contract Agents, which usually remain until the end of the contract. Eurofound stressed that the Agency invests in the employability of all staff, giving CAs the same access to talent development opportunities as TAs, so that at the end of the contract they are able to apply for other posts at or outside the Agency. Due to the nature of the work (without regulatory powers but providing information and advice to governments, EU social partners and the Commission) Eurofound stated it does not consider the Agency at risk of the revolving door issue. Eurofound has relevant safeguards in place to mitigate potential conflicts of interest when a staff member moves to the private sector (e.g. an Ethics Guide). The Agency does not consider CAs at a higher overall risk of contributing to this issue.

## **g. Europol**

**Recruitment and selection process for Contract Agents.** Europol follows a standard selection and recruitment procedure that is common across the decentralised Agencies. To attract more candidates the Agency advertises the CA vacancies on its website, on EPSO and on social media. It does not accept spontaneous applications. Candidates can submit applications through an e-recruitment tool. On average the process takes 2-3 months and the Agency strives for a maximum of three to ensure rapid onboarding and business continuity. This can be achieved by tailoring the selection process to the vacancy.

**Accelerators for effective recruitment used by the Agency.** The Agency does not make use of the EPSO CAST database due to mostly generic profiles within the database, which do not meet the Agency's specific needs. As mentioned above, Europol maintains a reserve list of selected candidates for two years. It is not shared with other Agencies, and Europol does not request other Agency lists, as it wants to ensure that candidates are assessed based on cultural fit, and the location of the Agency is paramount.

**Use of interim employment agencies.** Europol works with such agencies under a framework contract (the current one estimated at €10 million over four years). Interim staff are used solely to cover the absences of CAs, administrative/secretarial roles, or ICT functions. Due to the host country labour law (limited duration of contract and renewals, restrictions in the scope of work, etc.), interim staff incur a high cost compared to CAs.

**Retention of key staff and risks of contributing to the 'revolving door' issue.** During the qualitative information gathering process, Europol stated that due to the nature of CA contracts and

their limited duration, Contract Agents generally remain at the Agency until the end of their contract. When staff members leave Europol, if required the Agency shares with them a conflict of interest statement. It was also noted that in the specific case of CAs, the revolving door issue is not more significant. On the contrary, staff in such posts have limited responsibilities and access to sensitive information. Europol stated that CAs continue to advance in their career when subsequently employed by EU institutions or in the private sector.

### 2.3.5. Conclusions

**The Agencies offer contracts of varied duration to Contract Agents.** All Agencies in scope of this study offer contracts within the rules stipulated by the Staff Regulation, with the first contract duration varying between three and five years, and the second between two and five years. In principle, any further contract extension results in contract of indefinite duration. The information gathered through the study suggests that the Agencies are careful about contract durations and renewals, because the number of authorised CA positions and the corresponding budgets could change in the future. A shorter contract duration is viewed as a way to increase workforce planning flexibility and boost agility in addressing emerging business needs. It is important to note that any staff member employed for at least ten years by any EU bodies is eligible for the pension fund. In that regard, DG Budget puts forward a valid argument for scrutinising staff numbers (including CAs) to control rising administrative costs.

**The recruitment and selection process steps are mostly the same for Contract Agents and Temporary Agents. For both, agencies face similar challenges in attracting talent.** Agencies in scope of the study have highlighted that the process steps are mostly the same for CA positions and TA posts (noting that the eligibility criteria will differ and impact the interview content, etc.). The Staff Regulation also stipulates that staff recruited for managerial TA posts are obliged to undergo an assessment centre. As CA positions do not allow for any managerial roles, hence the assessment centres are not applicable. Depending on the size of the Agency and the accelerators and tools used, the recruitment process varies from 3-9 months or more. Agencies in scope of this study have noted similar challenges in attracting ICT profiles and geographically diverse recruits (a potential correlation with the salaries in various Member States was noted). Next to this, Agencies seem to find the EPSO CAST database and reserve-list sharing to be of low efficiency, and rely mostly on Agency-specific procedures. Only one Agency (ESMA) relies on the database to attract talent, however with customised searches allowing targeted recruitment campaigns.

**Agencies working with interim employment agencies seem to use them to address short-term business needs and absences.** None of the Agencies in scope reported using interim agencies as a structural means to recruit Contract Agents. Based on the ruling of Court of Justice of the European Union in the Case C-948/19, the Agencies are obliged to follow the principle of equal pay for equal tasks, regardless of the contractual situation. This has impacted the way of working. EIGE, for example, no longer uses interim agencies and currently requires regular recruitment initiatives to employ CAs on short-term contracts (covering absences, etc.).

**Overall, Contract Agents do not seem to be at a higher risk of contributing to the ‘revolving door’ issue.** This issue seems more prominent among staff with, for example, decision-making roles and responsibilities. None of the Agencies in scope (nor the ECA) have identified contract staff as higher risk, due to their limited scope of tasks and typical non-managerial roles. All the Agencies are aware of offboarding procedures. However, due to limited capacity and resources, they struggle to proactively monitor the subsequent employment of CAs after they leave public service.

**Higher rotation of Contract Agents working in more specialised roles may pose challenges for protecting organisational knowledge.** FG I, FG II and FG III staff are mostly in administrative, HRM, financial, ICT or project assistant roles. These are usually less involved in highly specific or specialised activities, constituting a lower risk for the misuse of organisational knowledge. For FG IV CAs in expert or technical roles, the risk of organisational knowledge loss can be considered as higher. While some activities and work outcomes (e.g. project related) can be well documented and managed, expertise and technical knowledge in a specific domain may be difficult to replace when an expert CA leaves the Agency. This, amongst other factors, can lead to a higher risk for business continuity.

## 2.4. Salary of Contract Agents

**This section summarises the main findings of the analysis conducted on Contract Agent salaries. It compared the salaries of Contract Agents at decentralised EU Agencies to the salary levels commonly offered in the host Member States, as well as to those of comparable jobs across Europe.**

### 2.4.1. Comparison of salaries of Contract Agents across the Agencies in scope to the local average salaries in host countries

This sub-section presents a comparison of the salaries offered to Contract Agents across the Agencies in scope, highlighting the variation across different function groups. The remuneration of European staff, whether Contract Agents or Temporary Agents, is legally defined in the EU Staff Regulation. Table 5 outlines the basic salary for Contract Agents per function group, reviewed annually to account for changes in the European labour market. To compare the salaries of Agency Contract Agents to those in the host Member States and across comparable jobs in Europe, publicly available sources from 2020 were retrieved. It is important to note that the actual monthly gross salary of a Contract Agent may vary depending on personal circumstances, such as marital status or number of children. For the purpose of this study, the basic salary was taken into account.

Table 5: Basic salary without correction coefficient per function group

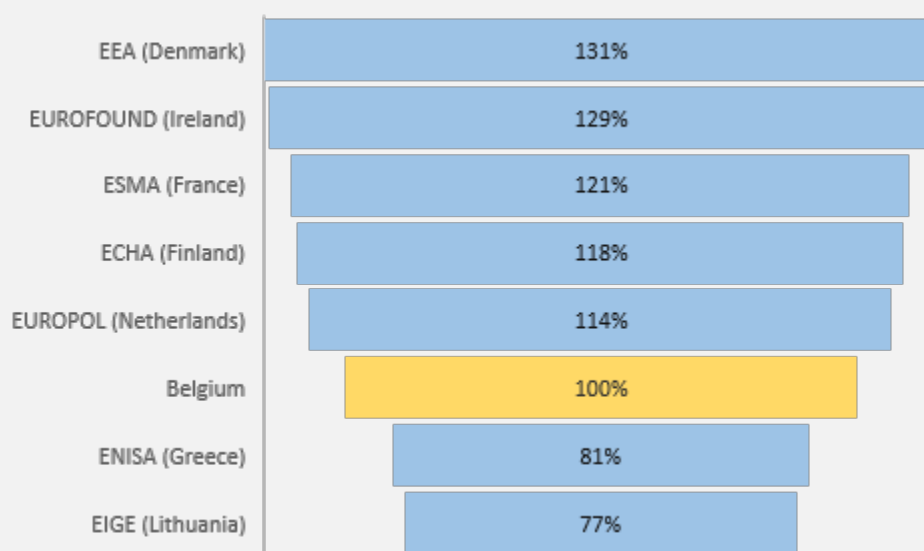
Legal standard basic salary	Salary Contract Agents in function group I 2020	Salary Contract Agents in function group II 2020	Salary Contract Agents in function group III 2020	Salary Contract Agents in function group IV 2020
Basic salary <sup>34</sup>	€2,088.92	€2,169.66	€2,777.78	€3,555.98

Source: EU Staff regulations.

<sup>34</sup> Basic salary refers to the monthly gross salary at the starting grade within each function group of Contract Agents.

**Box 5: Comparison of the 2020 correction coefficient<sup>35</sup> across Agencies in scope<sup>36</sup>**

To accurately reflect the socio-economic environment of the Agency host Member State, a correction coefficient is applied to all staff salaries. The Agencies in scope are located in different Member States and therefore a different correction coefficient applies to each. The baseline coefficient of 100% is that of Belgium. Most Agencies in scope have a higher correction coefficient. Furthermore, the correction coefficient across the Agencies in scope ranges from 77% (EIGE) to 131% (EEA).



Taking the basic salary per CA function group as a starting point, Table 6 displays the basic salaries of the Agencies in scope (salaries for the starting grade within the FG), adjusted by the correction coefficient.

<sup>35</sup> The correction coefficient of 2020 was chosen to be able to compare to national average salaries. It should be noted that the correction coefficient has evolved since then and been adapted to match the socio-economic conditions of the host Member States.

<sup>36</sup> Correction coefficients are based on the first semester of 2020 for comparison reasons and are not the most recent. Eurostat (2023), *Civil servants remuneration – correction coefficients*. [Correction coefficients - Civil servants remuneration - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1). (Accessed on 06 March 2023).

Table 6: Summary table of the adjusted basic salaries of the Agencies in scope

Agency	Country		Agency correction coefficient 2020	CA Salary in function group I 2020	CA Salary in function group II 2020	CA Salary in function group III 2020	CA Salary in function group IV 2020
EEA	Denmark	Adjusted basic salary	131.3%	€2,798.32	€2,907.47	€3,722.77	€4,765.56
Eurofound	Ireland	Adjusted basic salary	129.0%	€2,694.71	€2,798.86	€3,583.34	€4,587.21
ESMA	France	Adjusted basic salary	120.5%	€2,517.15	€2,614.44	€3,347.22	€4,284.96
ECHA	Finland	Adjusted basic salary	118.4%	€2,473.28	€2,568.88	€3,288.89	€4,210.28
Europol	Netherlands	Adjusted basic salary	113.9%	€2,379.28	€2,471.24	€3,163.89	€4,050.26
ENISA	Greece	Adjusted basic salary	81.4%	€1,700.38	€1,766.10	€2,261.11	€2,894.57
EIGE	Lithuania	Adjusted basic salary	76.6%	€1,600.11	€1,661.96	€2,127.78	€2,723.88

Source: EU Staff Regulation and Eurostat (2023) civil servants remuneration – correction coefficients.

Segmenting the adjusted basic salary of each Agency across different function groups, Table 7 compares it with the average monthly salary of the host Member State. The UNECE database was used for the analysis due to its consistent and exclusive data source for the comparison. Additionally, to ensure reliability of data across the Agencies in scope, it was chosen as the preferred option due to its completeness. The benchmark analysis was carried out by comparing the average wages in the host Member States in 2020 to the 2020 adjusted CA salaries.

The legend below represents the degree of difference between the two measures. Based on available salary data and its underlying distribution, a five-point scale was chosen. The foundation for this is the 'margin of error' taken into consideration for the available data – a deviation of €200 euro maximum is within acceptable proportions given the correction coefficient and the reliability of the available data. As the aim of this study does not entail a detailed salary benchmarking investigation, choosing a larger point-scale (7, 9, etc.) would bring unnecessary granularity and complexity. The colour scheme of this five-point scale is used during the rest of the section.

Colour code	Degree of difference
	Below -€1,000
	Between -€1,000 and -€100
	Between -€100 and +€100
	Between +€100 and +€1,000
	Above +€1,000

Table 7: Comparison of the Contract Agents adjusted basic salary and the monthly average wage per country

Agency	Country	Agency correction coefficient 2020	Difference between the CA adjusted salary FG I (2020) and the UNECE Monthly Average Wage (2020) (EUR)	Difference between the CA adjusted salary FG II (2020) and the UNECE Monthly Average Wage (2020) (EUR)	Difference between the CA adjusted salary FG III (2020) and the UNECE Monthly Average Wage (2020) (EUR)	Difference between the CA adjusted salary FG IV (2020) and the UNECE Monthly Average Wage (2020) (EUR)
EEA	Denmark	131.3%				
Eurofound	Ireland	129.0%				
ESMA	France	120.5%				
ECHA	Finland	118.4%				
Europol	Netherlands	113.9%				
ENISA	Greece	81.4%				
EIGE	Lithuania	76.6%				

Source: EU Staff Regulation, Eurostat (2023) civil servants remuneration – correction coefficients, UNECE Monthly Average Wage 2020.

The data also shows that in some function groups Contract Agents are mostly offered salaries higher than the local average, while in other function groups they are mostly lower. For instance focusing on FG IV, the CA salaries in most Agencies in scope are higher than the local average (ECHA, ESMA, ENISA, EIGE). In contrast, focusing on function groups I, II and III, the salaries are lower than the local average (Eurofound, EEA, ECHA, Europol).

EIGE and ENISA have a correction coefficient lower than the baseline coefficient (<100%). Nonetheless, Contract Agents at those Agencies across all function groups receive higher salaries than the averages in the respective host Member States. On the other hand, Europol, EEA and Eurofound have a higher correction coefficient than baseline (>100%), but the average CA salary in all function groups is lower than the average in the respective host Member State.



These comparisons provide only an indication as to potential financial attractiveness. To understand the differences and their implications better, an analysis on the job role level and the broader European labour market is required.

#### 2.4.2. Comparison of salaries of Contract Agents to salaries of comparable jobs

This subsection provides a more detailed analysis of Contract Agent salaries by comparing them to the average salary of related positions in European regions. These include all European countries grouped according to the United Nations Geoscheme (M49 standard)<sup>37</sup>: Western Europe (Austria, Belgium, Germany, France, Luxembourg and the Netherlands); Southern Europe (Cyprus, Greece, Croatia, Italy, Malta, Portugal, Slovenia and Spain); Northern Europe (Denmark, Estonia, Finland, Ireland, Lithuania, Latvia, Sweden); and Eastern Europe (Bulgaria, Czechia, Hungary, Poland, Romania and Slovakia).

As the tasks and responsibilities vary between and within the function groups and Agencies, different jobs are used to compare the salaries of Contract Agents. Table 8 presents the jobs selected as a benchmark per function group and Agency in scope. It is important to note the comparative analyses of CA salaries to those of comparable jobs does not include FG I, as this category is sparsely employed by the Agencies in scope. In addition, a distinction is made between expert and coordinating profiles to account for the variety of CA roles. However, this distinction was not made for Europol, because the Agency tends to mostly employ CAs for coordinating roles. For specialist profiles, multiple roles were utilised to encompass the diversity within FG IV.

Table 8: Comparable jobs across Agencies and function groups

Function group	ECHA	EEA	EIGE	ENISA	ESMA	Eurofound	Europol
FG IV - Specialist profile	Data specialist / Senior data analyst / Data officer	Environmental manager / Risk officer / Climate officer	Senior data analyst / Data officer / Data specialist	Cybersecurity expert / Data specialist / Security officer	Senior financial analyst / Financial officer / Data specialist	Senior data officer / Data specialist / Senior data analyst	
FG IV - Coordinating profile	Project manager						
FG III	Human resources administrator						
FG II	Administrative assistant						

The following tables illustrate the range of salary differences between the Agency's adjusted basic salary of 2021 and the salaries of comparable jobs.<sup>38</sup> The analysis is performed per function group and clustered on the regional level. Section 2.4.3 presents the next level of detail and the country-level comparison. Due to variations in salaries among the comparable jobs, the following tables have been

<sup>37</sup> As a result of insufficient data availability, Cyprus, Estonia, Lithuania and Malta are taken out from the European region grouping.

<sup>38</sup> The salary includes only the base pay for the role and does not include overtime pay, bonuses, benefits or insurance.



presented in the form of a heatmap. The color-coding scheme utilised in the tables is consistent with the aforementioned scheme. Each function group is discussed separately.

Colour code	Degree of difference
	Below -€1,000
	Between -€1,000 and -€100
	Between -€100 and +€100
	Between +€100 and +€1,000
	Above +€1,000

#### a. Contract Agent function group III and II

Comparing the salaries of Contract Agents FG III and FG II to those of comparable jobs, overall the data indicates that CAs tend to earn lower salaries than their counterparts in Western European countries, especially at EIGE and ENISA. In contrast, CAs tend to earn higher salaries than comparable jobs in Southern, Northern and Eastern European countries. This finding indicates that Agencies in a similar region may face similar experiences in terms of recruiting and retaining Contract Agents FG II and FG III. Tables 9 and 10 provide more details.

Table 9: Heatmap of Contract Agent FG III salaries compared to their benchmark in European regions

FG III role <sup>37</sup>	Finland - ECHA	Denmark - EEA	Lithuania - EIGE	Greece - ENISA	France - ESMA	Ireland - EUROFOUND	Netherlands - EUROPOL
Western							
Southern							
Northern							
Eastern							

Source: United Nations Geoscheme (M49 standard), Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, CareerCross, Monster, Career Builder, SimplyHired and Salary Finder.

Table 10: Heatmap of Contract Agent FG II salaries compared to their benchmark in European regions

FG II role <sup>37</sup>	Finland - ECHA	Denmark - EEA	Lithuania - EIGE	Greece - ENISA	France - ESMA	Ireland - EUROFOUND	Netherlands - EUROPOL
Western							
Southern							
Northern							
Eastern							

Source: United Nations Geoscheme (M49 standard), Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, CareerCross, Monster, Career Builder, SimplyHired and Salary Finder.

#### b. Contract Agent function group IV – coordinating profiles

Comparing the salaries of coordinating profiles among Contract Agents FG IV and comparable jobs, the data indicates that across all Agencies in scope, CA salaries are lower in Western and Northern European countries than those of their counterparts. This indicates that the Agencies in Northern and Western Europe may face similar challenges in recruiting and retaining CA FG IV coordinating profiles. In contrast, across all Agencies in scope, the salaries of CA FG IV coordinating profiles in Southern and Eastern European countries are higher than those of counterparts. Table 11 provides more details.

Table 11: Heatmap of Contract Agent coordinating salaries compared to their benchmark in European regions

FG IV coordinating profile	Finland - ECHA	Denmark - EEA	Lithuania - EIGE	Greece - ENISA	France - ESMA	Ireland - EUROFOUND	Netherlands - EUROPOL
Western							
Southern							
Northern							
Eastern							

Source: United Nations Geoscheme (M49 standard), Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, CareerCross, Monster, Career Builder, SimplyHired and Salary Finder.

### c. Contract Agent function group IV – specialist profiles

Comparing the salaries of specialist profiles among Contract Agents FG IV and comparable jobs, the data indicates that overall CAs tend to earn higher salaries than their counterparts in Southern and Eastern European countries. At ENISA and EIGE, the specialist profile salaries among Contract Agents tend to be lower than for comparable jobs in Western and Northern European countries. It is worth noting that where the salary differences are substantial, the geographical diversity of applicants may be influenced. As such, for ENISA and EIGE these findings could indicate that establishing geographical diversity among CA FG IV specialist profiles is more challenging than for other function groups and/or other Agencies in scope.

Table 12: Heatmap of Contract Agent specialist profiles compared to their benchmark in European regions

FG IV Expert profile <sup>39</sup>	ECHA – Chemical sector	EEA – Environmentsector	EIGE – Research in diversity & inclusion	ENISA – Cyber-security	ESMA – Financial markets	EUROFOUND – Research in working conditions
Western						
Southern						
Northern						
Eastern						

Source: United Nations Geoscheme (M49 standard), Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, CareerCross, Monster, Career Builder, SimplyHired and Salary Finder.

#### 2.4.3. Case studies on salary and remuneration in the Agencies in scope

This subsection compares Contract Agent salaries offered by the Agencies in scope to those of comparable jobs across the European countries. Each comparison is discussed per Agency and zooms in on the job roles per function group (detailed in Table 8). In order to ensure consistent comparisons, CA salaries in 2021 (adjusted by relevant correction coefficients) are compared to salaries of comparable jobs. Note that correction coefficients are determined by the socio-economic conditions of the host countries.

<sup>39</sup> The salary includes only the base pay for the role and does not include overtime pay, bonuses, benefits or insurance. The sources used are Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, CareerCross, Monster, Career Builder, SimplyHired and Salary Finder.

### a. ECHA

ECHA salaries have a **correction coefficient of 117.5%**. Table 13 reports salary levels as measured in 2021.

Table 13: Contract Agency salaries in Finland at ECHA

Legal standard basic salary <sup>40</sup>	Agency correction coefficient 2021	Salary Contract Agents in function group I 2021	Salary Contract Agents in function group II 2021	Salary Contract Agents in function group III 2021	Salary Contract Agents in function group IV 2021
Adjusted Basic Pay	117.5%	€2,500.40	€2,597.93	€3,326.43	€4,258.20
Contract Agent function group		Comparable roles evaluated in the scope of this study			
FG II		Administrative assistant			
FG III		Human resources administrator			
FG IV		Project manager			
FG IV Specialist profile		Data specialist/Senior data analyst/Data officer			

Source: Data retrieved from Eurostat (2023) civil servants remuneration – correction coefficients, Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

Table 14 compares salaries in various European countries to ECHA Contract Agent salaries. In general, it can be noted that across the function groups, CA salaries are relatively lower than those of comparable jobs in Western and Northern Europe. Next, the salaries of CA FGIV specialists are on par overall with those of their counterparts. However, salaries for FG IV coordinating roles are lower at ECHA than those for comparable jobs in western and northern European countries, the largest differences noted.

Table 14: Heatmap of ECHA salaries compared to the benchmark<sup>41</sup>

Region	Member States	FG II	FG III	FG IV - Coordinating Role	FG IV - Specialist Profile
Western	Belgium				
	Germany				
	France				
	Luxembourg				
	Austria				
	Netherlands				
Southern	Portugal				
	Czechia				
	Croatia				
	Italy				
	Slovenia				
	Greece				
	Spain				

<sup>40</sup> Living conditions are excluded from the table, as reporting differences do not permit accurate comparisons.

<sup>41</sup> Grey cells across the tables of salary comparison on country level represent countries excluded from the analysis due to lack of, or insufficient data.

Northern	Sweden				
	Denmark				
	Ireland				
	Latvia				
	Finland				
Eastern	Hungary				
	Bulgaria				
	Poland				
	Romania				
	Slovakia				

Source: Data retrieved from Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

## b. EEA

EEA salaries have a **correction coefficient of 131.5%**. Table 15 reports salary levels as measured in 2021.

Table 15: Contract Agent salaries in Denmark at EEA

Legal standard basic salary <sup>42</sup>	Agency correction coefficient 2021	Salary Contract Agents in function group I 2021	Salary Contract Agents in function group II 2021	Salary Contract Agents in function group III 2021	Salary Contract Agents in function group IV 2021
Adjusted Basic Pay	131.5%	€2,798.32	€2,907.47	€3,722.77	€4,765.56
Contract Agent function group	Comparable roles evaluated in the scope of this study				
FG II	Administrative assistant				
FG III	Human resources administrator				
FG IV	Project manager				
FG IV Specialist profile	Environmental manager/Risk office /Climate officer				

Source: Data retrieved from Eurostat (2023) civil servants remuneration – correction coefficients, Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

Table 16 indicates that the adjusted basic pay is more favourable in southern and eastern countries. However, for FG II and FG III, the EEA salaries seem to have smaller difference across all countries compared to the job roles of FG IV. This may lead to higher competition for talent in western and northern Member States, whereas the green colours suggest that in the southern and eastern regions, the Agency appears financially more attractive to potential Contract Agents.

Table 16: Heatmap of EEA salaries compared to the benchmark

Region	Member States	FG II	FG III	FG IV - Coordinating Role	FG IV – Specialist Profile
Western	Belgium				
	Germany				
	France				

<sup>42</sup> Living conditions are excluded from the table, as reporting differences do not permit accurate comparisons.

	Luxembourg				
	Austria				
	Netherlands				
Southern	Portugal				
	Czechia				
	Croatia				
	Italy				
	Slovenia				
	Greece				
	Spain				
Northern	Sweden				
	Denmark				
	Ireland				
	Latvia				
	Finland				
Eastern	Hungary				
	Bulgaria				
	Poland				
	Romania				
	Slovakia				

Source: Data retrieved from Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

### c. EIGE

EIGE salaries have a **correction coefficient of 81.6%**. Table 17 reports salary levels as measured in 2021.

Table 17: Contract Agent salaries in Lithuania at EIGE

Legal standard basic salary <sup>43</sup>	Agency Correction coefficient 2021	Salary Contract Agents in function group I 2021	Salary Contract Agents in function group II 2021	Salary Contract Agents in function group III 2021	Salary Contract Agents in function group IV 2021
Adjusted Basic Pay	81.6%	€1,736.45	€1,804.18	€2,310.10	€2,957.18
Contract Agent function group		Comparable roles evaluated in the scope of this study			
FG II		Administrative assistant			
FG III		Human resources administrator			
FG IV		Project manager			
FG IV Specialist profile		Senior data analyst/Data officer/Data specialist			

Source: Data retrieved from Eurostat (2023) civil servants remuneration – correction coefficients, Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

Overall, salaries offered to EIGE Contract Agents are lower than those of the previously described Agencies. The differences seem larger in northern and western countries. Table 18 shows that CA salaries across the function groups are generally higher or on par with salaries offered in the eastern

<sup>43</sup> Living conditions are excluded from the table, as reporting differences do not permit accurate comparisons.

part of Europe. But the higher salaries offered for private sector specialists could negatively influence the success of FG IV recruitment.

Table 18: Heatmap of EIGE salaries compared to the benchmark

Region	Member States	FG II	FG III	FG IV - Coordinating Role	FG IV - Specialist Profile
Western	Belgium				
	Germany				
	France				
	Luxembourg				
	Austria				
	Netherlands				
Southern	Portugal				
	Czechia				
	Croatia				
	Italy				
	Slovenia				
	Greece				
	Spain				
Northern	Sweden				
	Denmark				
	Ireland				
	Latvia				
	Finland				
Eastern	Hungary				
	Bulgaria				
	Poland				
	Romania				
	Slovakia				

Source: Data retrieved from Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

#### d. ENISA

ENISA salaries have a **correction coefficient of 83.7%**. Table 19 reports salary levels as measured in 2021.

Table 19: Contract Agent salaries in Greece at ENISA

Legal standard basic salary <sup>44</sup>	Agency Correction coefficient 2021	Salary Contract Agents in function group I 2021	Salary Contract Agents in function group II 2021	Salary Contract Agents in function group III 2021	Salary Contract Agents in function group IV 2021
Adjusted Basic Pay	83.7%	€1,781.14	€1,850.61	€2,369,5	€3,033.29
Contract Agent function group		Comparable roles evaluated in the scope of this study			
FG II		Administrative assistant			

<sup>44</sup> Living conditions are excluded from the table, as reporting differences do not permit accurate comparisons.

FG III	Human resources administrator
FG IV	Project manager
FG IV Specialist profile	Cybersecurity expert/Data specialist/Security officer

Source: Data retrieved from Eurostat (2023) civil servants remuneration – correction coefficients, Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

Table 20 indicates that similarly to EIGE, ENISA salaries across function groups are relatively lower than salaries offered in Western and Northern Europe. The salaries offered in the south by the private sector are somewhat higher than those of ENISA. The biggest positive differences between salaries can be seen in Eastern countries.

Table 20: Heatmap of ENISA salaries compared to the benchmark

Region	Member States	FG II	FG III	FG IV - Coordinating Role	FG IV - Specialist Profile
Western	Belgium				
	Germany				
	France				
	Luxembourg				
	Austria				
	Netherlands				
Southern	Portugal				
	Czechia				
	Croatia				
	Italy				
	Slovenia				
	Greece				
	Spain				
Northern	Sweden				
	Denmark				
	Ireland				
	Latvia				
	Finland				
Eastern	Hungary				
	Bulgaria				
	Poland				
	Romania				
	Slovakia				

Source: Data retrieved from Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

#### e. ESMA

ESMA salaries have a **correction coefficient of 118.7%**. Table 21 reports salary levels as measured in 2021.

Table 21: Contract Agents salaries in France at ESMA

Legal standard basic salary <sup>45</sup>	Agency Correction coefficient 2021	Salary Contract Agents in function group I 2021	Salary Contract Agents in function group II 2021	Salary Contract Agents in function group III 2021	Salary Contract Agents in function group IV 2021
Adjusted Basic Pay	118.7%	€2,525.94	€2,624.46	€3,360.40	€4,301.69
Contract Agent function group		Comparable roles evaluated in the scope of this study			
FG II		Administrative assistant			
FG III		Human resources administrator			
FG IV		Project manager			
FG IV Specialist profile		Senior financial analyst/Financial officer/Data specialist			

Source: Data retrieved from Eurostat (2023) civil servants remuneration – correction coefficients, Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

Table 22 indicates that the adjusted basic pay offered to Contract Agents is lower than private sector salaries in the western and northern parts of Europe. For FG III, the ESMA salaries seem to be on par or higher across all countries for which the data sample was available. It can also be noted that FG IV salaries have the largest negative differences in Western and Northern Europe. This indicates that the Agency could encounter challenges attracting talent for FG IV roles from those regions.

Table 22: Heatmap of ESMA salaries compared to the benchmark

Region	Member States	FG II	FG III	FG IV - Coordinating Role	FG IV – Specialist Profile
Western	Belgium				
	Germany				
	France				
	Luxembourg				
	Austria				
	Netherlands				
Southern	Portugal				
	Czechia				
	Croatia				
	Italy				
	Slovenia				
	Greece				
	Spain				
Northern	Sweden				
	Denmark				
	Ireland				
	Latvia				
	Finland				
Eastern	Hungary				
	Bulgaria				

<sup>45</sup> Living conditions are excluded from the table, as reporting differences do not permit accurate comparisons.



	Poland				
	Romania				
	Slovakia				

Source: Data retrieved from Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

#### f. Eurofound

Eurofound salaries have a **correction coefficient of 136.9%**. Table 23 reports salary levels as measured in 2021.

Table 23: Contract Agent salaries in Ireland at Eurofound

Legal standard basic salary <sup>46</sup>	Agency Correction coefficient 2021	Salary Contract Agents in function group I (2021)	Salary Contract Agents in function group II 2021	Salary Contract Agents in function group III 2021	Salary Contract Agents in function group IV 2021
Adjusted Basic Pay	136.9%	€2,913.23	€3,026.86	€3,875.64	€4,961.26
Contract Agent function group		Comparable roles evaluated in the scope of this study			
FG II		Administrative assistant			
FG III		Human resources administrator			
FG IV		Project manager			
FG IV Specialist profile		Senior data officer/Data specialist/Senior data analyst			

Source: Data retrieved from Eurostat (2023) civil servants remuneration – correction coefficients, Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

Table 24 shows that Eurofound offers high salaries compared to the private sector in the majority of Member States, making the Agency a financially attractive employer in the European labour market. In Western countries, salaries for FG IV seem more attractive for specialist roles than for coordinating roles of the same function group. In southern and eastern Member States, the dark green colour might indicate that Eurofound could offer higher salaries than companies in the private sector.

Table 24: Heatmap of Eurofound salaries compared to the benchmark

Region	Member States	FG II	FG III	FG IV - Coordinating Role	FG IV - Specialist Profile
Western	Belgium				
	Germany				
	France				
	Luxembourg				
	Austria				
	Netherlands				
Southern	Portugal				
	Czechia				
	Croatia				
	Italy				
	Slovenia				

<sup>46</sup> Living conditions are excluded from the table, as reporting differences do not permit accurate comparisons.

	Greece				
	Spain				
Northern	Sweden				
	Denmark				
	Ireland				
	Latvia				
	Finland				
Eastern	Hungary				
	Bulgaria				
	Poland				
	Romania				
	Slovakia				

Source: Data retrieved from Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

### g. Europol

Europol salaries have a **correction coefficient of 110.3%**. Table 25 reports salary levels as measured in 2021.

Table 25: Contract Agent salaries in the Netherlands at Europol

Legal standard basic salary <sup>47</sup>	Agency Correction coefficient 2021	Salary Contract Agents in function group I 2021	Salary Contract Agents in function group II 2021	Salary Contract Agents in function group III 2021	Salary Contract Agents in function group IV 2021
Adjusted Basic Pay	110.3%	€2,347.18	€2,438.73	€3,122.59	€3,997.27
Contract Agent function group		Comparable roles evaluated in the scope of this study			
FG II		Administrative assistant			
FG III		Human resources administrator			
FG IV		Project manager			

Source: Data retrieved from Eurostat (2023) civil servants remuneration – correction coefficients, Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

Table 26 indicates that the adjusted basic pay offered to Contract Agents is lower than the private sector salaries in the western and northern parts of Europe. The differences seem to be bigger for FGs II and IV. Overall, CA salaries at Europol seem higher than those offered in the eastern and southern countries. The Agency may potentially attract a higher number of candidates from those regions.

Table 26: Heatmap of Europol salaries compared to the benchmark

Region	Member States	FG II	FG III	FG IV - coordinating role
Western	Belgium			
	Germany			
	France			
	Luxembourg			
	Austria			
	Netherlands			

<sup>47</sup> Living conditions are excluded from the table, as reporting differences do not permit accurate comparisons.

Southern	Portugal			
	Czechia			
	Croatia			
	Italy			
	Slovenia			
	Greece			
	Spain			
Northern	Sweden			
	Denmark			
	Ireland			
	Latvia			
	Finland			
Eastern	Hungary			
	Bulgaria			
	Poland			
	Romania			
	Slovakia			

Source: Data retrieved from Glassdoor, Indeed, Payscale, LinkedIn salary, Salary.com, Totaljobs, IT jobswatch, Careercross, Monster, Career Builder, SimplyHired and Salary Finder.

#### 2.4.4. Conclusions

**The differences between the salaries of Contract Agents and average local salaries seem to vary across Member States and functions groups.** The data shows that the salaries of different CA function groups have varying levels of competitiveness compared to similar jobs within the local labour market. This suggests that Agencies may face different levels of competition in these markets for different function groups. For three Agencies in scope of this study (EEA, Eurofound, Europol) the CA salaries for all function groups in 2020 were lower than the average salaries in the Member States (Denmark, Ireland, the Netherlands). In contrast, CA salaries of all function groups employed at ENISA and EIGE were higher than the local average salaries. Differences between the average local salaries and those of CAs seem to be most prominent for FG I, FG II and FG III. The information collected on CA FG IV salaries suggests that the average local salaries are lower in this function group for four Agencies in scope (ESMA, ECHA, ENISA, EIGE). This indicates that positions offered for more generalist profiles could be financially interesting for applicants from the Member States. However, it is important to stress that CA FG IV job roles are becoming more specialised (towards either expert or project management profiles). Hence, comparisons with similar roles across the Member States must take into account the general trends in salary differences.

**The correction coefficient does not seem to compensate for the differences between Contract Agent salaries and those of similar roles in Western and Northern Europe.** For the majority of the Agencies in scope of this study, the CA salaries were relatively lower across FG II, FG III and FG IV compared to similar jobs in the countries of Western and Northern Europe (with less difference for Eurofound). The differences between the salaries for all roles (secretarial, support functions, project coordination, specialists) can impact recruitment procedures and success rates. For ENISA and EIGE, which have a lower correction coefficient, the differences between CA salaries and those of comparable jobs seem to be greater in the north and west, yet on par with, or close to salaries offered in Southern Europe.

**The financial attractiveness of CA posts in those regions can impact the geographical diversity of applicants.** The Agencies could experience difficulties in attracting talent from the above-

mentioned regions and should consider deploying various recruitment and employer branding strategies. The correction coefficient alone should not be considered as a tool for closing salary gaps, but rather as one for adjusting staff salary to align with the socioeconomic situation of the host Member State of the Agency.

## 2.5. Prospects for advancement of Contract Agents

**This section presents key insights from an analysis of the Staff Regulation and a review of applicable policies and practices for managing the careers of Contract Agents within the Agencies in scope.**

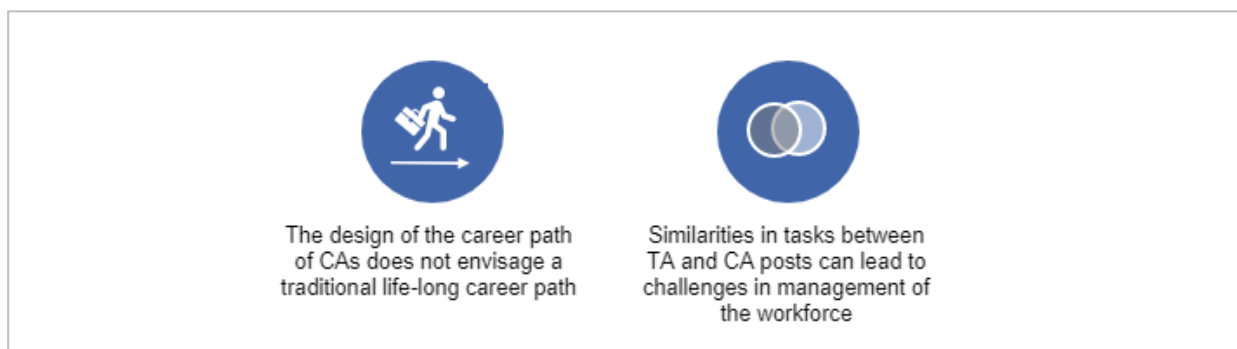
### 2.5.1. Overview of findings on prospects for advancement of Contract Agents

The career path of Contract Agents is stipulated by the Staff Regulation, CEOS, Title IV. Relevant rules have been highlighted below to provide context for further analysis.

- **Internal competitions** - Art 82 (7): Contract staff in function groups II, III and IV may be authorised to take part in internal competitions only after having completed three years of service in the institution. Contract staff in function group II may have access only to competitions at grades SC 1 to 2, in function group III at grades AST 1 to 2, and in function group IV at grades AST 1 to 4 or at grades AD 5 to 6. The total number of candidates who are members of the contract staff and who are appointed to vacant posts at any of those grades shall never exceed 5% of the total number of appointments to those function groups made per year in accordance with the second paragraph of Article 30 of the Staff Regulations.
- **Internal mobility** - Art 86 (2) - Where a member of the contract staff referred to in Article 3a moves to a new post within a function group, he shall not be classified in a lower grade or step than in his former post.
- **Performance mgmt. and reclassification** - Art 87 stipulates the rules for reclassification.
  - Art 87 (1) Annual reports and appraisal for CAs type 3a are performed if they were engaged within the Agency for at least a year.
  - Art 87 (2) A member of the contract staff referred to in Article 3a who has been at one step in his grade for two years shall automatically advance to the next step in that grade.
  - Art 87 (3) (...) classification in the **next higher grade in the same function group** shall be by decision of the authority referred to in the first paragraph of Article 6. It shall be effected by classifying such contract staff in the first step of the next higher grade. Such advancement shall be exclusively by selection from among contract staff referred to in Article 3a with a contract of at least three years who have completed a minimum period of two years in their grade, after consideration of the comparative merits of such contract staff eligible for advancement to a higher grade and of the reports on them (...).
  - Art 87 (4) A member of the contract staff referred to in Article 3a may change to a **higher function group** only through participation in a **general selection procedure**.

The Figure below presents two key findings identified within the Agencies in scope of this study.

Figure 23: Overview of identified challenges and trends related to prospects for advancement



**The career path for contract staff does not envisage a traditional, life-long career.** By design, it is longer and less financially rewarding than those of Temporary Agents or officials. Contract Agents are required to work a certain number of years before they can be considered for reclassification, as per Decision C(2015)9561:

Table 27: Average number of years in grade of reclassified staff members

Contract Agent function group	Grade	Average number of years in grade of reclassified staff members according to Decision C(2015)9561
CA IV	17	Between 6 and 10
	16	Between 5 and 7
	15	Between 4 and 6
	14	Between 3 and 5
	13	Between 3 and 5
CA III	11	Between 6 and 10
	10	Between 5 and 7
	9	Between 4 and 6
	8	Between 3 and 5
CA II	6	Between 6 and 10
	5	Between 5 and 7
	4	Between 3 and 5
CA I	2	Between 6 and 10
	1	Between 3 and 5

Source: Agency Single Programming Document.

The limitation of tasks that contract staff can perform, combined with the number of years in specific grades and function groups, implies that the evolution of the role and corresponding responsibilities are fairly limited. It has been noted that the expectations of recruited staff are often not in line with what the Agencies can offer in terms of career development.

For staff recruited from Member States with salaries lower than those within the Agencies in scope, it was noted that applicants for more specialist or expert FG IV roles are often highly experienced and could potentially be eligible for available TA posts. Due to the limitations in the scope of tasks assigned to FG IV roles and the restricted opportunities for evolution, new recruits could become disengaged.

Finally, the incremental financial increase in the salaries is lower compared to TA posts, which in principle should be aligned with the differences in responsibilities, education and experience. However in practice, tasks performed by certain function groups are closely aligned with what TAs are performing.

**Similarities in tasks between TA and CA posts can lead to challenges in managing the workforce.** During the research it was noted that FG IV and TA posts grades 5 and 6 (sometimes 7), as well as FG III and TA posts AST 5 and 6, have a similar scope of tasks and responsibilities in practice. While these CA roles in principle cannot have any managerial responsibilities and must work under TA supervision, the daily activities become very similar to the TA roles. Specifically, where the corresponding roles focus on managing or coordinating projects or providing specialist advice, the daily work requires a strong alignment and the differences may become blurry. Where Agencies employ contract staff as a structural part of the workforce and depend on them to execute core or operational activities, the tasks closely correspond. Nevertheless, the salaries and prospects for advancement remain different. This creates challenges for the Agency managers, who must ensure high staff motivation, communicate clearly, align on expectations and offer alternative development paths. Examples of identified practices are described in Section 2.5.2. EEA indicated that staff engagement survey results have shown consistently lower CA engagement scores compared to TAs.

All the above insights have an impact on the retention of staff. During the research across the Agencies in scope and the consultation rounds, it was noted that the staff applying for CA posts will, most of the time, see this role as a career step. For larger Agencies, suitable CA candidates would ideally be offered TA posts to grow further. For smaller ones with limited TA posts, CAs will most likely leave after exhausting the limited growth opportunities.

### 2.5.2. Relevant practices for prospects for advancement of Contract Agents by Agencies in scope

Figure 24: Measures Agencies are taking to address challenges related to prospects for advancement



**Aligning advancement expectations and clearly communicating about the career paths available to Contract Agents can help Agencies create a common understanding of career options.** Several Agencies in scope of the study have addressed potential future challenges for staff management, and most highlighted motivation and staff satisfaction through communication initiatives. For example, Eurofound has created a dedicated intranet page that clearly explains the differences between different contract types. Creating awareness at the start of employment (or even at the recruitment stage) should be considered part of the standard process.

**Learning and development opportunities for Contract Agents can be presented as investments in their career and growth within the role.** All Agencies stressed that contract staff have access to the same learning and development opportunities as TAs. In that regard, they are also considered part of the structural workforce. CAs are offered training courses for soft and technical competencies, and can participate in language training (in line with regulations). Agencies also consider upskilling their CA staff with specific technical skills, and offering high-end courses (with often higher costs but excellent quality). This can be considered as an additional CA perk or benefit. Next to this, at Europol, for example, contract staff can take part in coaching and mentoring schemes to develop their future careers.

**Temporary assignments for Contract Agents can help them develop additional sets of transversal or technical skills and grow horizontally.** ENISA has adopted an agile approach to organising the workforce to boost transversal learning and to develop skills across areas of the Agency. Focusing on the staff's competencies and skills rather than on typical job descriptions, the Agency aims to minimise conversations about constraints and instead focus on individual development that also contributes to organisational objectives. Such assignments are launched for temporary teams (short- or medium-term duration) focusing on specific organisational issues, projects, etc.

**Agencies promote the staff ownership of their careers to increase staff motivation.** In general, Agencies elaborate their value proposition to staff members and encourage them to take ownership of their development and careers. As in the previous examples, ENISA encourages staff to invest in learning and development, apply for temporary assignments, and consider internal mobility options. Putting staff members in the driver's seat empowers them to express their interests proactively.

What is important to note is that both CAs and TAs can apply for the assignments, have access to the developmental options, and eventually perform the same tasks, which can help address the workforce management challenges mentioned in Section 2.5.1. It should be stressed that with this approach, the staff will indeed aim to apply for TA or official posts in the longer term and progress in their careers.

### 2.5.3. Case studies on prospects for advancement in Agencies in scope

This section presents the collected insights per Agency, providing additional information about the challenges, trends and best practices highlighted in section 2.5.1

#### a. ECHA

The focus group explained that Contract Agents FG III predominantly work in administration, providing horizontal services, while Contract Agents FG IV work predominantly on scientific or legal matters at ECHA. The reclassification is available to the contract staff, allowing for advancement across steps and grades. Internal mobility ('career enhancement') occasionally occurs, allowing the contract staff to learn about other internal work areas. The Agency has not yet offered the possibility for CAs to apply for the next function group level via internal procedure, as there has not been a need for this. ECHA stresses that professional development for Contract Agents is the same as for Temporary Agents. ECHA is aware that many CAs are entrusted with high-responsibility tasks but feel frustrated after a while due to limited remuneration and prospects for advancement. In this regard, the focus group stated, *'It is in a way a feeling of implicit unfairness.'*

#### b. EEA

At EEA, all applicable options for advancement in steps and grades are available to Contract Agents and are awarded based on performance. All staff including CAs have access to learning and development opportunities. Yet during the focus group, it was noted that staff engagement surveys at EEA have shown consistently lower engagement scores among CAs. Due to the fact that contract staff perform very similar activities as temporary staff, there is a notable discrepancy between their respective progression options and remuneration. The Agency has identified challenges with managing the expectations and motivation of contract staff.



**c. EIGE**

EIGE follows the rules outlined in Staff Regulation on advancement in steps and grades within the respective function groups. Advancement to the next function group takes place through a general selection procedure. Due to its size, EIGE does not offer many opportunities for Contract Agents to apply for Temporary Agent posts (which are limited). During the focus group, the Agency shared that after a 4-5 years of employment, CAs may feel frustrated and that it is not uncommon for them to seek a Temporary Agent post at another EU body. Next to this, similarities in the scope of tasks between FG IV and TA 5 or TA 6 cause dissatisfaction with salary discrepancies and opportunities to advance.

**d. ENISA**

At ENISA, all applicable options for advancement in steps and grades are available to Contract Agents and are awarded based on performance. Next to this, they can participate in the selection procedure for TA posts. Nevertheless, there is a certain level of dissatisfaction with the similarity of tasks and the difference in pay and career options between the CA FG IV and TA 5/TA 6 posts. To address this challenge, the Agency has developed more generic assignment descriptions between Contract Agents and Temporary Agents, that enable CAs to develop and take on more advanced tasks. For all staff, including CAs, the Agency promotes career ownership and invests in high-level trainings related to the Agency's mandate. It also offers internal mobility, and assignments in different teams to advance horizontally.

**e. ESMA**

Following the Staff Regulation, all applicable reclassification opportunities and advancements in grades and steps are available to Contract Agents at ESMA. CA advancement to the next function group without external selection is a recent addition to the Legal Framework, and no CA at ESMA has taken this option yet. During qualitative discussions with the focus group, the Agency noted that advancement within the FG, as compared to TAs, is less advantageous, specifically due to the slower pace and smaller incremental salary increases set out by the Staff Regulation. CAs have equal opportunities to apply for TA posts at ESMA, but must follow the same procedure as external applicants. Regarding internal mobility, ESMA offers equal opportunities to all staff to benefit from development opportunities, Staff Committee participation, etc. Contract Agents are considered an integral part of the workforce.

**f. Eurofound**

At Eurofound, all applicable options for advancement in steps and grades are available to Contract Agents and are awarded based on performance. During the focus group the Agency shared that the design of CA advancement (longer time scales and lower salary increases compared to TA posts) can be a source of discontent. The shorter the contract duration for CAs, the less the differences come to the surface. The focus group also stated that offering shorter contracts and avoiding situations, where staff would be due for the second renewal and the contract of indefinite duration, is more beneficial to the organisation, and minimises the risks of CA frustration about limited advancement prospects and career paths. The Agency has created an intranet page clearly outlining the differences between contract types, and covering advancement prospects for all staff members.

**g. Europol**

The possibilities and rules applicable to Contract Agents are outlined in the Europol Decision of the Executive Director of 19 November 2019. It covers the advancement to a higher function group for



contract staff under Article 3a of the Conditions of Employment of Other Servants of the European Union. Next to advancement in steps and in grades, Europol conducts many selection procedures for TA or AST posts each year, creating opportunities for CAs to advance to a more attractive post. The Agency does not offer indefinite contracts for restricted posts for TAs (the majority at Europol), which indeed creates more CA upward mobility. The option of changing FG through a general selection procedure has not yet been introduced and internal CA mobility is limited. Next to this, Europol offers a learning and development programme factoring in business needs and staff members' goals (e.g. training opportunities, job shadowing and mentoring schemes, and a young professional programme).

#### 2.5.4. Conclusions

**Prospects for Contract Agent advancement seem more limited than those of other staff categories.** By design and based on the Staff Regulations and applicable rules, the career path of Contract Agents is longer (in years of experience before grade reclassification) and less financially rewarding than that of a Temporary Agent. The Agencies in scope of this study highlighted that contract staff with ambitions to grow and develop in their careers would usually apply for TA or official posts, which offer managerial and/or expert career tracks. For smaller Agencies with limited TA vacancies, contract staff will most likely leave, potentially accelerating the loss of organisational knowledge.

**Agencies deploy several talent management strategies aimed at increasing staff motivation and satisfaction.** All Agencies in scope of this study acknowledged the potential long-term challenges for contract staff development and advancement, and have identified several initiatives to support CA growth. They focus on competency development, learning, and work assignments that build experience, skills and knowledge. It should be noted that the CA career path is limited by design, and that staff members aiming for a managerial path would potentially apply for Temporary Agent posts. Agencies have highlighted the importance of proactive and clear communication to candidates and staff members to help manage expectations for career advancement.

**Similarities in tasks between AD5-7 and CA FG IV, as well as AST 5-6 and CA FG III can lead to challenges with staff motivation.** Temporary Agents receive higher remuneration than Contract Agents. Contract staff cannot take on managerial responsibilities and are required to work under the supervision of a Temporary Agent. In situations where TAs AD5-7 and CA FG IV or AST 5-6 and CA FG III are posted for similar roles (for example managing or coordinating projects or providing specialist advice) the daily work requires strong alignment and the differences between roles and responsibilities may become blurry. Agencies in scope of this study have shared that the similarities between the daily work of CAs and TAs impacts contract staff work satisfaction, and potentially emphasises the separate category of Contract Agents.

### 3. CONCLUSIONS AND CONSIDERATIONS

**This section of the report presents aggregated conclusions based on the information gathered and analysed for the seven Agencies in scope with regard to the research questions. Next to this, suggestions for future enhancements in contract staff management and considerations for future research are presented.**

It is important to note that this study presents findings based on the sample of the seven Agencies in scope. Although the sample was carefully selected based on several criteria to create the best possible representation of the Agencies (see Methodology section in the Annex), the conclusions and considerations listed below might not fully apply to the whole population of EU decentralised Agencies.

#### 3.1. Workforce composition – evolution of Contract Agent numbers in decentralised EU Agencies

**The proportion of Contract Agents in the total workforce has been increasing over the last decade across decentralised Agencies.** Similarly, the CA numbers have been increasing in other Institutions, as well as Executive Agencies, reaching 23.18% in the European Commission, 23.53% in the European Parliament and 23.35% across all decentralised Agencies in 2021. Agencies belonging to the ‘Supervising financial systems’ and ‘Providing security and defence’ clusters have the lowest proportion of CAs in the workforce overall. ‘Fostering citizens wellbeing’ and ‘Ensuring an area of freedom, security and justice’ clusters have noted the highest proportion of CAs in the workforce overall, with the latter doubling the absolute number of CAs between 2017 and 2021. The study findings across all decentralised Agencies are reflected in the Agencies in scope of this study: the proportion of CAs compared to the total workforce increased in the last decade, reaching between 12.38% and 32.92% in 2021.

**Over time, function groups III and IV have become the most common types of Contract Agents across all decentralised Agencies.** While in 2012, FG III and FG IV represented 36% and 29% of total CAs respectively, staff in FG IV increased up to 46% in 2019, making it the most prevalent category across the Agencies. This indicates that the Agencies employ FG III and FG IV to cover the core tasks within the mandate, potentially trying to address staff reduction within the establishment plans. FG I has remained the minority of the total CA population across the Agencies, and staff within FG II have decreased from 32% in 2012 to 14% in 2019. The Agencies seem to employ FG II to cover posts in supporting and secretarial roles, which corresponds to the stipulations of the Staff Regulation.

**Contract Agents seem to be mostly considered part of the structural workforce, while constituting a separate staff category.** The role of Contract Agents within the decentralised Agencies has evolved during the last decade. For the majority of the organisations, CAs have become part of the structural workforce, moving away from the initial purpose of this staff category. Only one out of the seven Agencies in scope of this study is trying to return to the original intent: employing CAs for specific, time-bound assignments or projects. The majority of the Agencies indeed seem to employ Contract Agents to execute core tasks, with CAs becoming a structural part of teams and processes, and having access to the same learning and development offering, performance management cycles, etc. Nevertheless, the Staff Regulation clearly stipulates the differences between CAs and staff employed within the establishment plans (permanent staff or TAs). Moreover, contract staff can in principle be divided into two key sub-categories: (1) staff in administrative, supportive, corporate-service roles (corresponding mostly to FGII and III), and (2) project management, specialist or expert roles (corresponding mostly to FG IV).

### 3.2. Personnel budgeting process

**The Agencies follow the standard process of defining their needs for Contract Agents, with the Single Programming Documents and the annual work programmes as the starting point.** The process for defining staffing needs is generally the same for the total workforce. Agencies balance the task requirements, the numbers of posts within the establishment plans, and the authorised CAs posts (the specific budget line) to arrive at a staffing proposal. This is further discussed with the Agency's Executive Director, then with the European Commission partner DGs and DG Budget. All Agencies have noted that their Management Board is the body that endorses the Single Programming Documentation. Based on the evidence gathered in this study, the dialogue between the parties involved in the final agreement on CA posts is perceived as lengthy and complicated. Agencies are looking for tools to enhance the workforce planning processes. For example, ENISA is starting to incorporate strategic workforce planning: combining workforce and staff competency data to identify potential synergies and efficiencies.

**The uniform procedures for defining authorised CA positions numbers for all Agencies seem to limit the flexibility of deploying CAs within the Agencies in scope.** The expanding number of Agencies, their increasing mandates, and the corresponding staff increases impact administrative costs, most prominently the long-term costs related to pensions, unemployment benefits, etc. DG Budget follows a rigorous, uniform process of evaluating Agency needs for additional staff, regardless of the contract type. The European Commission applies the same rules for all Agencies, regardless of size, funding scheme, etc. This can limit the ability of Agencies to adapt agilely to emerging needs. The Agencies in scope of this study follow DG Budget guidance on authorised CA positions, remaining careful about exceeding operational budgets. The majority of the Agencies in scope expressed that, ideally they would benefit from more staff, including contract staff. It seems that contract staff are not easily deployed as an alternative short-term category to flexibly address the emerging needs of Agencies. This might in turn require the Agencies to look into alternative workforce sourcing, e.g. contractors and consultants.

Next to this, based on the information gathered in the study, **there are different ways that Agencies in scope reach agreements with the European Commission on authorised CA positions.** For example, Europol has agreed on a maximum number of posts and can move through the negotiation process relatively fast. Partially self-financed ESMA has also noted that due to relatively lower revenue predictability, the current processes make it cumbersome to forecast staff needs and the corresponding budgets, and that more alignment with the Commission is needed.

### 3.3. Recruitment and retention of Contract Agents

**The Agencies offer contracts of varied duration to Contract Agents.** All Agencies in scope of this study offer contracts within the rules stipulated by the Staff Regulation, with the first contract duration varying between three and five years, and the second from two to five years. In principle, any further extension results in contract of indefinite duration. The information gathered through the study suggests that the Agencies are careful about contract durations and renewals, as the number of authorised CA positions and corresponding budgets may change in the future. Shorter contract duration is seen as a way to increase workforce planning flexibility and boost agility in addressing emerging business needs. It is important to note that any staff member employed by any EU bodies for at least 10 years is eligible for the pension fund. In that regard, DG Budget puts forward a valid argument for scrutinising staff numbers, including the CAs, to control rising administrative costs.

**The recruitment and selection process steps are mostly the same for Contract Agents and Temporary Agents. For both, agencies face similar challenges in attracting talent.** Agencies in

scope of the study have highlighted that the process steps are mostly the same for CA positions and TA posts (noting that the eligibility criteria will differ and impact the interview content, etc.). The Staff Regulation also stipulates that staff recruited for managerial TA posts are obliged to undergo an assessment centre. Depending on the size of the Agency and accelerators and tools used, the recruitment process varies from three to nine months or more. Agencies in scope of this study have noted similar challenges in geographically diverse recruiting (a potential correlation with the salaries in various Member States was noted) and attracting ICT profiles. Next to this, Agencies seem to find the EPSO CAST database and reserve-list sharing to be lower-efficiency recruitment tools, and rely mostly on Agency-specific procedures. Only one Agency (ESMA) relies on the database to attract talent, however with customised searches allowing targeted recruitment campaigns.

**Agencies working with interim employment agencies, seem to use them to address short-term business needs and absences.** None of the Agencies in scope reported using the interim agencies as a structural means to recruit Contract Agents. Based on the ruling of Court of Justice of the European Union in the Case C-948/19, the Agencies are obliged to follow the principle of equal pay for equal tasks, regardless of contractual situation. This has impacted the way of working. EIGE, for example, no longer works with interim agencies and currently regular recruitment initiatives to employ CAs on short-term contracts (covering absences, etc.).

**Overall, Contract Agents do not seem to be at a higher risk of contributing to the 'revolving door' issue.** This issue seems to be more prominent among staff with, for example, decision making roles and responsibilities. None of the Agencies in scope nor the ECA have identified contract staff as higher risk, due to the limited scope of tasks and typical non-managerial roles of CAs. All Agencies are aware of offboarding procedures. However, due to limited capacity and resource they struggle to proactively the subsequent employment of CAs after they leave public service.

**Higher rotation of Contract Agents working in more specialised roles may pose challenges for protecting organisational knowledge.** FG I, FG II and III staff are in mostly administrative, HRM, financial, ICT or project assistants roles. These are usually less involved in highly specific or specialised activities, constituting a lower risk for the misuse of organisational knowledge. For FG IV expert or technical roles, the risk could be higher. While some activities and work outcomes (e.g. project related) can be well documented and managed, the expertise and technical knowledge in a specific domain may be difficult to replace when an expert CA leaves the Agency. This, amongst other factors, can lead to a higher risk for business continuity.

### 3.4. Comparison of Contract Agent salaries to salaries in the Member States and to comparable jobs

**The differences between the salaries of Contract Agents and average local salaries seem to vary across Member States and functions groups.** The data shows that the salaries of different CA function groups have varying levels of competitiveness compared to similar jobs within the local labour market. This suggests that Agencies may face different levels of competition in these markets for different function groups. For three Agencies in scope of this study (EEA, Eurofound, Europol) the CA salaries for all function groups in 2020 were lower than the average salaries in the Member States (Denmark, Ireland, the Netherlands). In contrast, CA salaries of all function groups employed at ENISA and EIGE were higher than the local average salaries. Differences between the average local salaries and those of CAs seem to be most prominent for FG I, FG II and FG III. The information collected on CA FG IV salaries suggests that the average local salaries are lower in this function group for four Agencies in scope (ESMA, ECHA, ENISA, EIGE). This indicates that the positions offered for more

generalist profiles could be financially interesting for applicants from the Member States. However, it is important to stress that CA FG IV job roles are becoming more specialised (towards either expert profiles or project management roles). Hence, comparisons with similar roles across the Member States must take into account the general trends in salary differences.

**The correction coefficient does not seem to compensate for the differences between Contract Agent salaries and those of similar roles in Western and Northern Europe.** For the majority of the Agencies in scope of this study, the CA salaries were relatively lower across FG II, FG III and FG IV compared to similar jobs in the countries of Western and Northern Europe (with less difference for Eurofound). The differences between the salaries for all roles (secretarial, support functions, project coordination, specialist) can impact recruitment procedures and success rates. For ENISA and EIGE, which have a lower correction coefficient, the differences between CA salaries and those of comparable jobs seem to be greater in the North and West, yet on par with, or close to salaries in offered in the Southern Europe.

**The financial attractiveness of CA posts in those regions can impact the geographical diversity of applicants.** The Agencies could experience difficulties in attracting talent from the above-mentioned regions and should consider deploying various recruitment and employer branding strategies. The correction coefficient alone should not be considered as a tool for closing salary gaps, but rather as one for adjusting staff salary to align with the socioeconomic situation of the host Member State of the Agency.

### 3.5. Prospects of advancement of Contract Agents

**Prospects for Contract Agent advancement seem more limited than those of other staff categories.** By design and based on the Staff Regulation and applicable rules, the career path of Contract Agents is longer (in years of experience before grade reclassification) and less financially rewarding than that of a Temporary Agent. The Agencies in scope of this study highlighted that contract staff with ambitions to grow and develop in their careers would usually apply for TA or official posts, which offer managerial and/or expert career tracks. For smaller Agencies with limited TA vacancies, contract staff will most likely leave, potentially accelerating the loss of organisational knowledge.

**Agencies deploy several talent management strategies aimed at increasing staff motivation and satisfaction.** All Agencies in scope of this study acknowledged the potential long-term challenges for contract staff development and advancement, and have identified several initiatives to support CA growth. They focus on competency development, learning, and work assignments that build experience, skills and knowledge. It should be noted that the CA career path is limited by design, and that staff members aiming for a managerial path would potentially apply for Temporary Agent posts. Agencies have highlighted the importance of proactive and clear communication to candidates and staff members to help manage expectations for career advancement.

**Similarities in tasks between AD5-7 and CA FG IV, as well as AST 5-6 and CA FG III can lead to challenges with staff motivation.** Temporary Agents receive higher remuneration than Contract Agents. Contract staff cannot take on managerial responsibilities and are required work under the supervision of a Temporary Agent. In situations where TAs AD5-7 and CA FG IV or AST 5-6 and CA FG III are posted for similar roles (for example managing or coordinating projects or providing specialist advice), the daily work requires strong alignment and the differences between roles and responsibilities may become blurry. Agencies in scope of this study have shared that the similarities between the daily work of CAs and TAs impacts contract staff work satisfaction, and potentially emphasises the separate category of Contract Agents.



**To summarise, overall staff reduction and pressure to decrease administrative costs may have longer-term consequences for the talent management of Contract Agents at decentralised Agencies.** While cutting administrative and staff costs, the creation of the CA staff category has potentially impacted several talent management areas, including **recruitment, retention and the employment experience of contract staff**. Based on information gathered in this study, three key **considerations** can be brought forward for the future management of Contract Agents at decentralised Agencies.

Firstly, clarifying the Contract Agent role at decentralised Agencies should be considered. (1) Should it be confined to supporting specific assignments or projects as needed, or (2) be extended to recognise CAs as a structural part of the workforce involved in the Agency's core tasks? It appears that the latter scenario has started to become the standard practice for many Agencies. This consideration will most likely impact CA contract durations. For the first scenario the contracts can be expected to be shorter, while for the second scenario they could be as long as possible, even indefinite (upon the second renewal). The contract duration and accumulated years in service in turn impact eligibility for the EU pension scheme, and hence long-term costs. Follow-up research into long-term administrative costs (including pensions) related to various types of workforce could be considered, in order to understand the financial implications of both scenarios.

Secondly, Agencies could consider deploying enhanced processes for strategic workforce planning. These would complement the process of defining workforce needs, and contribute to assessing efficiency gains. A robust view of organisational needs (in terms of skills, competencies, and planned work outcomes in line with longer-term strategic objectives) could help the Agencies become more agile in deploying staff with the right skills and knowledge, and address potential skill gaps with talent development, or with targeted recruitment strategies.

Next, several actions could be taken to enhance the recruitment process and the attractiveness of contract staff posts. Agencies could consider further elaborating their brand and employee value proposition on the European labour market. Clearly articulated career tracks, growth opportunities and career paths will help the Agencies' recruitment procedures. Early communication about the benefits, value and development opportunities could lead to increased interest in vacancies.

On the other hand, explaining the limits of contract staff career advancement could help manage the expectations of recruits starting their careers. In addition, outreach strategies and a multi-pronged approach to promoting vacancies could be envisaged.

Based on the types of contract staff roles, various categories and strategies could be foreseen. For example, an extended collaboration across the Agencies could promote internal mobility within the corporate services or administrative support roles. Although some coordination and reserve-list sharing already takes place, next-level collaboration could bring benefits in a coordinated manner.

For roles with competency requirements and more technical or specialist tasks, other promotional channels should be considered, including campus recruitment, conferences, industry groups and professional associations, etc. While the Agencies are already promoting vacancies on social media (e.g. LinkedIn), a more coordinated approach across Agencies might help reduce the workload and serve to exchange best practices.

For a more targeted and informed approach to defining these strategies, follow-up studies could be considered on the attractiveness of Contract Agent posts and other categories, and on detailed salary benchmarking.

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## ANNEX

To establish an understanding of various aspects related to the hiring and employment of Contract Agents by EU decentralised agencies, the study is structured around four research dimensions linked to research questions. Table 28 provides an overview of the different research dimensions and associated questions.

Table 28: Research dimensions, research questions, research approach and data sources

Research dimension	Research questions	Research Approach
1. Workforce composition	<p>1.1. How has the number of CAs across all decentralised Agencies evolved between 2012-2019 in total?</p> <p>1.2. How has the number of CAs across all decentralised Agencies evolved between 2012-2019 in by Agency cluster?</p> <p>1.3. How has the number of CAs across all decentralised Agencies evolved between 2012-2019 by CA function group?</p>	1.1., 1.2., 1.3., Quantitative analysis (QT): Descriptive statistics from public reports and personnel data of the Agencies in scope across all decentralised Agencies (by Agency cluster/by function group).
2. Salary and remuneration	<p>2.1. How does CAs' salary and remuneration level – including any correction coefficient - compare to local income levels in the country(-ies) or city(-ies) where the agencies are located, and to salary levels in respective comparable fields across the EU?</p> <p>2.2. Are there any differences among decentralised Agencies and between them and executive agencies or EU institutions in the CAs contract duration, accrual of pension rights, prospects for advancement, etc.?</p>	<p>2.1. Quantitative analysis (QT): Descriptive statistics from public available salary scale published by the agencies</p> <p>2.2. Qualitative analysis (QL): Communalities and differences retrieved from consultation rounds with the Agencies in scope and public (audit) reports.</p>
3. Personnel budgeting	3.1. How are hiring needs for CAs determined and projected and what roles do each Agency's Director & Management Board play in this process?	3.1. Qualitative analysis (QL): Communalities and differences retrieved from consultation rounds with the Agencies in scope and public (audit) reports.
4. Recruitment and retention	<p>4.1. Regarding CA hiring procedures, are there differences among decentralised Agencies and between them and executive agencies or EU institutions?</p> <p>4.2. Do any decentralised Agencies use local interim agencies in their host countries to hire interim staff? If so, are there any issues encountered or good practices to share?</p> <p>4.3. Does the use of CAs lead to difficulties in retaining key staff? Does it feed into the 'revolving door' problem flagged by the European Court of Auditors?</p>	4.1., 4.2., 4.3., Qualitative analysis (QL): Communalities and differences retrieved from consultation rounds with the Agencies in scope and public (audit) reports.

5. Prospects for advancement	5.1. Regarding prospects for CA advancement, are there differences among decentralised Agencies and between them and executive Agencies or EU institutions?	5.1 Qualitative analysis (QL): Communalities and differences retrieved from consultation rounds with the Agencies in scope and public (audit) reports.
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## Sample

To ensure a balanced study of decentralised Agencies, this study sampled a group of decentralised EU Agencies based on the following considerations and publicly available data:

- **Size of staff.** The group should represent different staff sizes (active staff only): low (less than 150), medium approx. 150 to 500), high (more than 500).
- **Geographical dispersion.** The group should represent each EU region: North, South, West and Central & East.
- **Correction coefficient.** The group should represent different correction coefficient ranges: below 85%, between 85-115%, above 115%.
- **Duration of contract.** The group should reflect the contract duration variations offered to CAs, including the initial contract duration and first contract renewal.

Considering the above, this study proposed a sample to the European Parliament, which was validated. As such, this study sampled the following seven EU decentralised Agencies. Table 29 provides an overview of how the considerations apply to the sampled Agencies.

Table 29: Sampling of decentralised EU Agencies

Sampled Agency	Geographical dispersion	Size of staff	Correction coefficient	Duration of contract <sup>48</sup>
ECHA	North	Large	117.5%	Fixed period of maximum 3 years. Renewable for a definite period. Any further renewal is for an indefinite duration.
EEA	North	Medium	131.5%	Fixed period of maximum 4 years. Renewable for a definite period. Any further renewal is for an indefinite duration.
EIGE	East	Small	81.6%	Fixed period of maximum 3 years. Renewable for 3 years. Any further renewal is for an indefinite duration.
ENISA	South	Small	83.7%	Fixed period of maximum 4 years. Renewable for 4 years. Any further renewal is for an indefinite duration.
ESMA	West	Medium	118.7%	Fixed period of maximum 5 years. Renewable for a definite period. Any further renewal is for an indefinite duration.

<sup>48</sup> Information was retrieved from each Agency's websites and confirmed during qualitative information gathering.

EUROFOUND	North	Small	136.6%	Fixed period of maximum 5 years. Renewable for a definite period. Any further renewal is for an indefinite duration.
EUROPOL	West	Large	110.3%	Fixed period of maximum 4 years. Renewable for 2 years. Any further renewal is for an indefinite duration.

Source: United Nations Geoscheme (M49 standard), Agency website and Eurostat (2023) Civil servants remuneration – correction coefficients.

### Desk research

This study conducted a thorough review of the existing literature and relevant research studies related to the use of CAs by decentralised EU Agencies. This involved critically analysing and synthesising the information and concepts presented in the literature to gain insights into the current state of knowledge on the topic. It involved gathering and analysing information that had been previously collected by others. This informed the quantitative and qualitative research, discussed below. Main sources consulted as part of the desk research were audit reports by the European Court of Auditors, Work Programmes and Single Programming Documents of the Agencies in scope, the yearly report on the use of Contract Agents from the European Commission to the Council, and previous research studies conducted by the European Parliament.

### Quantitative data collection

This study investigates the number of CAs between 2012 and 2021, utilising publicly available data, and supplemented by data obtained through requests to nominated Agencies. The latter was pursued to conduct more nuanced and granular analyses. One important finding of this study concerns the variance in the number of CAs recorded: discrepancies in the data provided by the Agencies and ECA and the reports from the European Commission ranged from -8% to +40%. Further investigation revealed that these differences could be attributed to variations in reference dates and differing methods of data collection among the various sources. For instance, while most Agencies reported the number of CAs at the beginning of each year, the European Commission reported data on the number of CAs at the end of each year. In addition, some Agencies reported the total number of CAs employed throughout the year for a particular post, whereas publicly available data reflected the number of CAs occupying a given post at a specific point in time. In order to arrive at a consistent comparison across the EU institutions and Agencies, clusters and function groups, the information on the posts filled within the Agencies was collected from the draft budget documentation (Working Documents Part III). The information from the EC reports on the CAs contributed to the workforce data for the European Parliament and the European Commission.

### Quantitative measures

This study used the following measures to quantify, assess and analyse the collected quantitative data and information in order to answer the research questions. Table 29 provides an overview of the different measures and definition.

Table 30: Overview of measures

Measure	Definition
Agency Correction coefficient 2020 - 2021	Correction coefficients are percentages applied to remuneration of expatriate officials to adjust for differences in price level of consumer goods and services in the duty station (Intra-EU or Extra-EU) by reference to base city (Brussels). <sup>49</sup>
Adjusted Basic Pay	The adjusted basic pay of each Agency for each function group is obtained by multiplying the respective correction coefficient by the basic salary of the first grade, first step of each function group. For example, the adjusted basic pay of the function group II would be the grade 4, step 1 basic salary multiplied by the correction coefficient. <b>Error! Bookmark not defined.</b>
Salary Contract Agents in function group I (grade 1-3) 2020- 2021	The first function group includes manual and administrative support-service roles. The grade indicates the number of working experience in years. <b>Error! Bookmark not defined.</b>
Salary Contract Agents in function group II (grade 4-7) 2020- 2021	The second function group includes clerical or secretarial tasks, office management and similar roles. The grade indicates the number of working experience in years. <b>Error! Bookmark not defined.</b>
Salary Contract Agents in function group III (grade 8-12) 2020- 2021	The third function group includes executive tasks, drafting, accountancy and similar roles. The grade indicates the number of working experience in years. <b>Error! Bookmark not defined.</b>
Salary Contract Agents in function group IV (grade 13-18) 2020- 2021	The fourth function group includes administrative, advisory, linguistic and similar roles. The grade indicates the number of working experience in years. <b>Error! Bookmark not defined.</b>
UNECE Statistical Database, compiled from national and international (OECD, EUROSTAT, CIS) official sources	Gross average monthly wages cover total wages and salaries in cash and in kind, before any tax deduction and before social security contributions. They include wages and salaries, remuneration for time not worked, bonuses and gratuities paid by the employer to the employee. For most countries wages cover the total economy and are expressed per full-time equivalent employee. This enables comparison of different countries irrespective of the length of working time and the share of part-time and full-time workers. <b>Error! Bookmark not defined.</b>

Interpreting the values of the metrics 'Adjusted Basic Pay' and 'Salary Contract Agents' in function groups I-IV require detailed attention. The salary of the Contract Agents is defined by EU Staff Regulations and values were collected from the official websites. The values reported include a basic salary.

### Quantitative data analysis

This study extracted relevant data from the different sources, compiled the data, and created a comprehensive repository of data for the analyses. Descriptive statistics were mainly used to understand the workforce composition and the salary and remuneration of Contract Agents. The current salary benchmark analysis is purely of a descriptive nature, presenting salary statistics in cross

<sup>49</sup> Eurostat (2023), Civil servants remuneration – correction coefficients. [Correction coefficients - Civil servants remuneration - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1). (Accessed on 06 March 2023).

tables. Delta scores in were calculated based on the differences between the *Salary Contract Agents in function group I-IV 2020* and the *2020 UNECE Monthly Average Wage*.

Moreover, for the salary benchmark analysis across function groups, CA salaries in 2021 were used, as they are the most recent publicly available data that compare with the latest salaries on the market. In Table 31 is a summary of the adjusted basic salaries across the Agencies in scope and function groups for the year 2021.

Table 31: Summary table of the adjusted basic salaries of the Agencies in scope in 2021

Agency	Country	Agency Correction coefficient 2021	Salary Contract Agents in function group I (grade 1-3) 2021	Salary Contract Agents in function group II (grade 4-7) 2021	Salary Contract Agents in function group III (grade 8-12) 2021	Salary Contract Agents in function group IV (grade 13-18) 2021
Eurofound	Ireland	136.9%	€2,913.23	€3,026.86	€3,875.64	€4,961.26
EEA	Denmark	131.5%	€2,798.32	€2,907.47	€3,722.77	€4,765.56
ESMA	France	118.7%	€2,525.94	€2,624.46	€3,360.40	€4,301.69
ECHA	Finland	117.5%	€2,500.40	€2,597.93	€3,326.43	€4,258.20
Europol	Netherlands	110.3%	€2,347.18	€2,438.73	€3,122.59	€3,997.27
ENISA	Greece	83.7%	€1,781.14	€1,850.61	€2,369.55	€3,033.29
EIGE	Lithuania	81.6%	€1,736.45	€1,804.18	€2,310.10	€2,957.18

Source: EU Staff Regulation and Eurostat (2023) civil servants remuneration – correction coefficients.

### Qualitative data collection

The qualitative research used several data sources. (1) Induction meeting with each sampled Agency, (2) Focus group with each sampled Agency, (3) Work programmes of the sampled Agencies, (4) Publicly available reports on decentralised Agencies, (5) Follow up clarification meetings. We conducted seven focus groups using a structured interview format. Table 31 describes the focus groups and participants. Focus group participants were selected based on their expertise within the Agency. Table 27 displays the interview questions covering our four research dimensions. Each focus group followed the same protocol, and was guided by a presentation and discussion. One interviewer led the focus group discussion following a structured interview format. During the focus group, 1-2 Deloitte researchers observed and made notes of the discussion. After the focus group, the researchers summarised the observations into a written document. The document displayed the narratives of the focus groups in the four research dimensions: salary/remuneration, personnel

budgeting and recruitment/retention. The document was then sent back to the focus group participants, allowing them to form additional comments or responses.

Table 32: Overview of participants in each focus group

Sampled Agency	Names of focus group participants
ECHA	Eric Rieger; Joachim Gryson
EEA	Soren Nielsen; Andreas Manville; Alan Lloyd; Louise Plunkett
EIGE	Emmanuel Maurage; Marc Jaccarini; Martynas Savincius; Miguel Varela Sabucedo
ENISA	Alex Hugé; Nadezhda Ivanova
ESMA	Leonardo Zaccarelli; Jerome Blaquiére; Gergely Javor; Dina Rahajaharison
EUROFOUND	Frank van Boven; Markus Grimmeisen; Marco Veneziani
EUROPOL	Massimiliano Bettin; Alina Mariana Popa

Table 33 - Overview of focus group topics and questions

Topics	Questions
Personnel budgeting	<ul style="list-style-type: none"> <li>• What is the agency's decision process to determine and project recruitment needs for CAs? <ul style="list-style-type: none"> <li>◦ Who is involved?</li> <li>◦ What are the different steps?</li> <li>◦ What is the duration on average?</li> <li>◦ When does this process typically take place?</li> <li>◦ How has this process evolved over time?</li> </ul> </li> <li>• What role does the director &amp; management board play in this process? <ul style="list-style-type: none"> <li>◦ At what stage are they involved? How are they involved?</li> <li>◦ Has their role changed over time?</li> </ul> </li> <li>• Is there any other information we should take into account on personnel budgeting?</li> </ul>
Recruitment and retention	<ul style="list-style-type: none"> <li>• What is the agency's recruitment procedure for ca posts? <ul style="list-style-type: none"> <li>◦ Who is involved?</li> <li>◦ What are the different steps?</li> <li>◦ What is the duration on average?</li> <li>◦ When does this process typically take place?</li> <li>◦ How has this process evolved over time?</li> <li>◦ Does the agency have a partnership with EPSO?</li> <li>◦ Does the agency collaborate with EUAN for access to other agency's reserve list?</li> </ul> </li> <li>• Does your agency work with interim employment agencies? <ul style="list-style-type: none"> <li>◦ What are the procedures involved?</li> <li>◦ For what function groups / grades / steps / departments mostly?</li> <li>◦ How has this partnership evolved over time?</li> </ul> </li> <li>• How does retention of CAs look like in your agency? <ul style="list-style-type: none"> <li>◦ What trends do you see (if any)?</li> <li>◦ What are the challenges related to retention at the agency?</li> <li>◦ What is currently in place to mitigate eventual concerns?</li> <li>◦ What are potential drivers of retention from your perspective?</li> <li>◦ Do you have any insights about former staff employment move to private versus public sector?</li> </ul> </li> <li>• Does the use of CAs contribute to the revolving door issue raised by court of auditors?</li> <li>• Is there any other information we should take into account on recruitment and retention?</li> </ul>

Salary and remuneration	<ul style="list-style-type: none"> <li>• What prospects for advancement are available to the CAs? <ul style="list-style-type: none"> <li>◦ Does the agency have guidelines for Contract Agents to change to the next FG?</li> <li>◦ How are these prospects for advancement communicated to CAs?</li> <li>◦ What are eventual prerequisites?</li> <li>◦ What type of support is in place to advance?</li> </ul> </li> <li>• How are the pension rights handled for the CA staff?</li> <li>• Is there any other information we should take into account on salary and remuneration?</li> </ul>
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### Qualitative data analysis

**Within-case analysis.** For the within-case analysis (within each Agency), an analytical template was developed providing a structure to detail key challenges and practices related to the use of Contract Agents within the four research dimensions. Moreover, a common definition of the four research dimensions was developed. This analysis involved structuring the narrative of each Agency based on the analytical template. Desk research and quantitative insights were integrated into the analysis to gain a deeper understanding of the Agencies and their evolution in using Contract Agents. All researchers participated in the within-case analysis.

**Cross-case analysis.** In preparation for the cross-case analysis (across Agencies), the same analytical template and common definition as developed for the within-case analysis was employed. The cross-case analysis aimed to identify similarities and differences between the cases. The researchers iteratively analysed the data until consensus was reached on the similarities and differences.







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This study examines the management of Contract Agents in seven decentralised Agencies of the European Union: ECHA, EEA, EIGE, ENISA, ESMA, Eurofound and Europol. It evaluates the evolution of Contract Agents as part of the workforce, and presents findings on processes related to personnel budgeting, recruitment and retention, salary and remuneration, and advancement prospects for contract staff. This document was prepared by the Policy Department at the request of the Committee on Budgetary Control.

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