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WORKING PAPER

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From:	General Secretariat of the Council
To:	Working Party on the Staff Regulations
N° prev. doc.:	WK 14084/19
Subject:	Draft Council conclusions on the ECA Special Report No 15/2019 entitled "Implementation of the 2014 staff reform package at the Commission - Big savings but not without consequences for staff"

In view of the Working Party on the Staff Regulations meeting on 3 March 2020, delegations will find attached revised draft Council conclusions on the abovementioned subject.

DRAFT

Council conclusions

**On the Special Report No 15/2019 of the European Court of Auditors entitled
"Implementation of the 2014 staff reform package at the Commission - Big savings but not
without consequences for staff"**

THE COUNCIL OF THE EUROPEAN UNION

1. WELCOMES the Special Report No 15/2019 of the European Court of Auditors (hereinafter "the Court") entitled "Implementation of the 2014 staff reform package at the Commission - Big savings but not without consequences for staff" (hereinafter "the report");
2. WELCOMES the Court's choice to review the effectiveness of the 2014 reform of the Staff Regulations; ACKNOWLEDGES that the report contains a useful basis for further reflection and analysis, although the Council's view does not concur with some conclusions, in particular in relation to the assessment of the total overall amount of savings and negative consequences for Commission staff;
3. FINDS that the freeze of pay and pensions in 2011 and lower adjustment of pay and pensions in 2012 were part of a broader political compromise to respond to the financial and economic situation;
4. CONSIDERS it important, in light of the Court's overall negative assessment of the reform's impact on Commission staff, in particular as regards a decreasing appeal of employment in the EU public service, to evaluate the effects and impact of former 2014 staff reform package and its consequences on staff before introducing any new changes, while taking any efficiency needs into consideration;
5. RECALLS that the Staff Regulations required the Commission to provide reports to the Council and the European Parliament, which include:
 - a) a report assessing the functioning of the Staff Regulations, to be submitted by 31 December 2020, foreseen by Article 113 of the Staff Regulations and Article 142a of the Conditions of Employment of Other Servants of the European Union;
 - b) a report assessing whether, in particular, the evolution of purchasing power of remuneration and pensions of Union officials is in accordance with the changes in the purchasing power of salaries in national civil services in central governments, to be submitted by 31 March 2022, foreseen by Article 15 of Annex XI to the Staff Regulations;
 - c) a report concerning the actuarial balance of the Pension Scheme for EU Officials and the budgetary implications of those actuarial rules, to be submitted in 2022, foreseen by Article 14 of Annex XII to the Staff Regulations;
 - d) a report on the pensionable age, examining, in particular, the evolution of pensionable age for staff in the civil services of the Member States and the evolution of life expectancy of officials of the institutions, to be issued every five years, foreseen by Article 77(6) of the Staff Regulations;

- e) a report after a three-year period starting on 1 January 2014 on appropriate measures taken by the institutions in order to address significant imbalances between nationalities among officials not justified by objective criteria, foreseen by Article 27 of the Staff Regulations;
 - f) a yearly report on the use of contract staff, foreseen by Article 79 of the Staff Regulations;
6. INVITES the Commission, when fulfilling those agreed reporting obligations in a timely manner, to conduct the necessary studies and complementary analysis which should, inter alia:
- (i) Extend the scope of the assessment of the functioning of the Staff Regulations beyond the Commission to all Union institutions, bodies and agencies;
 - (ii) Address the fulfilment of the objective of achieving the 5% reduction of posts in establishment plans during the period 2013-2017 in all institutions, bodies and agencies¹, the importance of which was underlined by the Council in its conclusions on the budget guidelines for 2020²;
 - (iii) Analyse the extent and budgetary implications of the increased use of contract staff or external outsourcing across the board;
 - (iv) Analyse the achieved pension savings in relation to the evolving pension expenses, monitor the development of the effective retirement age and use up-to-date comparative data regarding Member States' pension systems³;
 - (v) Assess the attractiveness of the European civil service from both present staff's perspective (turnover, job satisfaction) as well as jobseekers' perspective, and take into consideration for its analysis all additional elements provided in the Court's report;
 - (vi) Provide figures for the realised net savings from 2014 onwards, taking the abovementioned factors into account;
7. ACKNOWLEDGES the progressively improving gender balance across all grades in the Commission and CALLS FOR continued action in this regard across all EU institutions, bodies and agencies; TAKES NOTE of the Court's assessment regarding an ageing workforce and RECOGNISES the need to develop effective and inclusive human resource policies and to monitor the effects of this evolution;

¹ European Court of Auditors' Rapid case review of 21 December 2017 on the implementation of 5% reduction of staff posts, https://www.eca.europa.eu/Lists/ECADocuments/RCR_STAFF/RCR_STAFF_EN.pdf

² Council conclusions on the budget guidelines for 2020, para. 32. <https://www.consilium.europa.eu/en/press/press-releases/2019/02/12/council-sets-its-priorities-for-the-2020-eu-budget/>

³ E.g., data obtained by European Commission's Working Group on Article 83, OECD Pension Outlook 2018, Pensions at a Glance 2019: OECD and G20 Indicators.

8. RECALLS that recruitment must be directed to securing for the institutions, bodies and agencies the services of officials of the highest standard of ability, efficiency and integrity, recruited on the broadest possible geographical basis from among nationals of Member States of the Union and must be based on merit; UNDERLINES, in particular, that a balanced geographical representation within the EU public service is necessary for the EU to meet its goal of being close to all EU citizens and to reflect the diversity of its Member States; NOTES that the Commission's method of degressive proportionality in assessing geographical imbalances ("guiding rates")⁴, provided an appropriate basis to carry out any further study, but ACKNOWLEDGES that the Court had a wider scope of function groups and grade range, which could be taken usefully into account.
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⁴ Report from the Commission to the European Parliament and the Council pursuant to Article 27 of the Staff Regulations of Officials and to Article 12 of the Conditions of Employment of Other Servants of the European Union (Geographical balance), COM(2018)377 final.