



EUROPEAN
COURT
OF AUDITORS

**Rapid case review
on the implementation
of the 5 % reduction
of staff posts**



This is not an audit report.
This review establishes and presents the
underlying facts on the subject matter.

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EXECUTIVE SUMMARY

What is this report about?

I. The Court reviewed how the European Union institutions, bodies and agencies implemented the commitment made in the Interinstitutional Agreement of 2 December 2013 to cut 5 % of the staff in their establishment plans during the period 2013-2017.

What did the review find?

II. The review found that the EU institutions, bodies and agencies implemented the 5 % reduction of the staff as in the establishment plan, albeit with some delays. This was achieved by eliminating posts that were vacant and by not replacing staff that left.

III. The review also noted that during the period 2013-2017 of the 5 % reduction the budgetary authority granted new staff posts in the framework of the annual budgetary procedure. Most of these posts were for the development of their activities, the accession of Croatia, and political groups in the European Parliament.

IV. As a consequence, the total number of staff posts in the establishment plans decreased by 1,1 % between 2012 and 2017, with significant variations between the institutions, bodies and agencies. However, the number of posts actually occupied by staff increased by 0,4 % over the period from 1 January 2013 to 1 January 2017, following a reduction at the institutions and bodies and an increase at the agencies.

V. The rise in budgeted costs of officials and temporary staff over the period 2012 to 2017 exceeded that of the number of posts that were occupied, as the budgeted costs increased by 11,5 %. Actual payments rose by 9,2 % from 2012 to 2016. This reflects the updates in staff salaries for inflation and changes in purchasing power, as well as the rises due to promotions and increases in steps within grades.

VI. During the period 2012-2017, the total budget for contract staff increased by 33,4 % in number and 47,4 % in cost. The agencies that were given additional staff for new tasks account for most of the increase.

INTRODUCTION

1. At its meeting on 7-8 February 2013 on the Multiannual Financial Framework for 2014-2020, the European Council stated in its conclusions that there was a need for “a reduction applied to all EU institutions, bodies, agencies and their administrations of 5 % in the staff over the period 2013-2017. This shall be compensated by an increase in working hours for staff without salary adjustment¹.”
2. This was followed by the Interinstitutional Agreement (IIA) of 2 December 2013 between the European Parliament, the Council and the Commission that included a commitment to “neutralise the additional capacity built up by the increase of working time to 40 hours per week, the European Parliament, the Council and the Commission agree to progressively render 5 % of the staff as in the establishment plan² on 1 January 2013. This reduction should apply to all institutions, bodies and agencies, and be effected between 2013 and 2017. This does not prejudice the budgetary rights of the European Parliament and the Council³.”
3. On 21 February 2017 the Council noted⁴ that “the level of staff in all institutions, bodies and agencies needs to be kept under continuous monitoring” and that “2017 is the last year to comply with the target [...] to progressively reduce by 5 % the staff across all institutions, bodies and agencies”. The Council then proposed “that an independent evaluation of the results is undertaken by the European Court of Auditors, covering all institutions, bodies and agencies”, following which the Commission should “present an appropriate follow-up proposal.”

¹ Paragraph 99 of the conclusions of the European Council meeting of 7/8 February 2013 (EUCO 37/13 of 8 February 2013). These conclusions followed up on a Commission proposal. See paragraph 23 of the Draft Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management (COM(2011)403 final of 29 June 2011).

² The establishment plan sets out the number of posts made available to an institution, body or agency for permanent officials and temporary agents.

³ Paragraph 27 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (OJ C 373 of 20.12.2013, p. 1).

⁴ Page 14 of the conclusions of the Council meeting of 21 February 2017 (document 6475/17).

4. Chapter 10 of the Court's Annual Report 2016 included a section on the implementation of the commitment "to progressively render 5 % of the staff" of EU institutions and some bodies⁵. The report concluded that they had implemented it, albeit with a delay in some cases, and that it was achieved "by eliminating vacant posts in the establishment plan and by not replacing staff members leaving upon retirement, illness or at the end of temporary contracts."

SCOPE AND APPROACH OF THE COURT'S REVIEW

Scope of the review

5. The Court's review consolidates the work that it has already done for the EU institutions and bodies, and extends it to the agencies and the two bodies that were not included in the relevant section of Chapter 10 of the Court's Annual Report 2016. The full list of EU institutions, bodies and agencies covered by this review is provided in ***Annex I***.

6. The 5 % reduction applies to staff posts in the establishment plans. These posts are either occupied by staff currently employed or left vacant.

7. The Court considered that its "independent evaluation of the results (...), covering all institutions, bodies and agencies" requested by the Council should include:

- (i) the figures showing the gradual reduction over the period from 2013 to 2017 of the number of staff posts due to the 5 % cut;
- (ii) the evolution of the number of staff posts in the establishment plans of EU institutions, bodies and agencies during the same period, including new posts granted and other reductions;
- (iii) the categories and grades of the staff posts that were cut;
- (iv) the evolution of the number of the staff posts that were actually occupied in the establishment plans from 2013 to 2017;
- (v) the evolution of the actual payments for establishment plan staff during the period; and

⁵ Paragraphs 10.9 to 10.13. This section did not examine the reduction of staff as in the establishment plan for the European Ombudsman, for the European Data Protection Supervisor and for agencies.

(vi) the evolution of the budgeted number of contract staff during the period.

Approach of the review

8. The Court's review involved:

- (i) sending questionnaires to all EU institutions, bodies and agencies;
- (ii) analysing the replies and data received, and reconciling them to other available sources;
- (iii) requesting follow-up explanations, information and, if necessary, correction to data submitted; and
- (iv) consolidating the data received after any necessary corrections had been made.

9. The following types of document were also analysed:

- (i) documents for the annual budgetary procedure submitted by the institutions, bodies and agencies, and consolidated documents established by the Commission; and
- (ii) management reporting, including the relevant institutions, bodies and agencies' plans and activity reports, and their annual reporting on budgetary implementation.

10. Many decentralised and executive agencies were unable to provide the numbers and grades of posts subject to the 5 % cut because:

- (i) the executive agencies offset the posts that had to be cut for the 5 % reduction from additional posts that were granted to them during the period 2014-2017 to take over certain delegated tasks ;
- (ii) similarly, for the decentralised agencies that had been recently created or have been given additional tasks, the 5 % reduction was deducted from the additional posts granted in the establishment plans; and

(iii) the changes in the numbers of posts in decentralised⁶ agencies' establishment plans also included an additional annual 1 % levy during the five-year period 2014-2018⁷ to create a "redeployment pool" to provide posts to "start-up" agencies that had been recently created or "new tasks" agencies that had been given additional tasks.

11. The Court's review was based on the annual data for each agency provided by the Commission⁸ which was reconciled to the figures received from the agencies.

12. The present report mentions three different time periods:

- (i) 2013-2017 is the reference period mentioned in the IIA during which the 5 % reductions should have been progressively implemented;
- (ii) 2012-2017 is the period from the year of the establishment plan on which the 5 % reductions are based to the year when they should have been fully implemented; and
- (iii) 2012-2016 is the period from the year of the establishment plan on which the 5 % reductions are based to the last year for which data for actual payments was available for the review.

13. This review has been subject to a fact clearing procedure with all stakeholders, where a draft version of this review has been shared with the parties involved. Their comments and suggestions have been gathered and incorporated where appropriate.

⁶ Following the terminology used by the Commission to classify decentralised agencies as "start-up phase", "new tasks" or "cruising speed" reflecting their stage of development and the growth of their EU contributions and staffing levels. Agencies that have been recently created or been assigned new tasks required additional appropriations and staff, whereas cruising speed agencies have stable structures and budgets.

⁷ The levy and the 5 % reduction have resulted in the "cruising speed" agencies having had to cut staff posts by up to 10 % during the period. For details of the additions and reductions for the decentralised agencies, see *Annex II*.

⁸ For decentralised agencies, the Commission's communication COM(2013) 519 of 10 July 2013 and for executive agencies, the Commission's communication SEC(2013) 493 of 18 September 2013.

THE COURT'S REVIEW

Section 1 – The Court's analysis of the 5 % reduction in staff numbers

The implementation of the 5 % staff reduction

14. **Table 1** shows how the inter-institutional agreement “to progressively render 5 % of the staff as in the establishment plan, hereafter referred to simply as the “5 % reduction”, has been implemented from 2013. The 5 % target was achieved by most EU institutions, bodies and agencies by 2017. The rest expect to reach the target as follows:

- (i) the European External Action Service started the reduction one year later and plans to complete it by 2018;
- (ii) the EU decentralised agencies, following the Commission's timetable⁹, started the reduction one year later and plan to finish by 2018;
- (iii) the European Parliament, following the agreement with the Council¹⁰, plans to reach its target by 2019; and
- (iv) the EU executive agencies, following the Commission's timetable¹¹, plan to complete the reductions by 2020.

⁹ For decentralised agencies, the Commission's communication COM(2013) 519 of 10 July 2013 applied the 5 % staff reduction target to the decentralised agencies over a 5 year period (2014-2018, with the reference year 2013).

¹⁰ Joint statement 3.3 annexed to the European Parliament legislative resolution of 25 November 2015 on the joint text on the draft general budget of the EU for the financial year 2016 approved by the Conciliation Committee under the budgetary procedure (14195/2015 – C8-0353/2015 – 2015/2132(BUD))

¹¹ The Commission's communication SEC(2013) 493 of 18 September 2013 applied the 5 % staff reduction target to the executive agencies upfront, as a reduction of the additional staff requirements identified until 2020 for the delegation of the 2014-2020 spending programmes, which also included an additional staff reduction in the Commission to compensate for the additional staff required by the executive agencies (see paragraph 20).

Table 1 – Implementation of 5% posts reduction

	Target for 5 % posts reduction ¹²	5 % reduction in the number of establishment plan posts in the annual budget					Total posts reductions 2013 - 2017 ¹³ G = B+C+D+E+F	Remaining posts reductions H = A - G ¹⁴	Planned reductions		
		2013	2014	2015	2016	2017			2018	2019	2020
		(A)	(B)	(C)	(D)	(E)			(F)	(G)	(H)
European Parliament ^{15, 16}	281	-	- 37	- 47	- 18	- 60	- 162	119	- 60 ¹⁷	- 59	-
European Council and Council	157	- 46	- 42	- 22	- 32	- 15	- 157	0	-	-	-
European Commission	1 254	- 250	- 250	- 263	- 252	- 239	- 1 254	0	-	-	-
Court of Justice	98	- 20	- 20	- 19	- 20	- 19	- 98	0	-	-	-
Court of Auditors	44	- 9	- 9	- 9	- 9	- 9	- 45	0	-	-	-
Economic and Social Committee	34	- 7	- 7	- 7	- 7	- 6	- 34	0	-	-	-
Committee of the Regions	25	-	- 5	- 5	- 7	- 9	- 26	0	-	-	-
European Ombudsman	3	-	-	- 1	- 1	- 1	- 3	0	-	-	-
European Data Protection Supervisor	2	-	-	- 1	- 1	-	- 2	0	-	-	-
European External Action Service	84	-	- 17	- 17	- 17	- 17	- 68	16	- 16	-	-
Total - EU Institutions	1 982	- 332	- 387	- 391	- 364	- 375	- 1 849	135	- 76	- 59	-
Decentralised Agencies ¹⁸	303	- 27	- 67	- 60	- 58	- 67	- 279	24	- 24	-	-
Executive Agencies ¹⁸	21	-	- 6	- 5	- 5	- 1	- 17	4	- 1	- 1	- 2
Total - EU Institutions and Agencies	2 306	- 359	- 460	- 456	- 427	- 443	- 2 145	163	- 101	- 60	- 2

Source of data:

For *EU institutions*, the 5 % reduction target was taken from the Statement of Estimates for the 2018 Draft Budget (p. 68) and the numbers of posts reduced each year taken from the replies to the Court's questionnaires;

For *EU decentralised agencies*, data taken from the Commission's communication COM(2013) 519 of 10 July 2013, except EUIPO – data taken from the reply to the Court's questionnaire;

For *EU executive agencies*, estimated data based on the Commission's communication SEC(2013) 493 of 18 September 2013 taking into account the staff structure (i.e. 75 % of contract agents and 25 % of temporary agents).

¹² The target was calculated on the basis of the 2012 establishment plans, except for the European Parliament and the executive and decentralised agencies, for which the basis was their 2013 plans.

¹³ The **Court of Auditors** and the **Committee of the Regions** cut each one post more than the target in the 2013 to 2017 period. Total reductions achieved (2 145 posts in column G) and Remaining staff reductions (163 posts in column H) therefore exceed the target of 2 306 posts by two posts.

¹⁴ The posts cut in excess of the target, mentioned in the previous note, have not been taken into account for this calculation.

¹⁵ **European Parliament** – 1 015 posts for Temporary posts for the EP political groups included in the "2012 Establishment Plan" were excluded from the 5 % reduction.

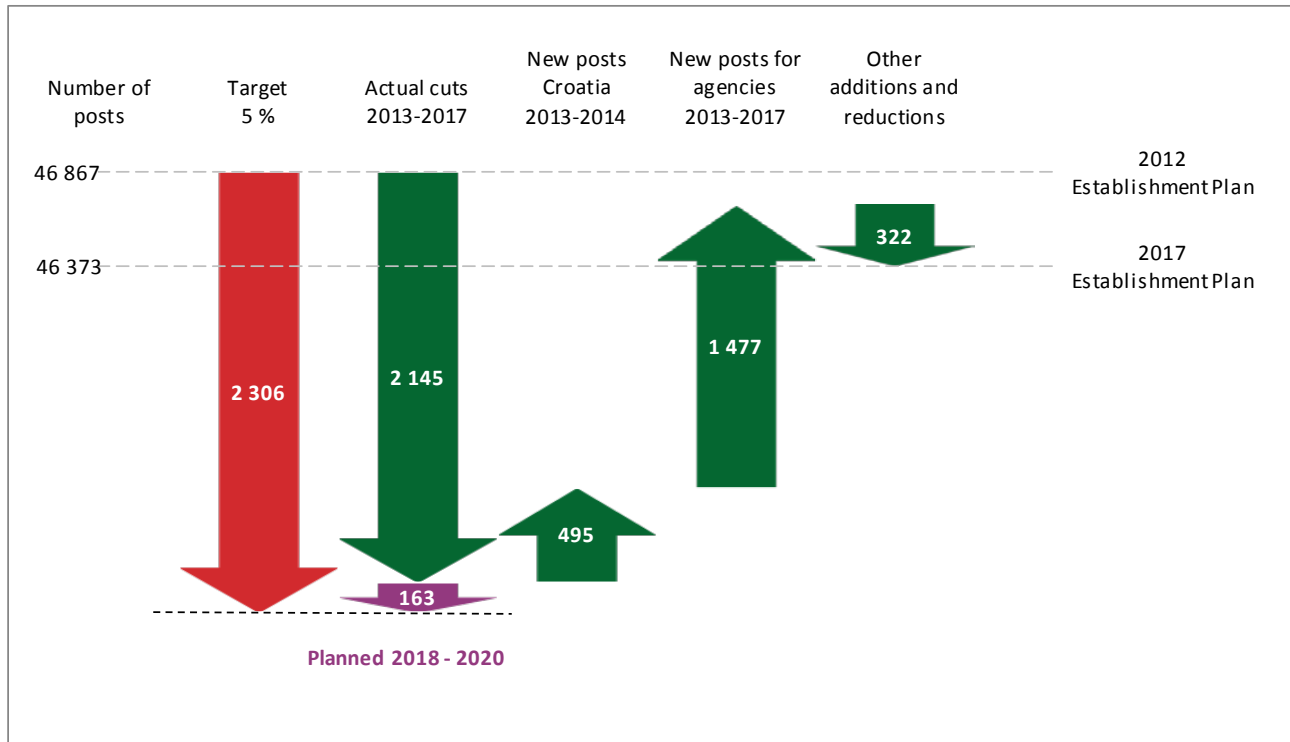
¹⁶ **European Parliament** – the numbers of posts cut in 2014 and 2016 were netted with some additional posts approved for these two years (30 and 39 respectively).

¹⁷ **European Parliament** – the 60 posts reduction was duly included in the draft budget and confirmed by in the Parliament's resolution of 25 October 2017 on the Council position on the draft general budget of the European Union for the financial year 2018 (11815/2017-C8-0313/2017-2017/2044(BUD)).

¹⁸ **Decentralised and executive agencies** – the numbers of posts rendered is shown gross in the table, although in the case of some agencies that received new posts, the posts to be cut were immediately netted off the additional posts granted in their establishment plans.

15. The implementation of the 5 % reduction is summarised in **Graph 1**. The target was almost achieved by 2017, leaving 163 posts out of the required 2 306 to be cut in 2018-2020.

Graph 1 – Implementation of the 5 % reduction in post numbers (2013 to 2017)



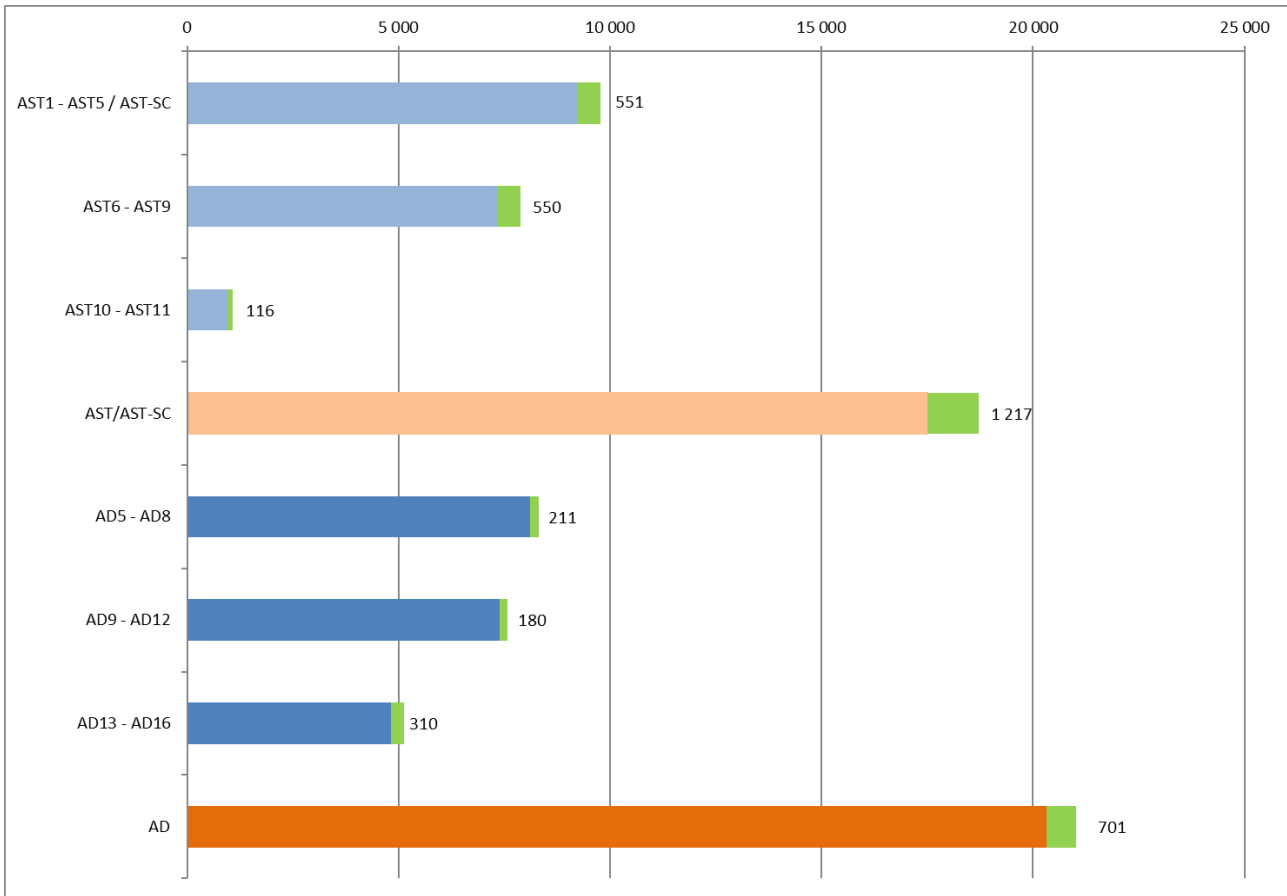
Source of data: data provided by the EU institutions, bodies and agencies in the replies to the Court's questionnaires.

16. The categories and grades that were subject to the 5 % reduction of staff posts in the EU institutions and bodies¹⁹, hereafter referred to simply as the "institutions", can be seen in **Graph 2**. The 1 918²⁰ staff posts cut in the establishment plans for the 5 % staff reduction (see **Table 1**) included 1 894 posts of permanent officials and 24 for temporary staff. 63 % of the posts cut were for assistants (AST) and 37 % for administrators (AD).

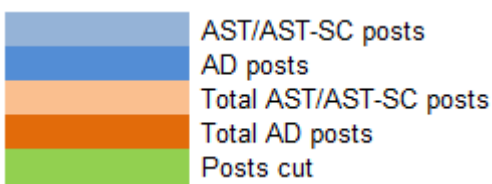
¹⁹ This analysis does not apply to agencies as some of them were unable to provide this information for the reasons explained in paragraph 10.

²⁰ The 1 918 posts include 1 849 posts cut (Table 1) and 69 posts netted off by the European Parliament in 2014 and 2016 against the additional posts approved in these two years (30 and 39 respectively).

Graph 2 – The number of posts cut per grade in the period 2013 – 2017 compared to the number of posts in the 2012 Establishment Plan (horizontal axis)²¹ (excluding agencies)



Source of data: data provided by the EU institutions and bodies in the replies to the Court’s questionnaires.



17. Many of the posts cut by the institutions were for the entry level grades AD5 to AD8 (30 % of the total AD posts cut) and AST1 to AST5 (45 % of the total AST posts cut). The high proportion of cuts for grades AD13 to AD16 (44 % of the AD total) is consistent with the explanations provided to the Court that many of the reductions made related to posts of staff that recently left on retirement, illness, etc.

²¹ For example, in 2012 the establishment plans of the Institutions and bodies included over 20 000 posts for administrators (AD), out of which 701 were cut over the period from 2013 to 2017.

Additions, transfers and reductions of posts until 2017

18. **Table 2** shows additions, transfers between institutions and reductions of staff posts introduced in the annual establishment plans of institutions, bodies and agencies from 2013 to 2017. In total, 2 886 posts were cut and 2 392 were added over the period, resulting in a net reduction of 494 posts (i.e. 1,1 %) by 2017 with respect to the establishment plans of the base year 2012.

Table 2 – Evolution of establishment plan posts in the period between 2012 and 2017

	Establish. Plan 2012	Additions (2013-2017)				Transfers (2013-2017)		Reductions (2013-2017)			Establish. Plan 2017	Change	% Change
		Croatia ²²		Political groups	Others	In	Out	5 %	Redeploy- ment pool	Other			
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)			
European Parliament (including political groups) ²³	6 684	-	26	120	93	60	- 2	- 162	-	- 76	6 743	59	0,9 %
European Council and Council	3 153	46	2	-	-	-	- 17	- 157	-	-	3 027	- 126	- 4,0 %
European Commission	25 065	357	13	-	-	12	-	- 1 254	-	- 437	23 756	- 1 309	- 5,2 %
Court of Justice	1 952	63	9	-	137	-	-	- 98	-	-	2 063	111	5,7 %
Court of Auditors	887	13	-	-	-	-	- 2	- 45	-	-	853	- 34	- 3,8 %
Economic and Social Committee	724	10	1	-	-	-	- 36	- 34	-	-	665	- 59	- 8,1 %
Committee of the Regions	531	6	2	-	-	-	- 24	- 26	-	-	489	- 42	- 7,9 %
European Ombudsman	66	-	-	-	2	-	-	- 3	-	-	65	- 1	- 1,5 %
European Data Protection Supervisor	43	-	-	-	15	-	-	- 2	-	-	56	13	30,2 %
European External Action Service	1 670	-	-	-	-	11	- 2	- 68	-	-	1 611	- 59	- 3,5 %
Total - EU Institutions	40 775	495	53	120	247	83	- 83	- 1 849	-	- 513	39 328	- 1 447	- 3,5 %
Decentralised Agencies ²⁴	5 679	-	-	-	1 283	-	-	- 279	- 218	- 11	6 455	776	13,7 %
Executive Agencies ²⁴	413	-	-	-	194	-	-	- 17	-	-	590	177	42,9 %
Total - EU Institutions and Agencies	46 867	495	53	120	1 724	83	- 83	- 2 145	- 218	- 524	46 373	- 494	- 1,1 %
			2 392				-		- 2 886				

Source of data:

For *EU Institutions and bodies*, data provided in the replies to the Court's questionnaires;

For *EU decentralised Agencies*, data taken from the Establishment Plans, the European Commission's communication COM(2013) 519 of 10 July 2013, the document prepared by the Inter-Institutional Working Group on decentralised agencies' resources "Evolution of the number of agency posts: state of play" dated 3 March 2017 and from the replies to the Court's questionnaires; and

For *EU executive Agencies*, data taken from the Establishment Plans and the European Commission's communication SEC(2013) 493 of 18 September 2013.

²² This column does not include the posts granted in 2012 for the accession of Croatia.

²³ **European Parliament** – the number of other additional posts approved in 2014 and 2016 were netted off against the posts cut for these two years (30 and 39 respectively).

²⁴ **Decentralised and executive agencies** – the numbers of posts rendered is shown gross in the table, although in the case of some agencies that received new posts, the posts to be cut were immediately netted off against the additional posts granted in their establishment plans.

19. The main reasons for the difference between the agreed 5 % reduction and the actual net 1,1 % decrease in the number of posts in the establishment plans are the following:

- (i) in the European Parliament temporary posts for political groups were exempt from the 5 % reduction: there were 1 015 such posts in the 2012 establishment plan and 1 135 by 2017. Additionally, during the same period 93 posts were added mainly for the internalisation of IT services and increased security measures, there were net transfers of 58 posts from other EU institutions and bodies²⁵, and 26 posts were created for Irish language translation;
- (ii) in the European Council and Council 46 posts were added for the accession of Croatia and 2 for Irish language translation;
- (iii) in the European Commission there was an addition of 357 posts following the accession of Croatia and 13 for Irish language translation; and
- (iv) in the European Court of Justice there was an addition of 130 posts to keep up with the demands of the increase in cases and expansion of jurisdiction, 63 posts for the accession of Croatia, 9 for Irish language translation and 7 for increased security measures.

20. The other changes in staff posts during the period were:

- (i) the transfer of 12 posts to the Commission from the other institutions;
- (ii) the cut (in addition to the 5 % reduction) of 437 posts by the Commission: 343 to compensate for the staff resources granted to the executive agencies to carry out their new delegated tasks (see paragraph 10), 70 through the transformation of the budgetary amounts of the posts into appropriations and 24 to the European GNSS Agency and the European Fund for Strategic Investments to take on tasks previously carried out by the Commission;
- (iii) the executive agencies offset the 17 posts that had to be cut for the 5 % reduction against those received from the Commission for the delegation of tasks in 2014. Thus 177 additional

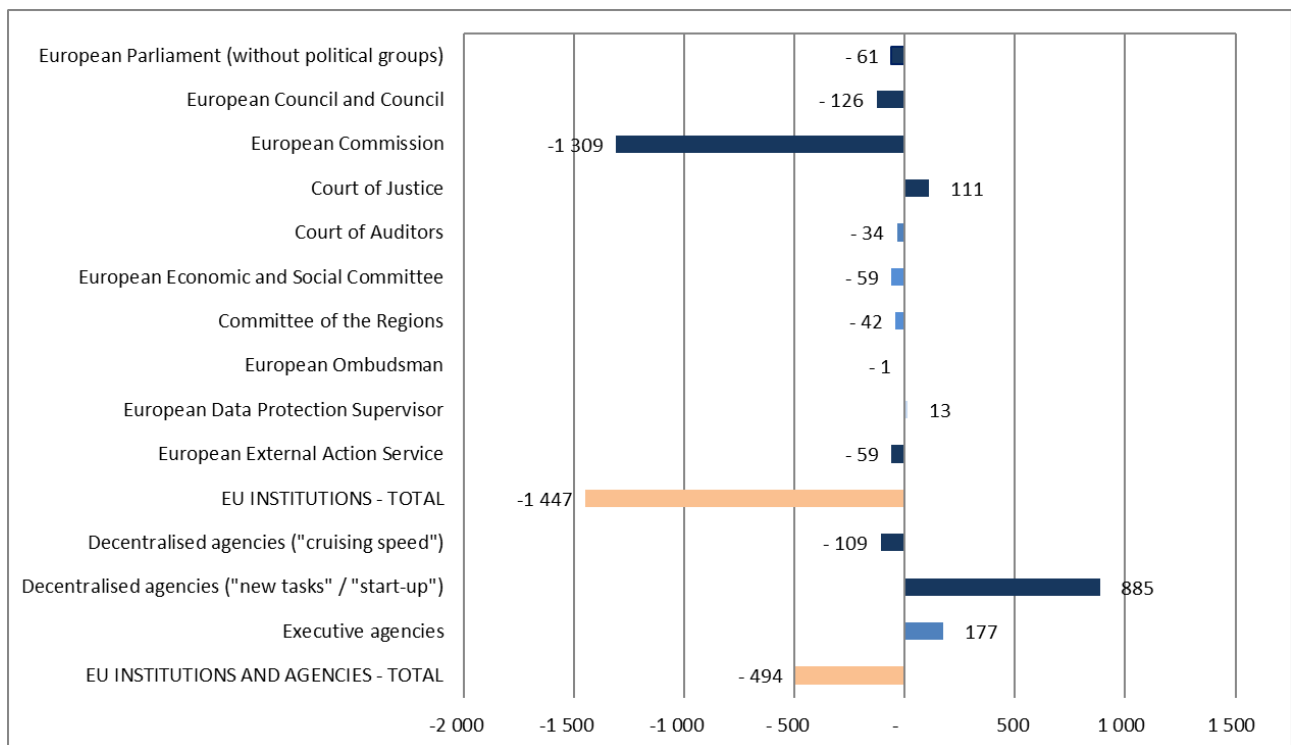
²⁵ The net figure includes a transfer of 36 posts from the European Economic and Social Committee and 24 posts from the Committee of the Regions to the European Parliament under a cooperation agreement signed in 2014.

posts were granted to them during the period 2014-2017 to take over certain delegated tasks instead of the 194 posts that would have been requested without the 5 % reduction;

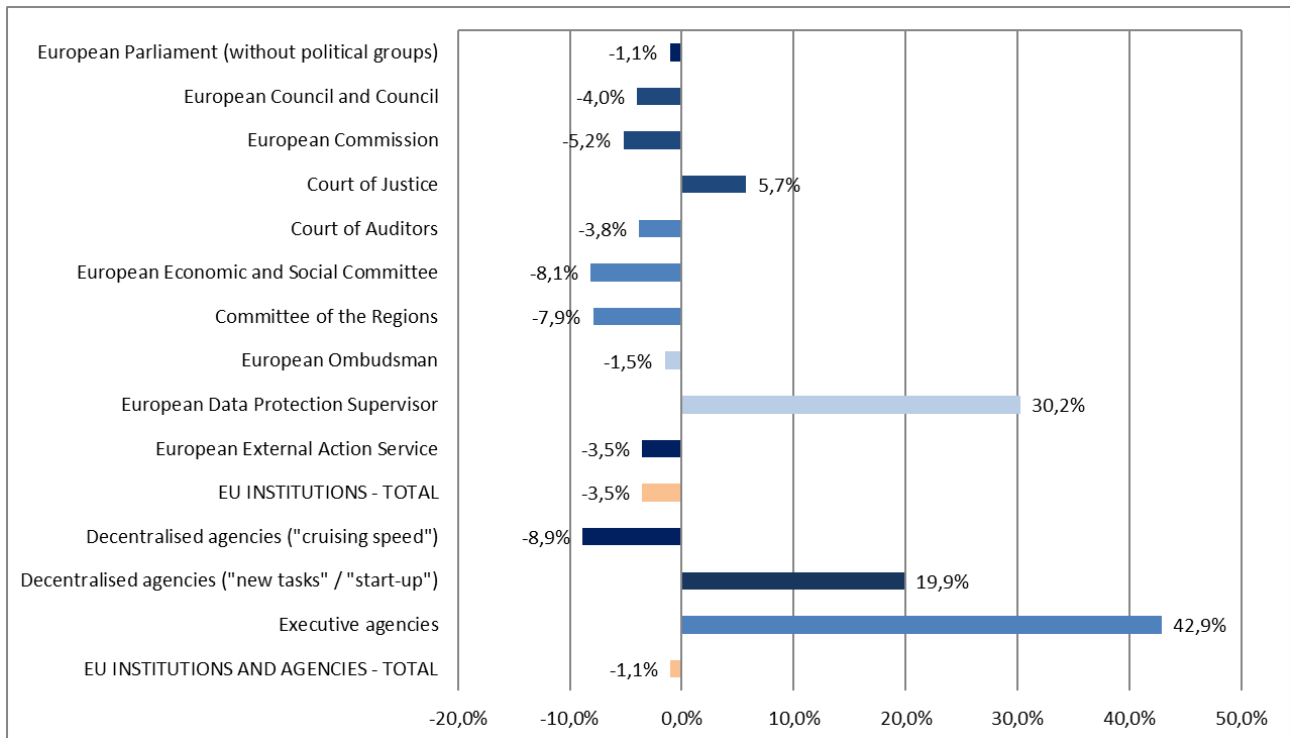
- (iv) the levy of 218 posts on decentralised agencies for the creation of the redeployment pool (see paragraph 10); and
- (v) the decentralised agencies that had been recently created or have been given additional tasks were granted 1 065 posts which, together with the 218 posts provided by other agencies' contributions to the redeployment pool, resulted in an overall addition of 1 283 posts (see **Table 2**). Frontex, Europol, EASO, EASA and EUIPO were granted most new posts (733 out of 1 283). Further details are shown in **Annex II**.

21. **Graph 3** shows the impact of the percentage change on the staff posts of institutions, bodies and agencies²⁶ between those years as shown in **Table 2**.

Graph 3: Analysis of the variations in staff post numbers in the establishment plans between 2012 and 2017 (in numbers and in percentage)



²⁶ For details of the classification of the decentralised agencies, see **Annex II**.



EU Institutions and bodies with number of posts

	> 1 000 posts
	between 100 and 1 000 posts
	< 100 posts
	subtotals and total

Source of data: data taken from the establishment plans for 2012 and 2017.

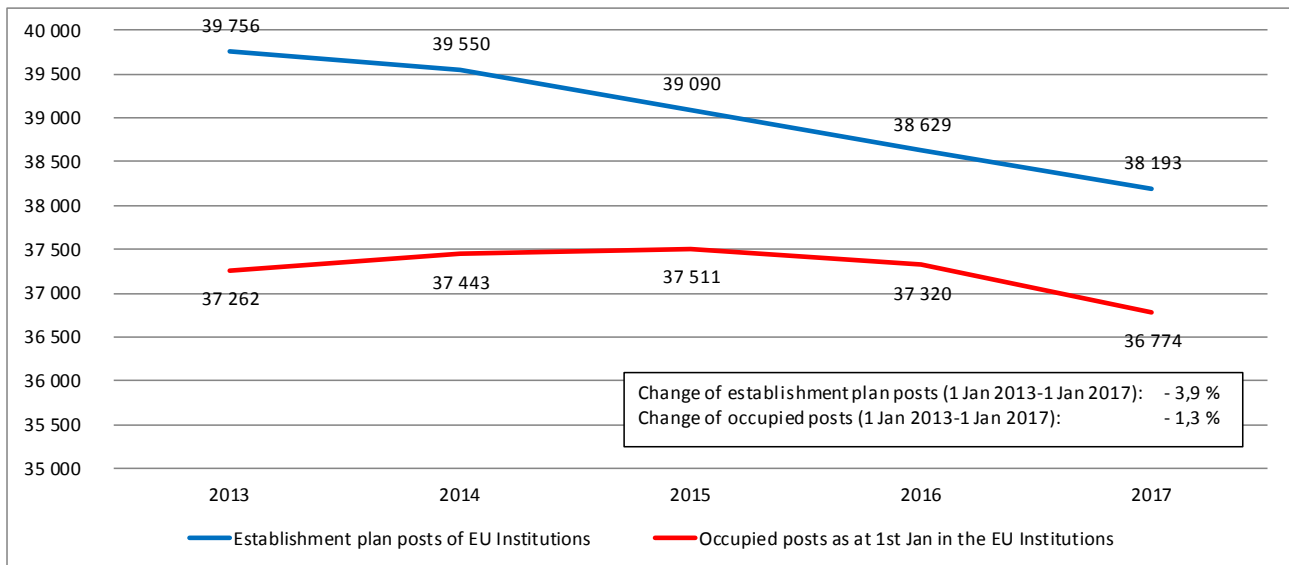
The evolution of the total number of posts between 2013 and 2017

22. The separate evolution of the total numbers of staff posts in the establishment plans of the institutions, decentralised agencies and executive agencies is shown in **Graph 4**, together with the posts that were occupied by staff at the beginning of each year. The total number of posts in the establishment plans decreased by 3,9 % for the institutions between 2013²⁷ and 2017, but rose by 6,7% for the decentralised agencies and 38,2 % for the executive agencies.

23. The total number of posts that were actually occupied by staff increased by 0,4 % over the period from 1 January 2013 to 1 January 2017 (- 1,3 % for the institutions and bodies, + 9,6 % for the decentralised agencies and + 33,7 % for the executive agencies).

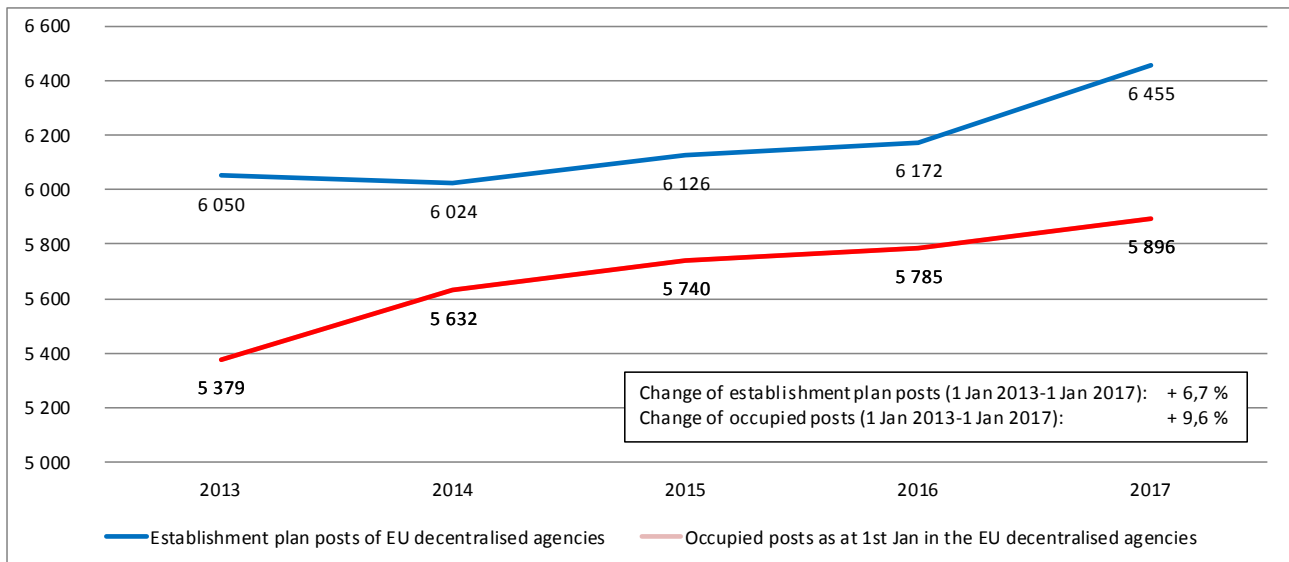
²⁷ The 2013 establishment plan reflected the first cuts.

Graph 4a: Evolution of the number of establishment plan posts and occupied posts between 2013 and 2017²⁸ - EU Institutions (excluding posts granted to political groups)



Source of data: data provided by the EU institutions and bodies in the replies to the Court's questionnaires.

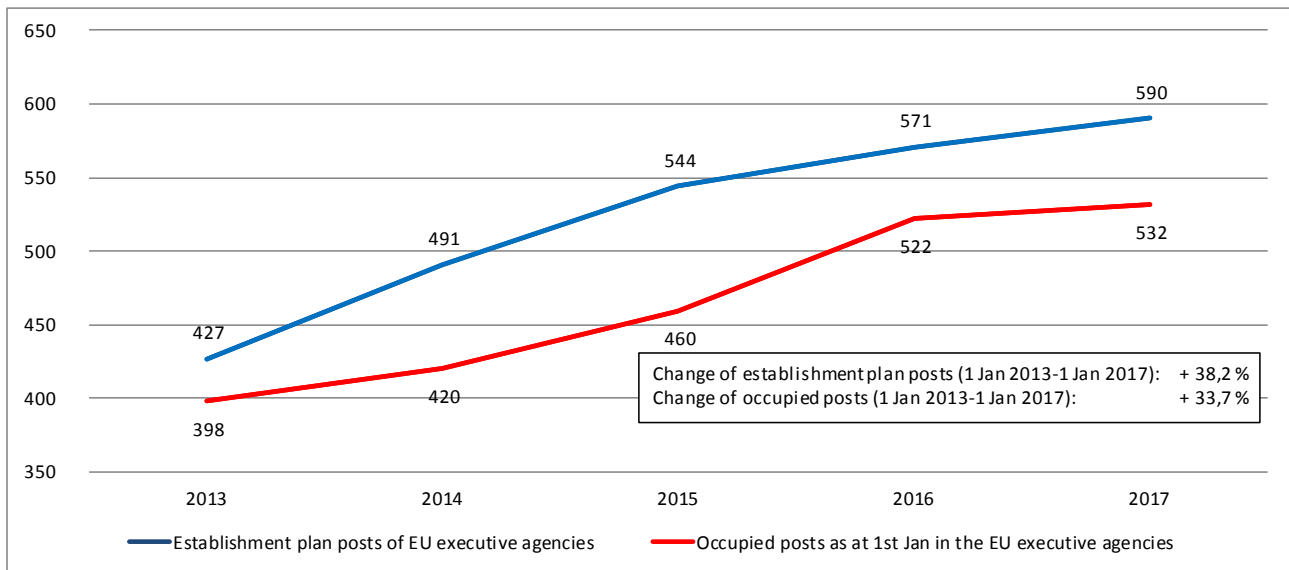
Graph 4b: Evolution of the number of establishment plan posts and occupied posts between 2013 and 2017 – EU decentralized agencies



Source of data: data provided by agencies in the replies to the Court's questionnaires.

²⁸ The numbers of establishment plan posts and occupied posts do not include posts granted to political groups of the European Parliament (1 016 in 2013, rising to 1 135 in 2017), which are not subject to the staff reduction.

Graph 4c: Evolution of the number of establishment plan posts and occupied posts between 2013 and 2017²⁹ - EU executive agencies



Source of data: data provided by agencies in the replies to the Court's questionnaires.

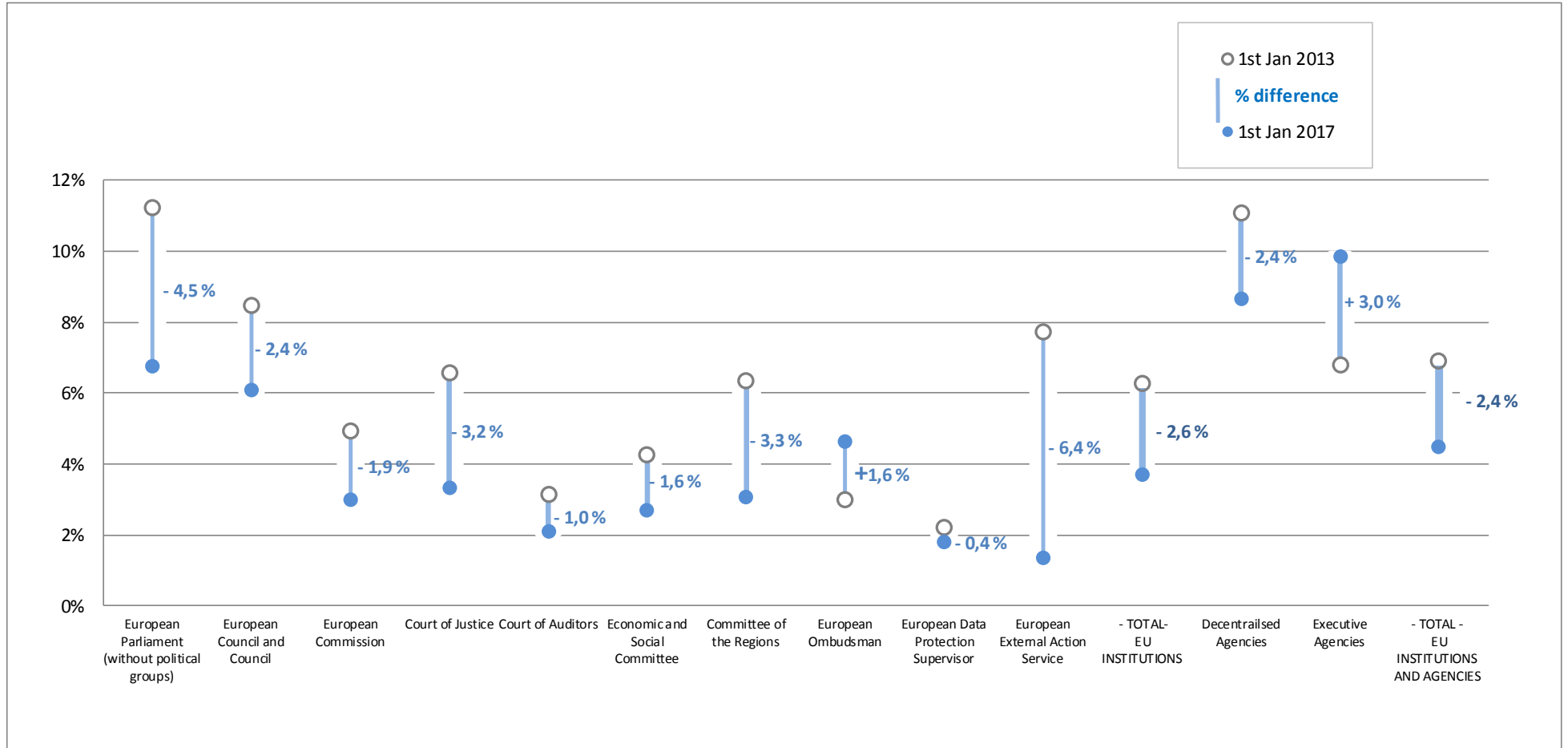
The evolution of the vacancy rates between 2013 and 2017

24. **Graph 5** shows that the vacancy rates³⁰ have dropped significantly in most EU institutions and bodies and only three were still above 4 % in 2017, compared to seven in 2013. In total, the number of vacant posts has dropped from 2 494 in 2013 to 1 419 in 2017 for the institutions and bodies, and from 671 in 2013 to 559 in 2017 for the decentralised agencies, although there was an increase from 29 to 58 for the executive agencies. This confirms that most of the reduction in staff posts was achieved by suppressing vacant posts, as already mentioned in paragraph 17.

²⁹ The numbers of establishment plan posts and occupied posts do not include posts granted to political groups of the European Parliament (1 016 in 2013, rising to 1 135 in 2017), which are not subject to the staff reduction.

³⁰ The difference between the number of posts in the establishment plans and the total number of posts that are actually occupied is the number of vacant posts. The vacancy rate is the number of vacant posts expressed as a percentage of the number of posts in the establishment plan.

Graph 5: Changes in vacancy rates in the period between 1 January 2013 and 1 January 2017

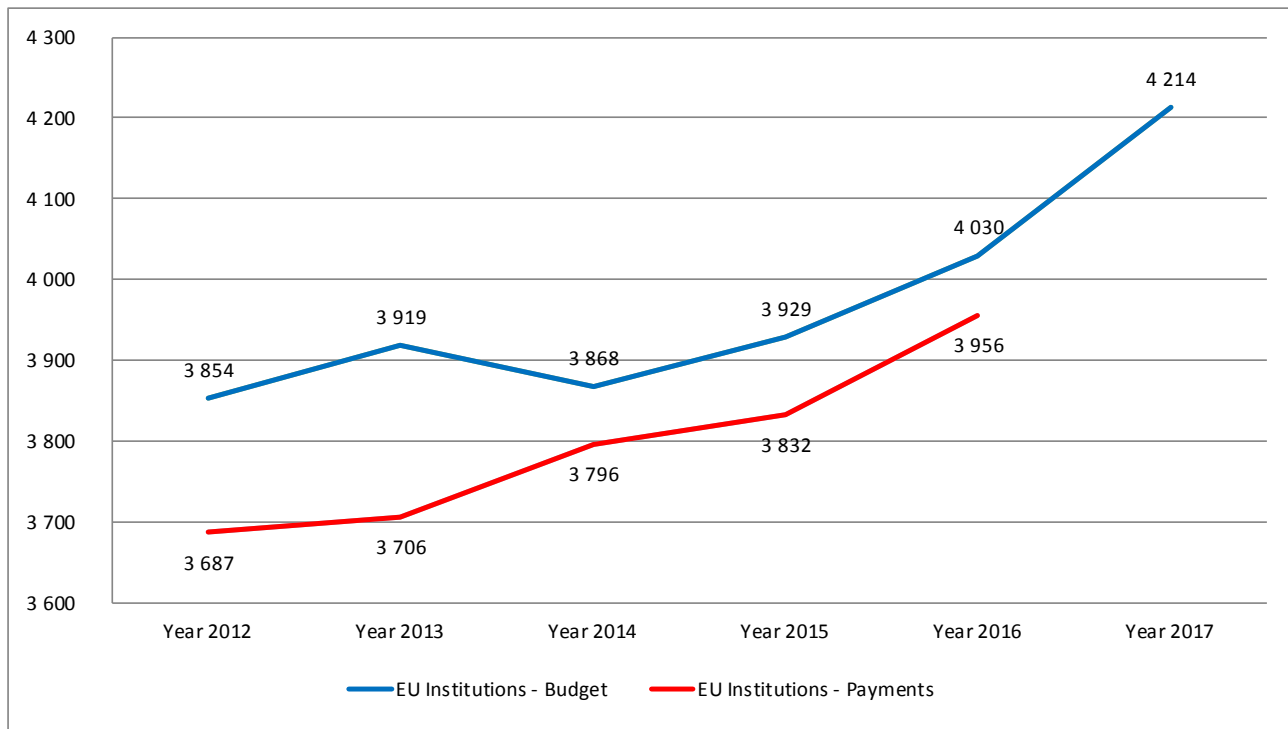


Source of data: data provided by the institutions, bodies and agencies in the replies to the Court's questionnaires.

Section 2 – The Court’s analysis of the evolution in staff costs

25. The budgeted and actual payments for permanent officials and temporary staff at the institutions, decentralised agencies and executive agencies for the years 2012 to 2016 are provided in **Graph 6**. The annual increases during the period are due to the overall increase in the number of occupied staff posts (see paragraph 22 above), annual salary updates applicable to all staff, promotions of staff to higher grades and increases in step within grades. Overall, the budget for the institutions and agencies increased by 6,6 % and the actual payments increased by 9,2 % during the period.

Graph 6a: Budget and payments for salaries for permanent officials and temporary agents between 2012 and 2016 – EU Institutions (in million euro)³¹



The increase is mainly due to:

- increased number of occupied posts (**Graph 4**)
- annual salary adjustments
- promotions
- advancements in step

Increase of budget (2012-2016): + 4,6 %
 Increase of payments (2012 – 2016): + 7,3 %

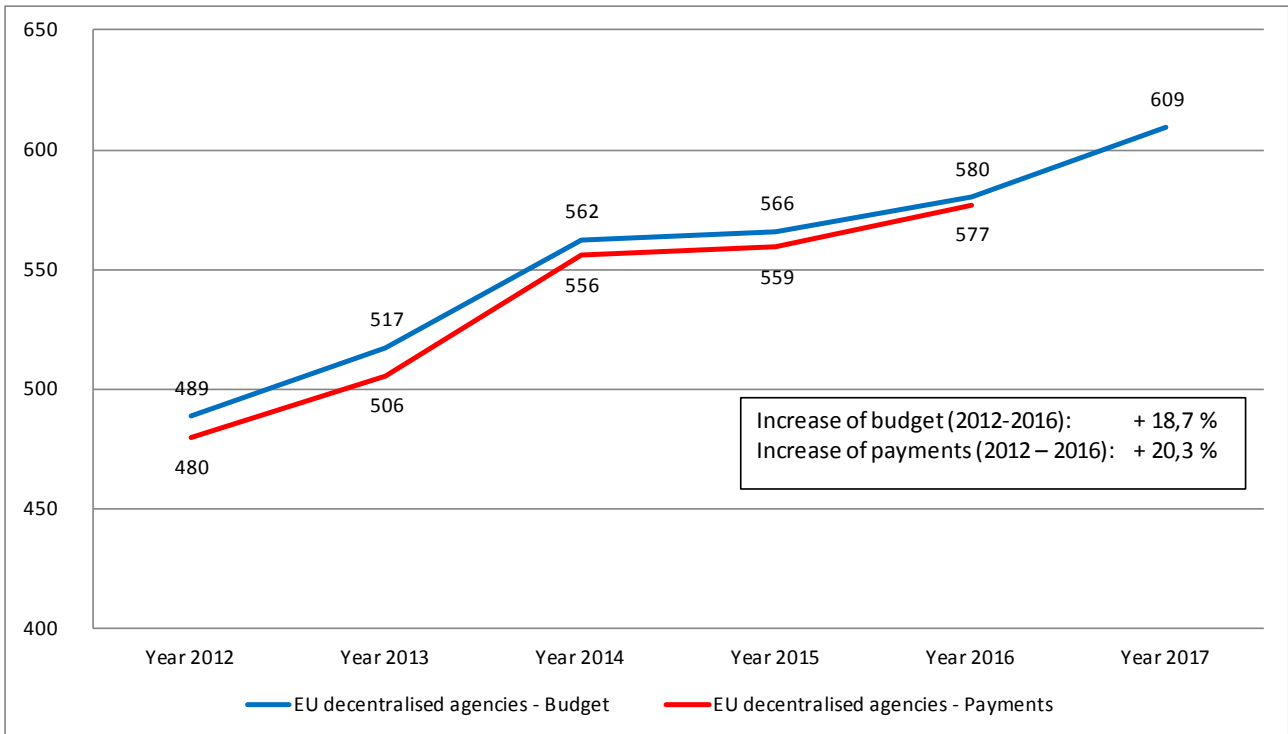
Annual salary adjustments:

1 July 2012:	+ 0,8 %
1 July 2013:	0,0 %
1 July 2014:	0,0 %
1 July 2015:	+ 2,4 %
1 July 2016:	+ 3,3 %
1 July 2017:	+ 1,8 % (forecasted)

Source of data: data provided by the European Commission or data taken from the replies sent by the institutions and bodies.

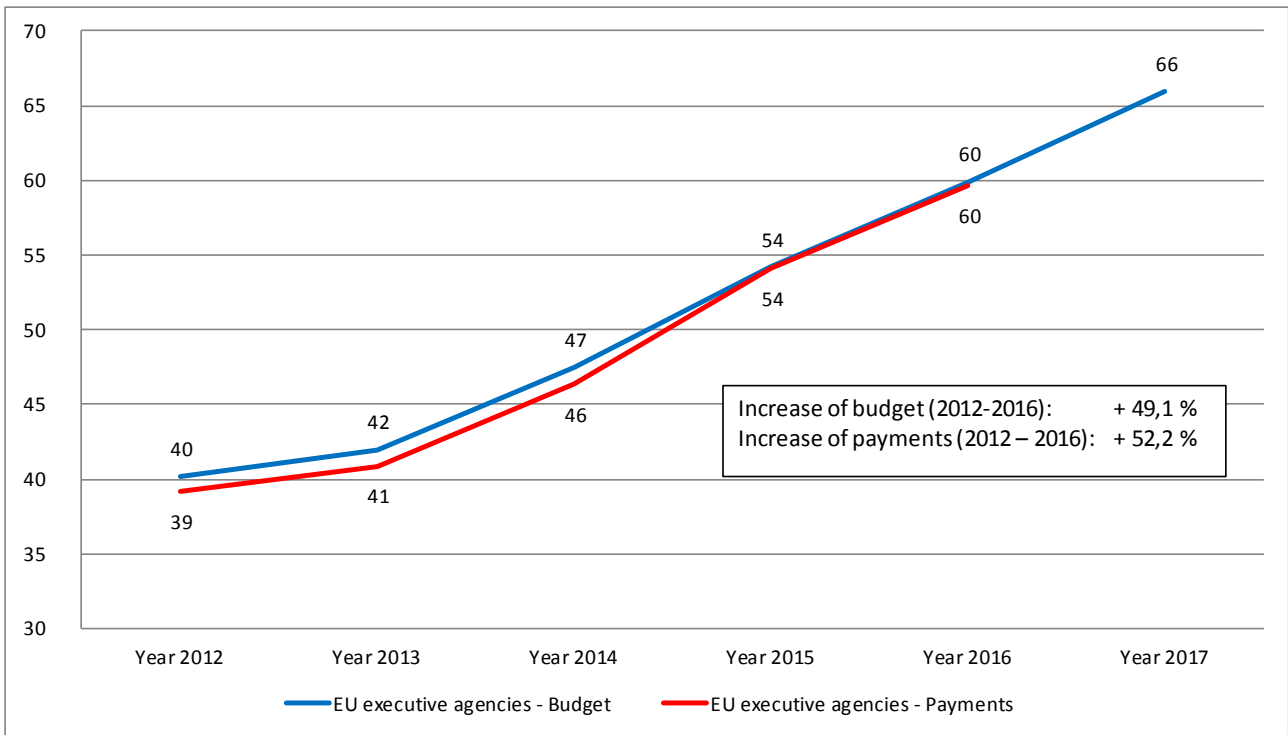
³¹ Appropriations and payments for the EEAS cover only remuneration and allowances for permanent officials and temporary agents employed at Headquarters (appropriations and payments for staff employed by the EU delegations are not included in the above graph).

Graph 6b: Budget and payments for salaries for permanent officials and temporary agents between 2012 and 2016 – EU decentralized agencies (in million euro)



Source of data: Data taken from the replies sent by agencies to the Court's questionnaires.

Graph 6c: Budget and payments for salaries for permanent officials and temporary agents between 2012 and 2016 – EU executive agencies (in million euro)



Source of data: Data taken from the replies sent by agencies to the Court's questionnaires.

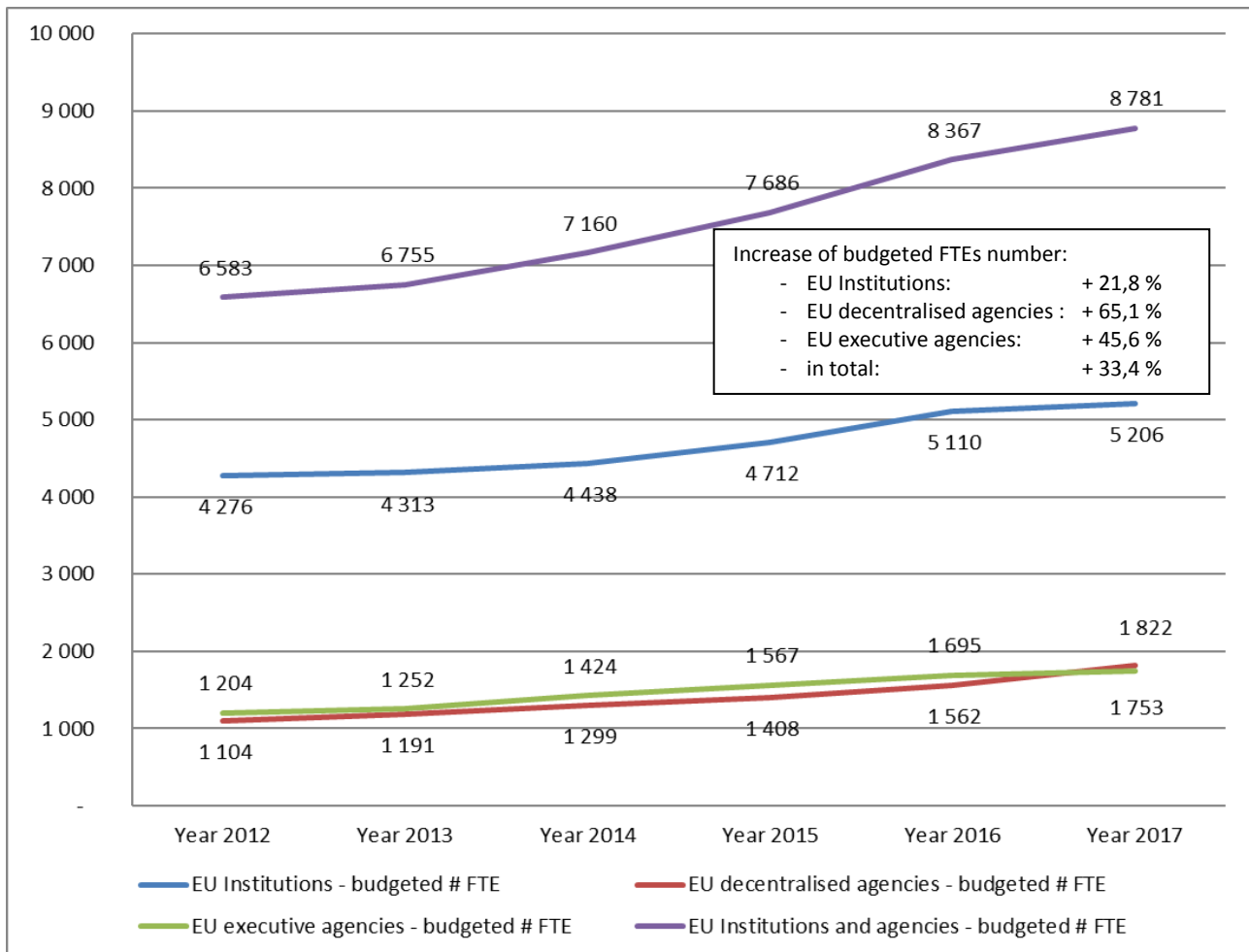
Section 3 – The Court’s analysis of the evolution in the use of contract staff

26. The Court did not conduct a detailed analysis of the evolution of external staff because they were outside the scope of the 5 % staff reduction. It did, however, obtain data on contract staff³² employed by the EU institutions, bodies and agencies to assess whether there was an increase in their use during the period from 2012 to 2017. Graph 7 shows the budgeted full time equivalent (FTE)³³ number of contract staff during this period and Graph 8 shows their budgeted and actual salary payments.

³² Contract staff are in many cases recruited on fixed-term contracts for a maximum of 6 years and are not included in the establishment plan. They are financed using budgetary appropriations for external staff.

³³ The full time equivalent number of contract staff was calculated by taking the number of such staff employed during every month of the year and dividing the total by twelve. That means that, for example, a contract agent who worked for six months of a particular year would count as a 0,5 FTE.

Graph 7 – Increase of the budgeted number of contract agents (in FTE) in the period between 2012 and 2017³⁴



Source of data: data provided by the institutions, bodies and agencies in the replies to the Court's questionnaires.

27. **Graph 7** shows that there was an overall increase of 33,4 % in the budgeted number of FTE contract staff during the period. The additional 2 198 FTEs is mainly a result of:

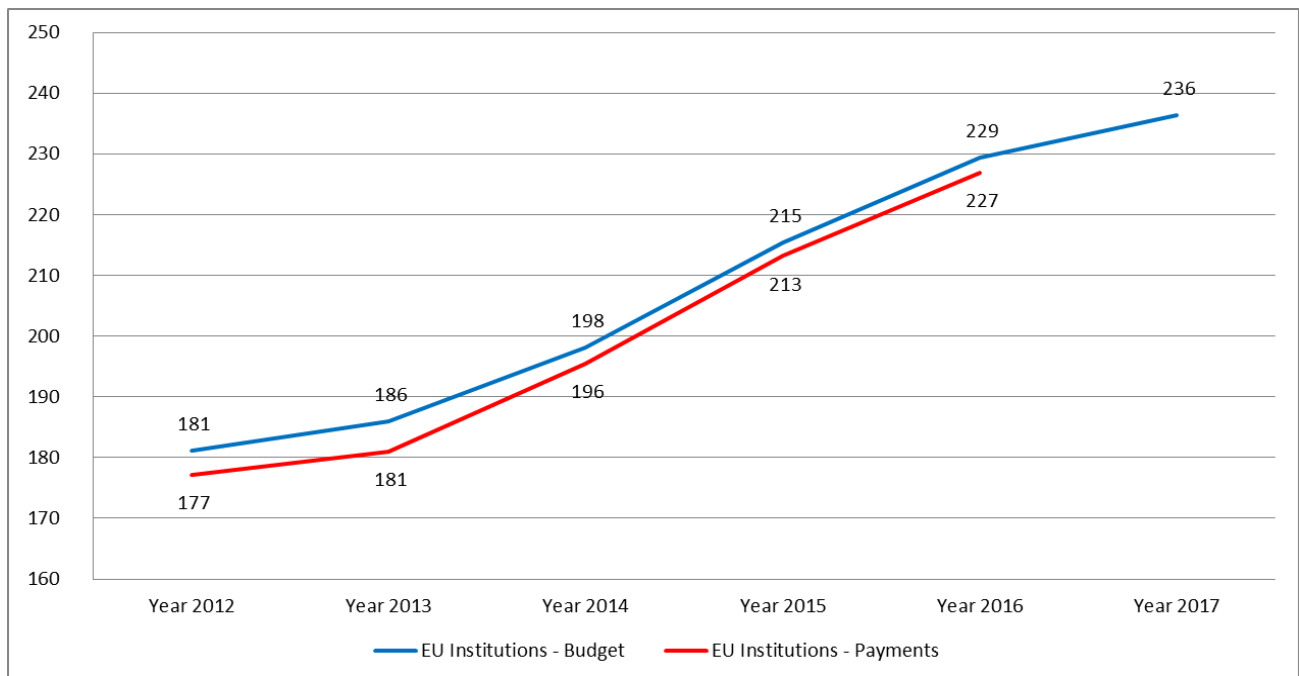
- (i) the European Parliament planning to increase the use of contract staff by 891 FTEs. This results from the Parliament's decision to employ additional contract staff to perform tasks that had previously been carried out by other external staff and contractors;
- (ii) executive agencies increasing the use of contract staff by 549 FTEs following the delegation of the management of 2014-2020 programmes from the Commission;

³⁴ The forecasted number of contract staff for the EEAS covers those employed at the Headquarters (contract staff employed by the EU delegations are not included in the above graph).

(iii) decentralised agencies increasing the use of contract staff by 718 FTEs to implement new tasks (mostly the Frontex, Europol, EASO, EASA, ENISA and GSA agencies), to cope with increased activity (EUIPO) and to partially compensate for the 5 % staff cut and the levy for the creation of the redeployment pool.

28. The overall increase observed above is reflected in **Graph 8**, which shows budgeted and actual payments increase by 36,4 % and 39,4 % respectively from 2012 to 2016. The graph shows the evolutions of the institutions, decentralised agencies and executive agencies.

Graph 8a: Increase in payments of salaries for contract staff in the period between 2012 and 2016 – EU Institutions (in million euro)³⁵



Source of data: data provided by the institutions and bodies in the replies to the Court's questionnaires.

Increase mainly due to:

- reclassification
- annual salary adjustments
- increased number of contract agents (**Graph 7**)

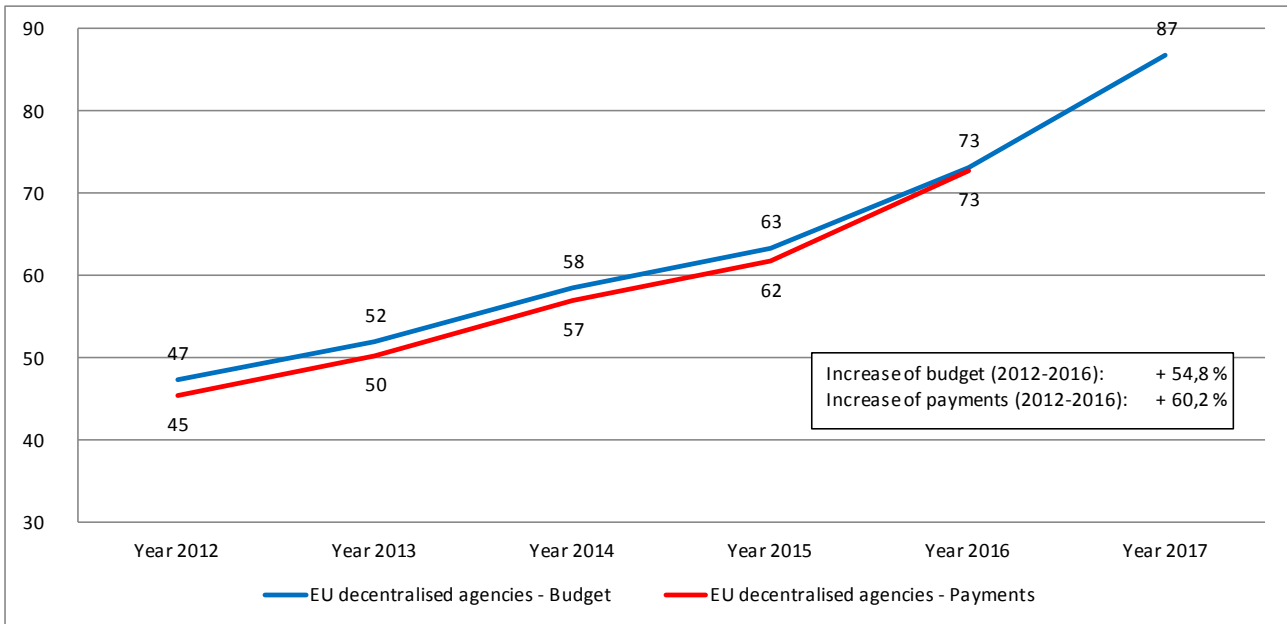
Increase of budget (2012-2016): + 26,7 %
Increase of payments (2012-2016): + 28,1 %

Annual salary adjustments:

1 July 2012: + 0,8 %
1 July 2013: 0,0 %
1 July 2014: 0,0 %
1 July 2015: + 2,4 %
1 July 2016: + 3,3 %
1 July 2017: + 1,8 % (forecasted)

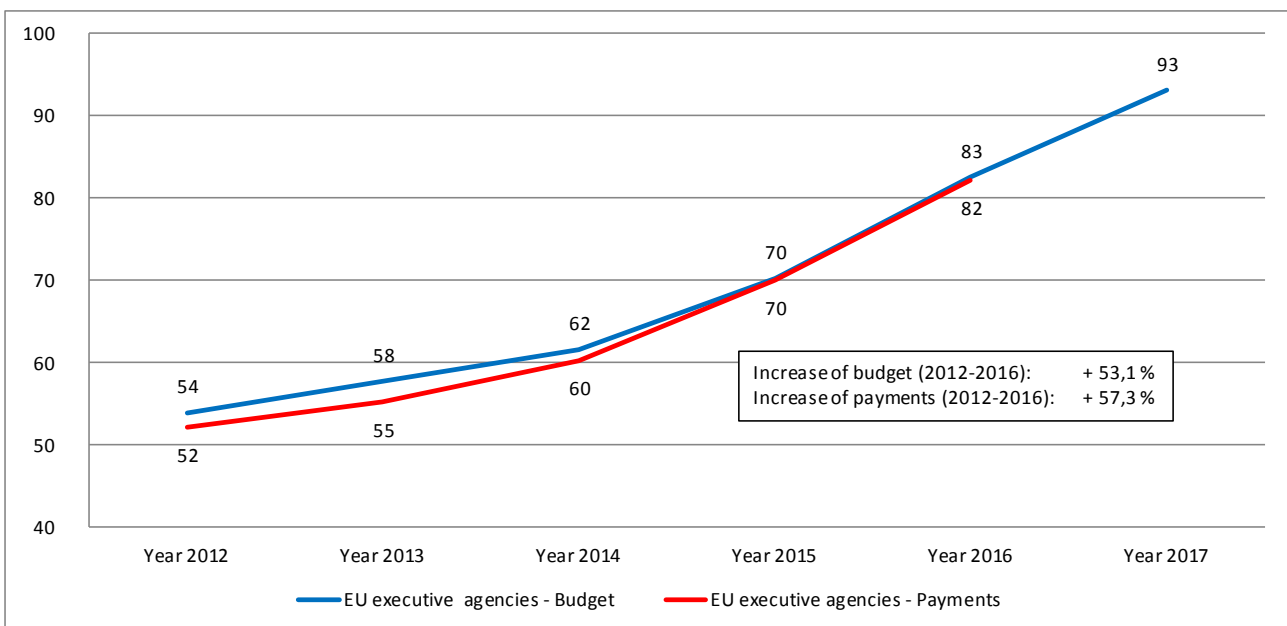
³⁵ Appropriations and payments for the EEAS cover only remuneration and allowances for contract agents employed at the Headquarters (appropriations and payments for contract agents employed by the EU delegations are not included in the above graph).

Graph 8b: Increase in payments of salaries for contract staff in the period between 2012 and 2016 – EU decentralized agencies (in million euro)



Source of data: data provided by agencies in the replies to the Court's questionnaire.s

Graph 8c: Increase in payments of salaries for contract staff in the period between 2012 and 2016 – EU executive agencies (in million euro)



Source of data: data provided by agencies in the replies to the Court's questionnaires.

CONCLUDING REMARKS

29. The EU institutions, bodies and agencies implemented the 5 % reduction, albeit with a delay in some cases and this was achieved by eliminating vacant posts in the establishment plan and by not replacing staff members leaving upon retirement, illness, etc.

30. However, during the same period, the budgetary authority granted new posts to the institutions, bodies and agencies in the framework of the annual budgetary procedure. These posts were made available mostly for the development of their activities (this explains the significant increase in the number of posts granted to agencies), the accession of Croatia and to the political groups in the European Parliament.

31. As a consequence, the number of posts in the establishment plans decreased by 1,1 % between 2012 and 2017 with significant variations between the institutions (- 3,5 %), decentralised agencies (+ 13,7 %) and executive agencies (+ 42,9 %). The number of posts actually occupied from 1 January 2013 to 1 January 2017 increased by 0,4 % over the period (- 1,3 % for institutions and bodies and + 11,3 % for agencies, with 9,6 % in decentralised agencies and 33,7 % in executive agencies). The average vacancy rate decreased from 6,9 % on 1 January 2013 to 4,5% on 1 January 2017 and reached a level below 2 % in some institutions and bodies.

32. The evolution of staff costs over the period 2012 to 2017 follows a stronger trend than that of the evolution of posts occupied. The budget increased by 6,6 % from 2012 to 2016, while actual payments increased by 9,2 %. This trend reflected both the increase of staff numbers and the annual salary updates applicable to all staff, the promotions to higher grades and the increases in steps within grades.

33. The budgeted number of contract staff also increased during the period 2012-2017 by 33,4 % in number (mostly in agencies, with 65,1 % in decentralised agencies and 45,6 % in executive agencies) and by 47,4 % in salaries.

LIST OF INSTITUTIONS, BODIES AND AGENCIES EXAMINED**Institutions and bodies (10)**

European Parliament
European Council and Council
European Commission
Court of Justice of the European Union
European Court of Auditors
European Economic and Social Committee
Committee of the Regions
European Ombudsman
European Data Protection Supervisor
European External Action Service

Decentralised agencies (32)

Agency for the Cooperation of Energy Regulators (ACER)
Office of the Body of European Regulators for Electronic Communications (BEREC)
Community Plant Variety Office (CPVO)
European Agency for Safety and Health at Work (EU-OSHA)
European Border and Coast Guard Agency (Frontex)
European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice (eu-LISA)
European Asylum Support Office (EASO)
European Aviation Safety Agency (EASA)
European Banking Authority (EBA)
European Centre for Disease Prevention and Control (ECDC)
European Centre for the Development of Vocational Training (Cedefop)
European Chemicals Agency (ECHA)
European Environment Agency (EEA)
European Fisheries Control Agency (EFCA)
European Food Safety Authority (EFSA)
European Foundation for the Improvement of Living and Working Conditions (Eurofound)
European GNSS Agency (GSA)
European Institute for Gender Equality (EIGE)
European Insurance and Occupational Pensions Authority (EIOPA)

European Maritime Safety Agency (EMSA)
European Medicines Agency (EMA)
European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)
European Union Agency for Network and Information Security (ENISA)
European Union Agency for Law Enforcement Training (CEPOL)
European Union Agency for Law Enforcement Cooperation (Europol)
European Union Agency for Railways (ERA)
European Securities and Markets Authority (ESMA)
European Training Foundation (ETF)
European Union Agency for Fundamental Rights (FRA)
European Union Intellectual Property Office (EUIPO)
The European Union's Judicial Cooperation Unit (Eurojust)
Translation Centre for the Bodies of the European Union (CdT)

Executive agencies (6)

Executive Agency for Small and Medium-sized Enterprises (EASME)
Executive Agency for Education, Audiovisual and Culture (EACEA)
Consumers, Health and Food Executive Agency (CHAFEA)
Innovation and Networks Executive Agency (INEA)
European Research Council Executive Agency (ERCEA)
Research Executive Agency (REA)

EVOLUTION OF BUDGETED POSTS OF THE EU DECENTRALISED AGENCIES BETWEEN 2012 AND 2017

	Estab. Plan 2012	Additions ³⁶				Estab. Plan 2017	Change 2012- 2017	% Change
			5 % post reduction	Redeployment pool	Other			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
"Cruising speed" agencies (as per classification for draft budget 2013³⁷)								
Eurofound	101	-	- 4,0	- 4,0	-	93	- 8	- 7,9 %
EU-OSHA	44	-	- 2,0	- 2,0	-	40	- 4	- 9,1 %
Cedefop	101	-	- 5,0	- 4,0	-	92	- 9	- 8,9 %
EIGE	30	1	- 1,5	- 2,5	-	27	- 3	- 10,0 %
EMCDDA	84	-	- 4,0	- 3,0	-	77	- 7	- 8,3 %
ECDC	200	-	- 10,0	- 8,0	-	182	- 18	- 9,0 %
EFSA	355	-	- 17,5	- 14,5	-	323	- 32	- 9,0 %
ETF	96	-	- 4,0	- 4,0	-	88	- 8	- 8,3 %
CdT	215	-	- 10,5	- 9,5	-	195	- 20	- 9,3 %
Sub-total	1 226	1	- 58,5	- 51,5	-	1 117	- 109	- 8,9 %
"Cruising speed" agencies (as per classification for draft budget 2013) with new tasks given in the period 2013-2017								
ECHA	470	49	- 25,5	- 24,5	- 9	460	- 10	- 2,1 %
EASA	634	102	- 28,5	- 27,5	- 2	678	44	6,9 %
ERA	144	8	- 7,0	- 6,0	-	139	- 5	- 3,5 %
EEA	136	3	- 6,0	- 6,0	-	127	- 9	- 6,6 %
Europol	457	130	- 19,0	- 18,0	-	550	93	20,4 %
CEPOL	28	6	- 1,5	- 1,5	-	31	3	10,7 %
EFCA	54	12	- 2,5	- 2,5	-	61	7	13,0 %
Sub-total	1 923	310	- 90,0	- 86,0	- 11	2 046	123	6,4 %
"New task" agencies (as per classification for draft budget 2013)								
GSA	44	79	- 4,0	- 3,0	-	116	72	163,6 %
EMSA	213	18	- 10,5	- 8,5	-	212	- 1	- 0,5 %
ENISA	47	5	- 2,5	- 1,5	-	48	1	2,1 %
EMA	590	55	- 24,5	- 24,5	-	596	6	1,0 %
ACER	43	29	- 2,5	- 1,5	-	68	25	58,1 %
Frontex	143	222	- 6,5	- 6,5	-	352	209	146,2 %
Eurojust	213	13	- 8,5	- 9,5	-	208	- 5	- 2,3 %
Sub-total	1 293	421	- 59,0	- 55,0	-	1 600	307	23,7 %
"Start-up phase" agencies (as per classification for draft budget 2013)								
BEREC	16	-	- 1,0	- 1,0	-	14	- 2	- 12,5 %
EBA	68	75	- 4,5	- 4,5	-	134	66	97,1 %
EIOPA	69	39	- 4,0	- 3,0	-	101	32	46,4 %
ESMA	75	85	- 5,0	- 5,0	-	150	75	100,0 %
EASO	38	121	- 2,0	- 2,0	-	155	117	307,9 %
eu-LISA	75	66	- 5,0	- 5,0	-	131	56	74,7 %
FRA	75	4	- 4,0	- 3,0	-	72	- 3	- 4,0 %
Sub-total	416	390	- 25,5	- 23,5	-	757	341	82,0 %

³⁶ Additions reflect planned growth and new tasks allocated to agencies and are approved in the annual budgetary procedure.

³⁷ Draft General Budget of the European Commission for the financial year 2013 - Working document Part III - Bodies set up by the European Union and having legal personality.

Fully self-financed agencies								
CPVO	46	3	- 2,5	- 1,5	-	45	- 1	- 2,2 %
EUIPO	775	158	- 43,0	-	-	890	115	14,8 %
Sub-total	821	161	- 45,5	- 1,5	-	935	114	13,9 %
TOTAL	5 679	1 283	- 278,5	- 217,5	- 11	6 455	776	13,7 %

The Court reviewed how the European Union institutions, bodies and agencies implemented the commitment made in the Interinstitutional Agreement of 2 December 2013 to cut 5 % of the staff in their establishment plans during the period 2013-2017.

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