

Special report

EU Civil service

A flexible employment framework, insufficiently used to improve workforce management



EUROPEAN
COURT
OF AUDITORS

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Abbreviations

Glossary

Replies of the Parliament

Replies of the Council

Replies of the Commission

Timeline

Audit team

Executive summary

I The EU institutions and bodies, along with the executive agencies, employ around 51 000 staff members, under different types of contract: permanent officials, temporary staff and contract staff. The role of the EU civil service is to support the EU in achieving its objectives, and the implementation of its policies and activities. Salary costs represent around half the budget of the EU's administrative expenditure.

II The employment of the EU institutions' staff is governed by common rules, [the Staff Regulations of Officials and the Conditions of Employment of Other Servants](#). These rules are complemented by the implementing decisions and human resources policy of the institutions. This employment framework is designed with the objective to allow the EU institutions to attract, recruit and keep highly qualified and multilingual staff, drawn from the broadest possible geographical basis, who are independent and adhere to the highest professional standards. The Staff Regulations were drafted in 1962 and substantially reformed in 2004. A further, more limited revision took place in 2014.

III The EU has been operating in an increasingly challenging environment: migration, Brexit, the COVID-19 pandemic, Russia's war of aggression against Ukraine, and the resulting inflation and energy crisis. All this has resulted in additional tasks for the EU institutions, without necessarily being matched by an increase in staff numbers.

IV The objective of this audit was to assess, within this context, whether the employment framework of the EU civil service provided the institutions with the flexibility to meet recruitment needs and improve their workforce management. Our conclusions and recommendations should contribute to any future potential discussion on the EU Staff Regulations. We covered three EU institutions: the European Parliament, the Council, and the European Commission. In particular, we examined whether the employment framework allowed the institutions to:

- (a) recruit the qualified and talented staff they need; and
- (b) get the most out of their staff.

V We concluded that the current employment framework is flexible. It enables the institutions to meet most of their recruitment needs, even if they struggle to attract staff for certain specific profiles. However, the institutions are not making full use of some of the possibilities under the current Staff Regulations to improve their workforce management.

VI We found that the institutions addressed their recruitment needs by redeploying their vacant posts to the departments with increased responsibilities, reassessing their staffing needs with a greater focus on skills and competencies and recruiting more temporary staff. Nevertheless, they are still struggling to attract certain specific profiles and nationalities, despite offering modern and flexible working conditions. The reasons behind this lack of attractiveness have not been comprehensively analysed. Furthermore, relying on temporary staff in some policy departments may put business continuity at risk.

VII We also found that the institutions did not always use the flexibilities offered by the Staff Regulations to improve their workforce management. The Regulations contain provisions on how to address the most severe cases of professional incompetence but these are rarely used by the institutions. They have few formal procedures to deal with other aspects of staff performance, whether in terms of addressing and rectifying poor performance before it becomes professional incompetence, or encouraging and rewarding exceptionally high performance.

VIII The potential of internal competitions to provide additional career prospects to staff in the secretaries/clerks and assistants function groups is underused because the eligibility requirements are often more restrictive than the conditions set in the Staff Regulations. These restrictions compound the limited career opportunities for secretarial staff, and to a lesser extent assistants, despite significant changes both in the profile of staff occupying these posts, and in their job content due to greater digitalisation and new, post-pandemic ways of working.

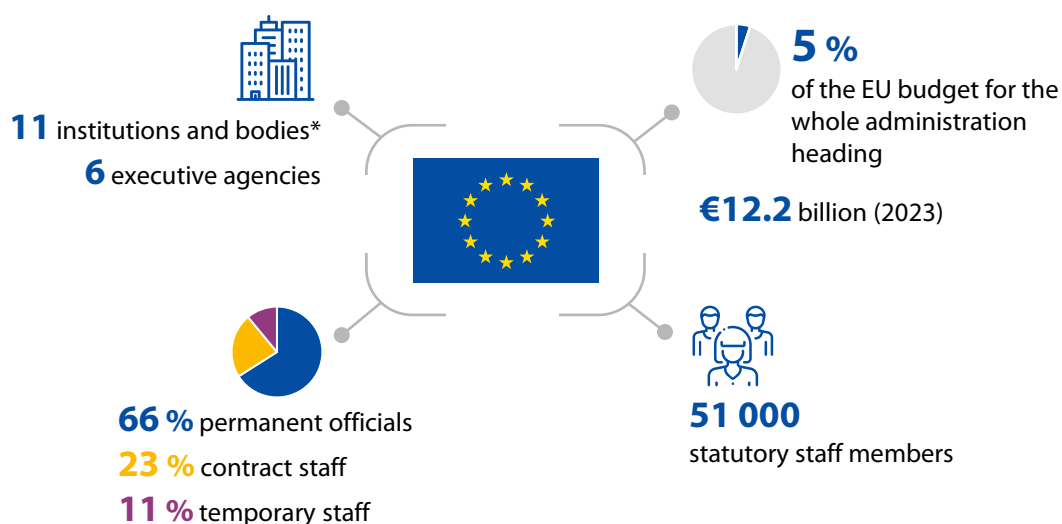
IX Based on these conclusions, we recommend that the audited institutions:

- (a) put in place a risk-based policy for the employment of temporary staff;
- (b) design targeted job attractiveness action plans;
- (c) further develop their career and performance framework.

Introduction

01 The EU institutions and bodies, along with executive agencies, employ around 51 000 statutory staff members, under different types of contracts: permanent officials, temporary staff and contract staff (see [Annex I](#)). Another 12 500 staff members are employed in decentralised agencies. Decentralised agencies have their own specific human resources policies and governance arrangements. Among the institutions, the European Commission is the largest employer (with around 30 000 staff members), followed by the European Parliament (with around 7 000 staff members in the Secretariat) and the Council of the European Union (with just over 3 000). [Figure 1](#) below shows some key figures about the EU administration.

Figure 1 – EU administration – Institutions and executive agencies: key figures (2023)



* Covered by the Staff Regulations, see [Annex I](#) for details.
Source: ECA, based on budget working documents.

02 The employment of all these staff members is governed by the Staff Regulations (for officials) and the Conditions of employment of other servants (CEOS) for the other categories (any reference to the “Staff Regulations” in this report means both [Staff Regulations](#) and [CEOS](#) unless stated otherwise).

03 The Staff Regulations are complemented by a series of implementing decisions taken by the EU institutions’ appointing authorities and by each institution’s human resources policy. Together, these form the employment framework of EU staff.

04 Any revisions to the Staff Regulations are initiated by the Commission. Proposals are then submitted to the co-legislators – the European Parliament and the Council – for negotiation and adoption, after consulting the other EU institutions. The Staff Regulations were first adopted in 1962 and were revised most recently in 2004 and 2014. The aim of both revisions was to modernise the EU’s administration, and result in savings on salaries and pensions. We audited the impact of the 2014 revision of the Staff Regulations in a previous report (see [special report 15/2019: “Implementation of the 2014 staff reform package at the Commission – Big savings but not without consequences for staff”](#)).

05 The current (2014) version of the Staff Regulations includes reporting obligations for the Commission relating in particular to the ways in which the method for adjusting salaries works and the budgetary implications and actuarial balance of the pension system for EU staff¹. The Commission concluded in recent reports² that neither the method for adjusting salaries nor the rules governing the pension system needed to be amended, and that no revision of the Staff Regulations in relation to these aspects was needed.

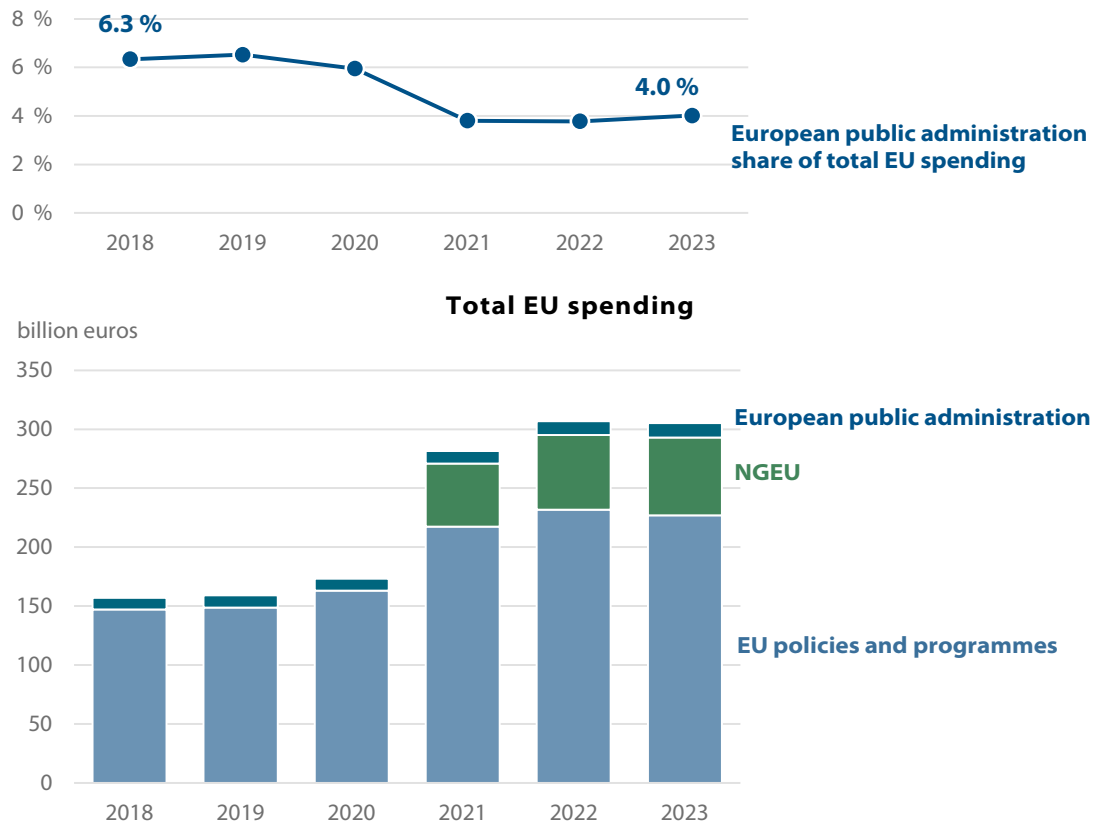
06 In the EU multiannual financial framework (MFF) for 2021-2027, the funding for the EU administration as whole – staff, buildings, pensions and the European schools – is almost entirely covered under Heading 7: European Public Administration. Administrative costs relating to decentralised and executive agencies are financed under the MFF headings corresponding to their policy areas, but pension expenditure for agency staff is included under Heading 7.

07 As part of the negotiations on the 2021-2027 MFF, the European Council stressed the need to “constantly improve [the] efficiency and effectiveness of the European Public Administration” and stated that “all EU institutions should adopt a comprehensive and targeted approach for considering the number of staff and are invited to reduce administrative expenditure where possible”. The cost of administration as a share of total EU spending has fallen since 2019 (see [Figure 2](#)).

¹ Staff Regulations, Article 15 of Annex XI and Article 14 of Annex XII.

² Report on the application of Annex XI to the Staff Regulations and Article 66a thereof, [COM\(2022\) 180 final](#), 26.4.2022; Report on the actuarial balance of the Pension Scheme for EU Officials (PSEO), [COM\(2023\) 188 final](#), 14.4.2023.

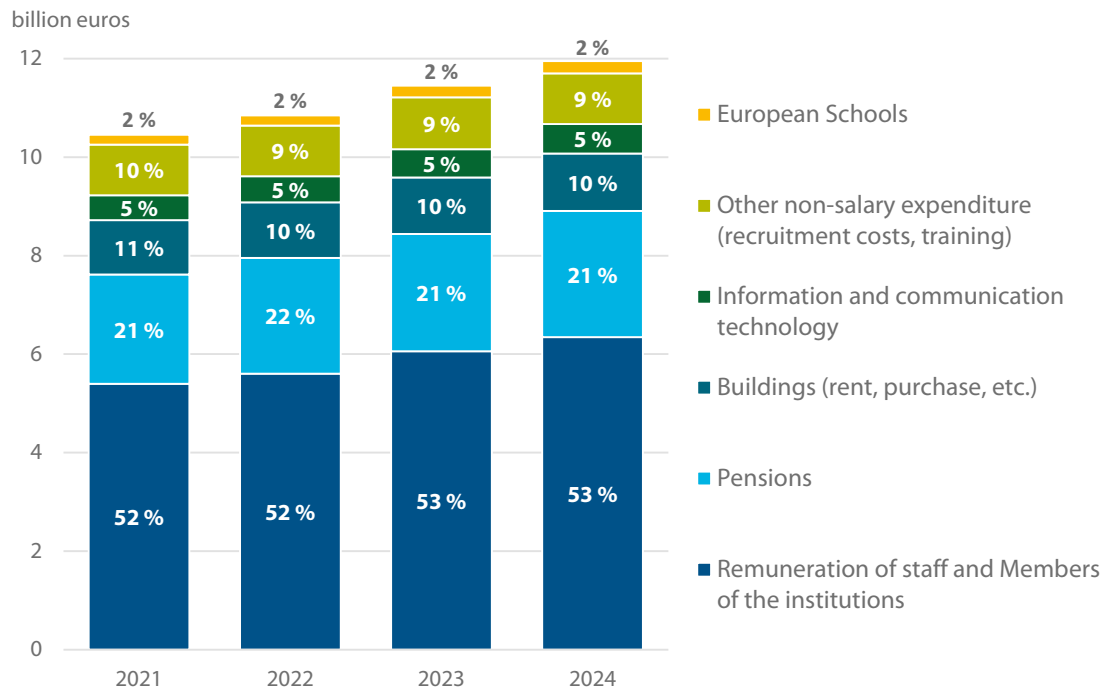
Figure 2 – Administration’s share of EU spending has fallen since 2019



Source: ECA based on Commission’s budgetary implementation data.

08 Most of the expenditure under Heading 7 concerns the salaries and pensions of staff and of the members of the institutions, followed by buildings and information and communication technology (see [Figure 3](#)).

Figure 3 – Pensions and salaries represent the biggest share of administrative expenditure



Source: ECA based on annual draft budget documents.

09 In our [2019 report](#) on the EU Staff Regulations, we identified certain structural challenges that affect the EU civil service: an ageing workforce, increased imbalances in the staff (geographical, types of contract), and the difficulties in managing an increased workload with a reduced number of staff. Since then, further major global challenges have emerged: the COVID-19 pandemic, Russia’s war of aggression against Ukraine and the subsequent inflation and energy crisis. These challenges have resulted in additional tasks for the EU institutions without necessarily an increase in the number of permanent or temporary posts.

Audit scope and approach

10 The objective of this audit was to assess whether the EU civil service's employment framework provided the institutions with the flexibility to meet recruitment needs and improve workforce management, and enable them to address the increasingly challenging circumstances that the EU faces. In particular, we examined whether the institutions used the EU civil service employment framework to:

- (a) recruit the qualified and talented staff they need; and
- (b) get the most out of their staff.

11 Our audit covered the 2019-2023 period. Whenever relevant, we took into consideration events that occurred in the first half of 2024. We built on the results of two previous audits which covered staff and recruitment issues from 2012 to 2018 ([special report 15/2019](#) and [special report 23/2020](#)) and use some of the data initially collected for these audits.

12 The audit focused on the main categories of statutory staff, i.e. officials, temporary agents and contract staff. Seconded national experts (SNEs) were considered when their employment responded to a specific issue encountered by the institutions, such as geographical imbalances or a lack of expertise.

13 We audited three EU institutions: the European Parliament, the Council of the European Union and the European Commission. The Court of Justice of the European Union was also consulted to provide staff-related statistics. This allowed us to cover 80 % of the EU institutions' staff in our quantitative analyses.

14 We excluded the decentralised agencies and the Pension Scheme for European Officials (PSEO) from the scope of this audit. We cover the agencies and the calculations relating to the pension liability in our annual audit work.

15 Our audit work consisted of:

- (a) A review of the institutions' human resources (HR) strategies and related decisions and documentation.
- (b) An assessment of the processes to evaluate HR needs at institution-level, reallocate posts between services and recruit staff.

- (c) An analysis of staff statistics from the Parliament, the Council, the Commission and the Court of Justice.
- (d) A review of benchmarking studies on working conditions in international organisations carried out between 2018 and 2023.
- (e) An analysis of published data related to EPSO competitions since 2019 and a comparison with similar data gathered for previous audit work.
- (f) Interviews with the Human resources departments of the audited institutions.
- (g) Interviews with staff from five Permanent Representations representing all situations regarding staff geographical balance.

16 The aim of our report is to support the EU institutions to improve the efficiency of their workforce management in a challenging economic and geopolitical context, indicating areas where the current employment framework could be better used. Our conclusions and recommendations should contribute to any future potential discussion on the EU Staff Regulations.

Observations

The EU institutions implemented flexible recruitment processes but still struggle to attract some profiles

17 The employment framework of the EU institutions should allow them to attract, recruit and maintain highly qualified and multilingual staff, drawn on the broadest possible geographical basis from among citizens of the member states³.

18 The institutions should therefore be able to identify their staffing needs in terms of posts, identify skills and competencies gaps in their workforce, and apply flexible recruitment processes and a variety of recruitment channels depending on their needs. The working conditions and employment benefits they offer should be competitive enough to allow them to attract and retain candidates from all member states and for all job profiles.

The EU institutions reallocate staff and increasingly focus on skills they need

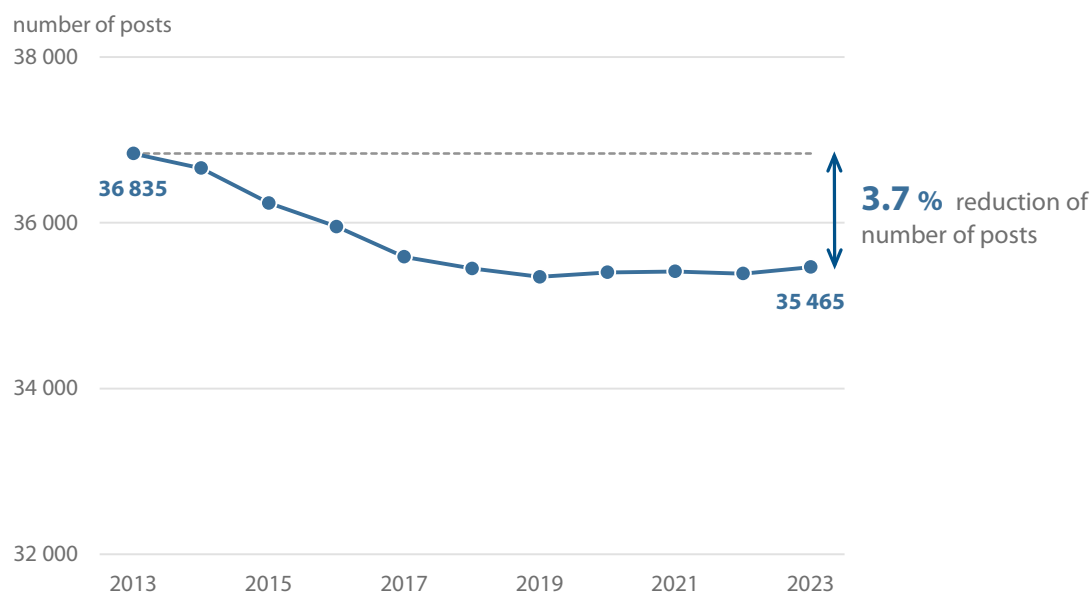
Strategic reallocation of posts helped to address staffing needs

19 Between 2013 and 2019, as part of [an interinstitutional agreement](#) to reduce staff numbers, most EU institutions reduced the number of authorised permanent and temporary posts in their budget-approved establishment plans⁴. In 2020, the European Council emphasised the need for a targeted approach to staff numbers (see [paragraph 07](#)). The Commission committed to keep its staffing levels stable during the 2021-2027 MFF, and the other institutions requested a small or zero increase in their establishment plans. As a result, since 2013, the total number of authorised posts for the Parliament, the Council, the Commission (excluding executive agencies) and the Court of Justice dropped by 3.7 % (see [Figure 4](#)).

³ [Regulation \(EU, EURATOM\) 1023/2013](#) amending the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union.

⁴ [Special report 15/2019](#).

Figure 4 – Size of establishment plans of selected EU institutions marginally decreased between 2013 and 2023



Source: Establishment plans presented in the General Budget of the EU.

20 Between 2019 and 2023, there has nevertheless been a slight increase (by 2 %, or 830 staff members) in the number of statutory staff in these institutions, essentially consisting of contract staff who do not occupy establishment plans posts.

21 Since 2019, the audited institutions have made greater use of the posts available in their budgets. The number of unoccupied posts decreased from 5.2 % to 4.6 % between January 2019 and January 2023. Since recruitment procedures were ongoing, the actual vacancy rate was lower. The Parliament was the only audited institution with a vacancy rate still significantly higher than 5 %. Furthermore, the budgets of the institutions are subjected to a standard reduction on their staff expenditure, which means they do not always have the necessary budget to cover all their establishment plan posts. Besides replacing departing employees, the institutions have few other available posts to recruit officials or temporary staff.

22 The increase in tasks performed by the EU institutions, not accompanied by an increase in the number of posts, led the institutions to organise reallocation exercises. Individual directorates assessed their needs in terms of posts, depending on their tasks and priorities, reported those needs to their institution's human resources departments, which would then reallocate vacant posts to those departments experiencing an increase in workload.

23 The Parliament reinforced the staffing of the two directorates-general (DGs) dealing with EU policies. Between 2019 and 2023, the number of officials and temporary staff increased by 7.5 % at DG EXPO (External Policies of the Union), and by 4.4 % at DG IPOL (Internal Policies of the Union). DGs dealing with cybersecurity were also reinforced.

24 At the Council, the Legal Service and the DG for General and Institutional Policy, which both have a strong role in the preparation and coordination of policy files, saw the number of their officials and temporary staff increased by 12.8 % and 18.3 % respectively between 2019 and 2023. There was also an increase of 15.5 % in the number of officials and temporary staff employed in the DG for Digital Services, because of the increased focus on digitalisation as part of the new ways of working introduced post-COVID-19⁵, and the need to address cybersecurity issues.

25 The Commission had already started significantly reallocating staff between DGs in 2013, as part of its implementation of the reduction in posts agreed in the same year. Until 2020, it used a “taxation” system through which DGs had to return a number of posts to a reserve pool, depending on which priority cluster (linked to the institution’s political priorities) they were in. This system contributed to significant changes in staffing levels for some DGs. *Figure 5* shows the policy DGs that experienced the largest changes in staffing between 2013 and 2023.

⁵ [Special report 18/2022](#): “EU institutions and COVID-19 – Responded rapidly, challenges still ahead to make the best of the crisis-led innovation and flexibility”.

Figure 5 – Staffing in Commission policy DGs between 2013 and 2023 changed in line with priorities



Source: ECA, based on the Commission's staff lists.

26 The DGs that gained the most posts are either related to the priorities of the two most recent Commissions (2014-2019 and 2019-2024): migration (DG HOME), climate change and the Green Deal (DG CLIMA), or those responding to current geopolitical situation (DG NEAR – neighbourhood and enlargement, DG ECHO – humanitarian aid, and DG FPI – foreign policy instruments). Staffing at DG FISMA (financial stability, financial services and capital markets union) has significantly decreased overall in the last 10 years. It had lost 40 % of its staff between 2013 and 2019, but staff numbers have been increasing again (by 17.7 %) since 2019, in part due to the DG's involvement in managing the sanctions against Russia. This shows that the Commission tries to adapt staffing to its current needs.

Institutions increasingly focus on skills and competencies to deal with the increasing workload

27 The system of internally reallocating vacant posts reaches its limits when the vacancy rate is low. All of the audited institutions have policies on internal mobility, which is either voluntary (staff applying for internal vacant posts) or compulsory (a general staff rotation exercise). This, along with the reallocation of vacant posts, can help departments with an increased workload by encouraging staff to move where resources are most needed.

28 Temporary mobility of staff can similarly help at times of peak workload. However, this does not address the systemic issue of managing an increased workload with capped resources – a deteriorating work-life balance has been reported in staff surveys, and the reliance on unpaid overtime has become commonplace in some departments. The ways in which working patterns are registered and flexitime is implemented in most institutions means that staff do not always have to formally record overtime worked when they are ineligible for financial compensation. However, all Commission staff record their working hours. The Commission’s records show that, on average between 2019 and 2023, the total volume of uncompensated extra hours worked every year corresponded to the equivalent of around 740 full-time staff (2.75 % of its workforce).

29 The increase in workload has led the institutions to change their approach to the way in which they identify staffing needs, by focusing more on the skills and competencies needed. This shift is in line with best practices as advocated by the Organisation for Economic Co-operation and Development (OECD)⁶: “Good workforce planning requires [...] high quality mapping of current workforce in terms of numbers, skills, performance; [...] identification of workforce gaps, including gaps in profiles that are lacking and those that are oversupplied.”

30 In 2022, the Parliament began a project to identify the competencies it needed in the short and long-term, including a review of existing job profiles. This review is still ongoing, but the 2023 learning and development plan already includes training requests from DGs according to the skills needed and those they would like to reinforce.

31 In the second half of 2023, the Council merged its annual reallocation exercise with its annual training needs assessment to produce annual management plans for each DG. In these plans, managers identify the skills needed to meet their objectives, and address how to acquire or develop these skills with existing staff. It is only possible to request additional posts once all other possibilities have been exhausted. The intention is that this exercise will be repeated on an annual basis. In addition, the institution is focusing its training strategy on improving the digital skills of its staff.

⁶ OECD Public Employment and Management 2021. The Future of the Public Service.

32 In 2023, the Commission also launched a preliminary analysis of skills needed, asking managers to identify the current skills available within their DGs, their emerging skills needs, including those specifically linked to artificial intelligence (AI), and how AI skills could be useful for individual jobs. This served as the basis for a more detailed skills mapping exercise, which is to be conducted across the institution in 2024 and expected to be repeated in the future.

33 The audited institutions have also started to reflect more broadly on the effect AI could have on work. This is still at a preliminary stage, but there is a general expectation that AI could improve staff efficiency, and thus to some extent mitigate the risks posed by having insufficient numbers of staff (identified as critical in the institutions' risk assessments). The focus is therefore on identifying the potential use of AI for day-to-day work and providing adequate training to staff.

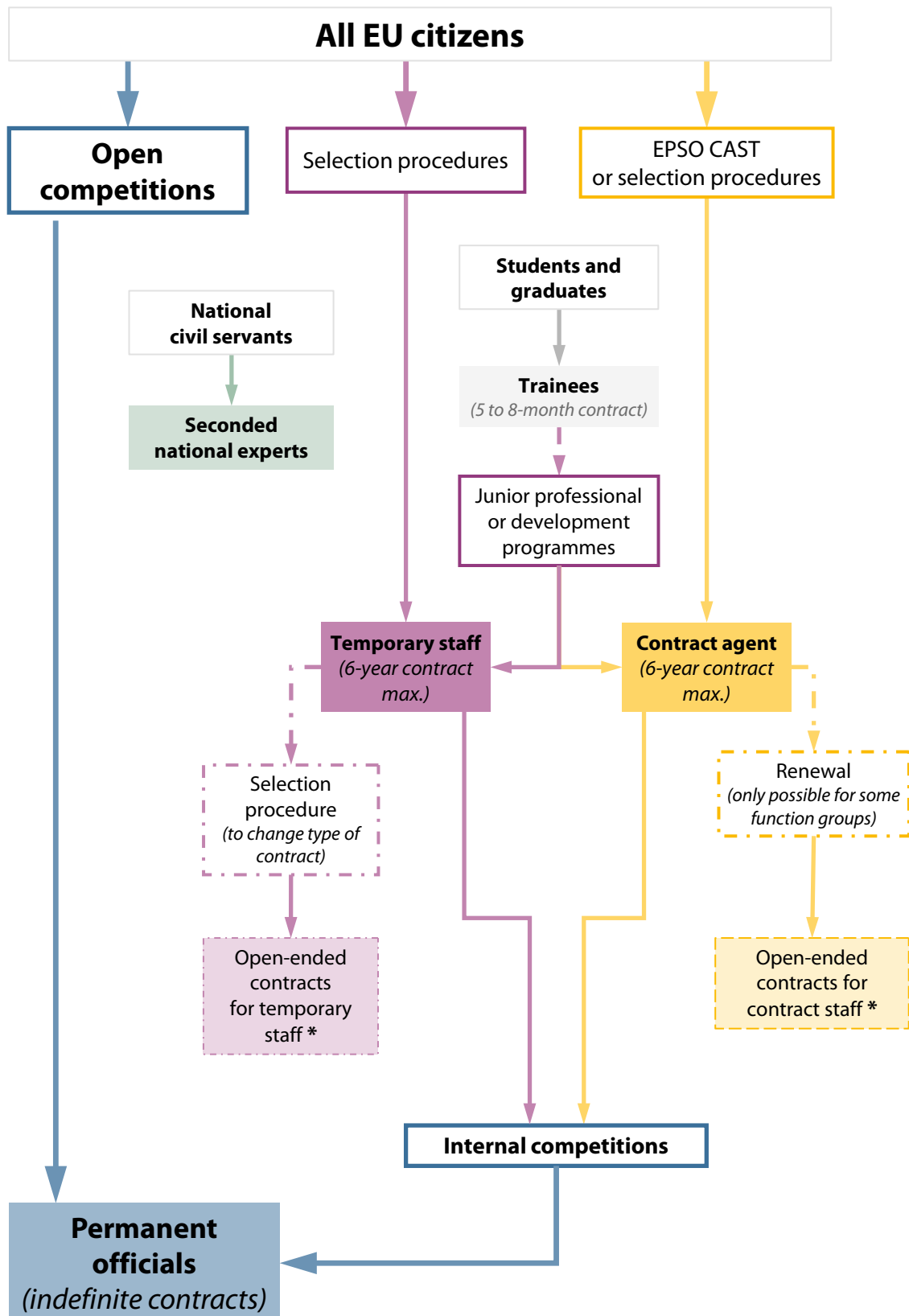
A significant increase in temporary staff recruited through alternative recruitment channels

EPSO's difficulties led to more recruitment of temporary staff

34 There are different ways to join the EU civil service, as illustrated in [Figure 6](#) below, but traditionally the majority of staff used to join through open, external competitions organised by the European Personnel Selection Office (EPSO). More rarely, after 2004, staff were also recruited by open competitions organised by specific institutions. Staff recruited following open competitions are appointed as permanent officials, and the EU civil service was until the 2000s overwhelmingly composed of officials, following the principle that an independent administration relies on staff whose employment is stable and who are protected against wrongful dismissal⁷.

⁷ OECD, [The principles of public administration](#), November 2023.

Figure 6 – The many paths to an EU career



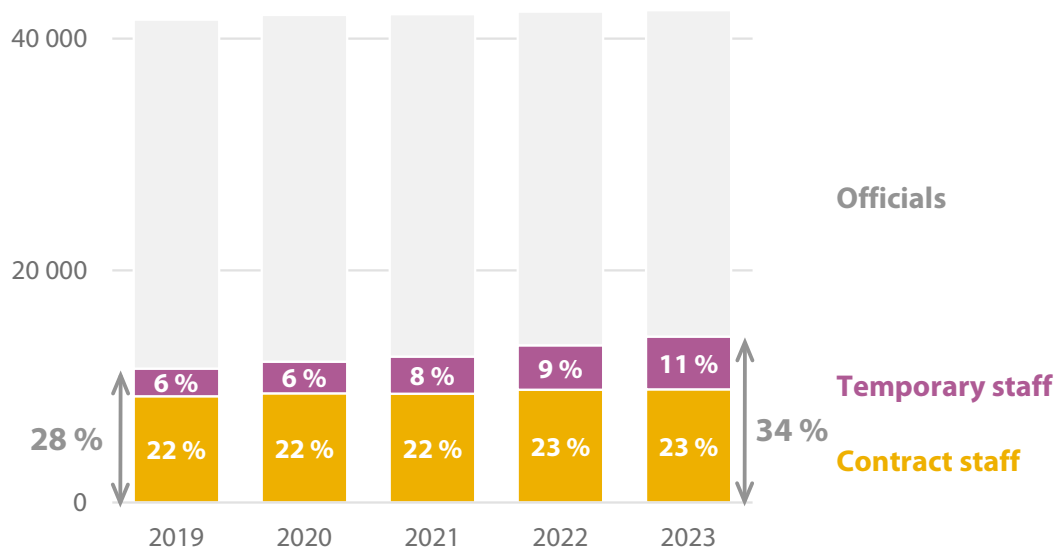
Note: CAST stands for Contract Agents Selection Tool.

* See details in [Annex I](#).

Source: ECA.

35 The number of staff with fixed-term contracts (contract and temporary staff) has increased over recent years (see [Figure 7](#)). A minority of these staff can obtain an open-ended contract, depending on the characteristics of their job and their function group (contract staff, see [Annex I](#)) or the availability of such contracts (temporary staff recruited to posts reserved for temporary staff, see [Annex I](#)).

Figure 7 – The share of staff with fixed-term contracts increased between 2019 and 2023



Source: ECA, based on audited institutions' staff lists.

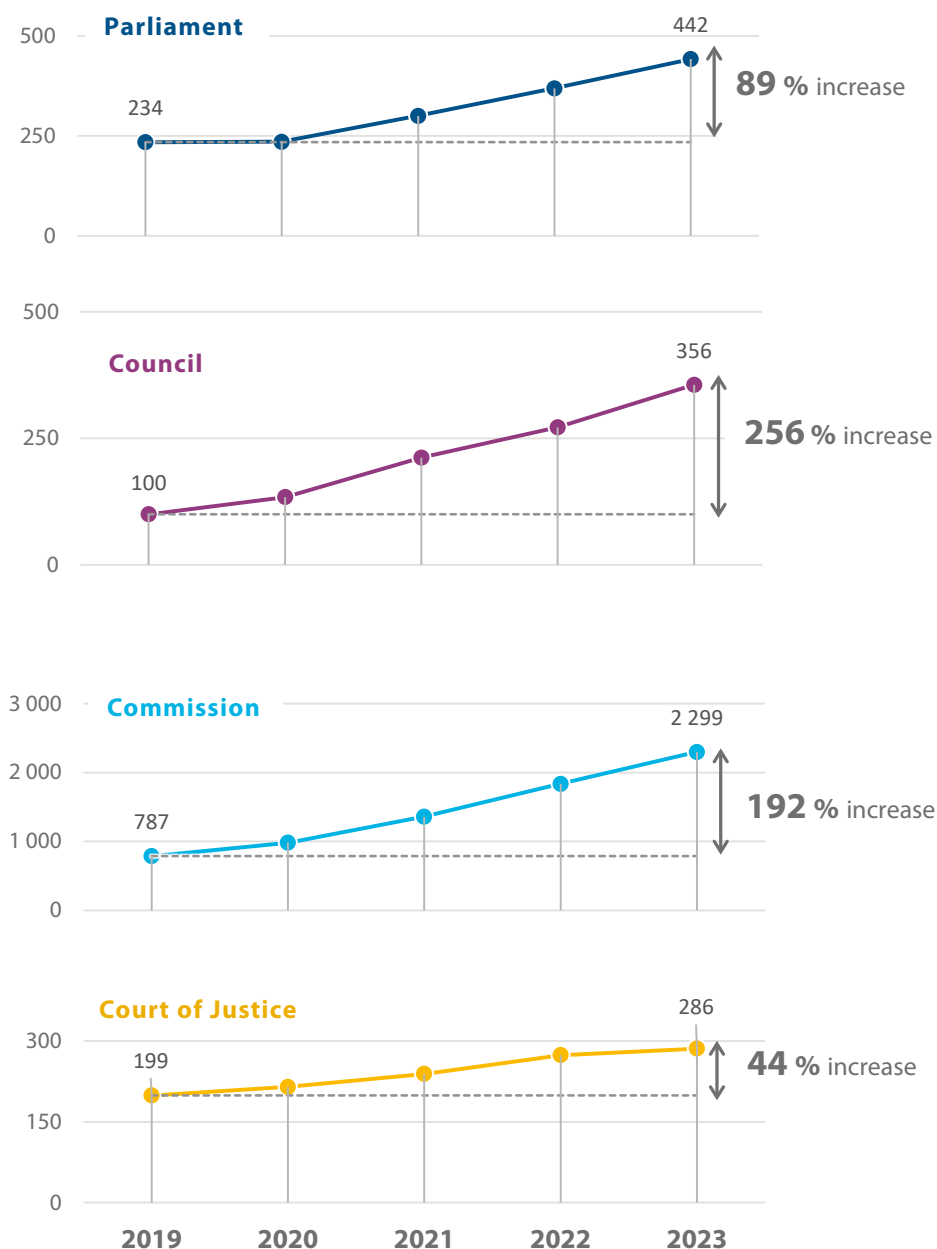
36 EPSO competitions continued to be the main recruitment channel for the institutions until recently, when EPSO experienced a series of problems. The COVID-19 pandemic seriously disrupted the organisation of in-person testing and the resulting backlog was not cleared until 2022. EPSO then paused some competitions while finalising⁸ the design of a new competition model, and the roll-out of this new model was beset by IT problems. As a result, fewer competitions were launched (35 % reduction) and completed (38 % reduction) between 2019 and 2023 compared to the previous 5 years. This reduced the number of candidates available for recruitment.

⁸ Special report 23/2020.

37 The institutions reacted by recruiting more temporary staff to posts meant for officials, pending a permanent recruitment solution. The profiles for which selection procedures were organised correspond to jobs usually covered by EPSO competitions (IT staff, linguists, generalist administrators, security staff, etc.). For example, all the temporary staff selection procedures organised by the Council between 2019 and 2023 were for profiles for which no competition had been organised in the previous 4 or 5 years or for which the corresponding EPSO lists were either more than 2 years old, or unavailable at the time of recruitment. Similarly, EPSO published a series of IT competitions in February 2022, but they were only completed in spring 2024. Between 2020 and 2023, the audited institutions recruited these profiles as temporary staff.

38 Depending on the institution and the year, temporary staff represented between 30 % and 59 % of external recruitment for permanent posts in 2019-2020. This rose to between 61 % and 77 % in 2021-2022, before dropping again in 2023 (to between 48 % and 63 %). As a result, the number of temporary staff employed in permanent posts in the institutions has significantly increased as shown in [Figure 8](#).

Figure 8 – A significant increase in the number of temporary staff employed in permanent posts since 2019



Source: ECA based on the audited institutions' staff lists.

39 The recruitment of temporary staff is generally faster than that of officials because the selection procedures do not have to follow an interinstitutionally agreed timetable and can be organised whenever needed⁹. The institutions can also more easily adapt the content of the selection procedure to their needs and to the grade at which they are seeking to recruit, since there is no restriction in the Staff Regulations

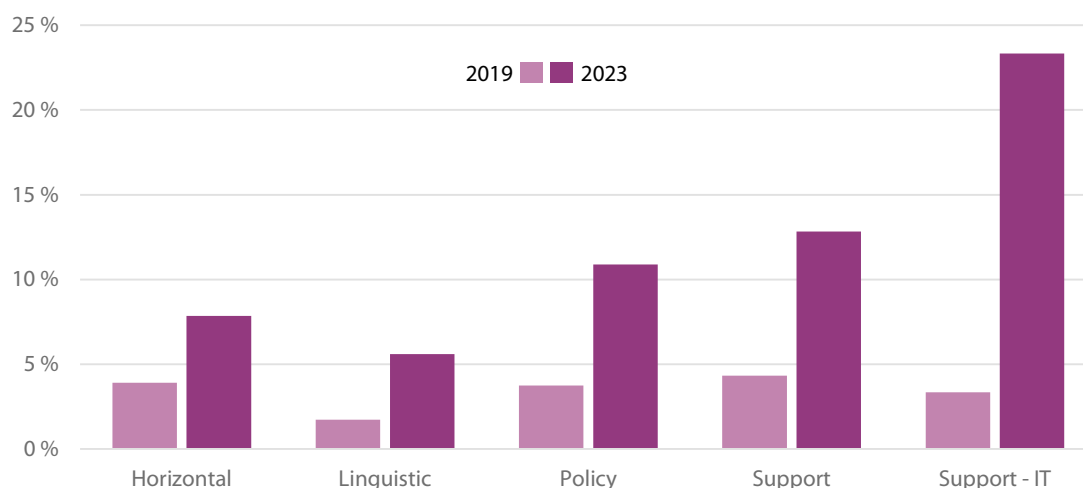
⁹ Special report 23/2020.

with regard to the grades for recruiting temporary staff. Depending on their internal rules on grading, the institutions can therefore adjust the grade to the labour market conditions, provided they have the necessary budget. This can, however, lead to officials and temporary staff being recruited at different grades to do the same job.

40 Although the employment of temporary staff is beneficial in terms of flexibility (easier to recruit with shorter contracts that can be terminated more easily), it carries a significant risk that acquired knowledge could be lost. This would be the case either if a temporary staff member decides to leave before the end of their contract, or if those who want to stay have to leave because they have not been able to pass a competition to become an official. The risk of losing knowledge is more acute when a department's share of temporary staff is high.

41 We have mapped where temporary staff members are employed in the audited institutions, dividing the DGs into five areas: horizontal (legal service, secretariat-general), linguistic, support (human resources, finance, buildings), IT and policy. IT directorates are those where the increase in temporary staff has been most striking (see [Figure 9](#)).

Figure 9 – The share of permanent posts occupied by temporary staff has increased across all directorates-general since 2019



Source: ECA, based on the audited institutions' staff lists.

42 In some of the Commission's policy DGs, such as DG COMP (competition), DG ECFIN (economic and financial affairs), DG HOME and DG JUST (justice and consumers), temporary staff represent more than 15 % of the staff occupying permanent posts, with the highest share being in DG COMP (20 % of the occupied permanent posts in 2023). Recently created departments such as DG DEFIS (defence

industry and space), and HERA (European health emergency preparedness and response authority) have an important share of temporary staff in permanent posts – between 18 % and 40 % of their occupied permanent posts – due to the need to staff them quickly after they were created. The increasing proportion of temporary staff in permanent posts in DGs tasked with the implementation of key policies (such as competition or migration), can put business continuity at risk and may result in the loss of institutional knowledge, as we reported in 2023 when assessing debt management at the Commission¹⁰.

43 To mitigate this risk, the institutions can hold internal competitions which are open to temporary staff. The temporary staff members who pass such competitions can then be recruited as permanent officials. However, the organisation of such competitions is time- and resource-consuming. While all the audited institutions have organised them between 2019 and 2023, only the Commission and the Parliament are able to do so regularly.

The institutions used specific recruitment channels to address pressing issues such as an ageing workforce and the urgent need for expertise

44 The institutions have also put in place specific recruitment channels to react to particular issues such as the ageing of their workforce, or to quickly acquire expertise not available in-house.

45 The institutions' workforce is ageing. At the Parliament, the average age of staff has increased from 46 in 2013 to 49 in 2022; at the Commission from 44 in 2013 to 47 in 2023. The institutions have been struggling with attracting younger recruits for some time. Already in 2012¹¹, the average staff age at recruitment was 35. This has increased over time: between 2019 and 2023, the average age of new recruits in the audited institutions was between 37 and 40. In particular, the average age of new recruits in the career entry grades is higher than what might be expected, given that these grades require fewer than 5 years or no professional experience (see *Annex II*): at the Council and the Commission only around 30 % of newly recruited AD5 are under 30, although that grade requires no professional experience and 3 years of completed universities studies.

¹⁰ Special report 16/2023.

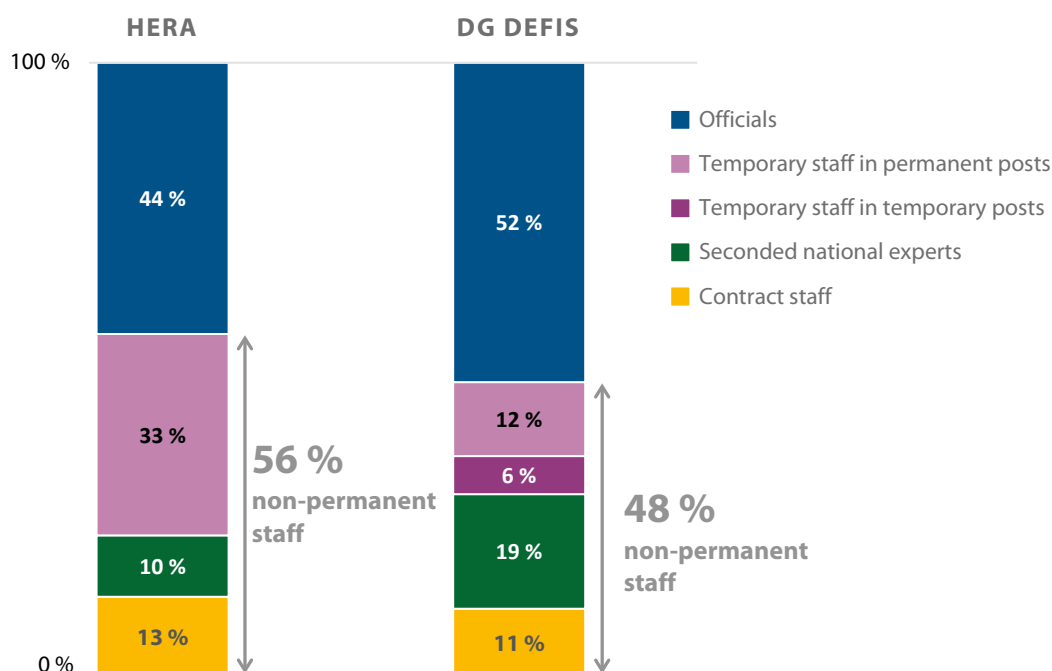
¹¹ Report from the Commission to the Council on the Pension Scheme of European Officials and Other Servants of the European Union, COM(2012) 37 final of 7.2.2012.

46 To address their ageing workforces, without discriminating based on age, the Council and the Commission have recruitment programmes for junior professionals (with fewer than 3 years of professional experience). Each institution's programme is adapted to its needs, but they share some broad characteristics: eligible participants mainly come from the institutions' trainee pools (although statutory staff can participate if they meet the experience criteria), and successful applicants are offered a temporary AD5 contract.

47 These initiatives cannot alone alter the demographic profile of recruits, because they only relate to a small number of posts. They are nevertheless a way to offer selected, good trainees an employment opportunity in the institutions straight after their traineeship. This is faster than through an open competition, and is a way to retain interested and motivated younger staff.

48 Additional assignment of responsibilities to DGs can have staffing implications (see paragraph 42). At the Commission, DG DEFIS was created in 2021, taking over some tasks from DG GROW (internal market, industry, entrepreneurship, and SMEs) but its role increased in importance following Russia's war of aggression against Ukraine. HERA was created in 2022, in response to the COVID-19 crisis. In addition to recruiting temporary agents to staff these DGs quickly, the Commission used staff seconded from national administrations (seconded national experts – SNEs), see *Figure 10*.

Figure 10 – Staffing new DGs quickly, the example of HERA and DG DEFIS



Source: ECA, based on Commission's staff list at 01.01.2023.

49 Seconded national experts are also used in DGs where there is a need for close cooperation with member states in sensitive areas such as migration (DG HOME with 10 % of staff), or financial services, taxes, and customs (DG FISMA with 11 % and DG TAXUD with 12 %). Employing SNEs allows the institutions, and in particular the Commission, to foster cooperation with national administrations, while filling short-term gaps in expertise, provided that adequate procedures are in place to ensure knowledge transfer within the institution when the SNEs leave. Nevertheless, a considerably high percentage of SNEs can put business continuity at risk.

The EU institutions struggle to attract selected profiles and nationalities

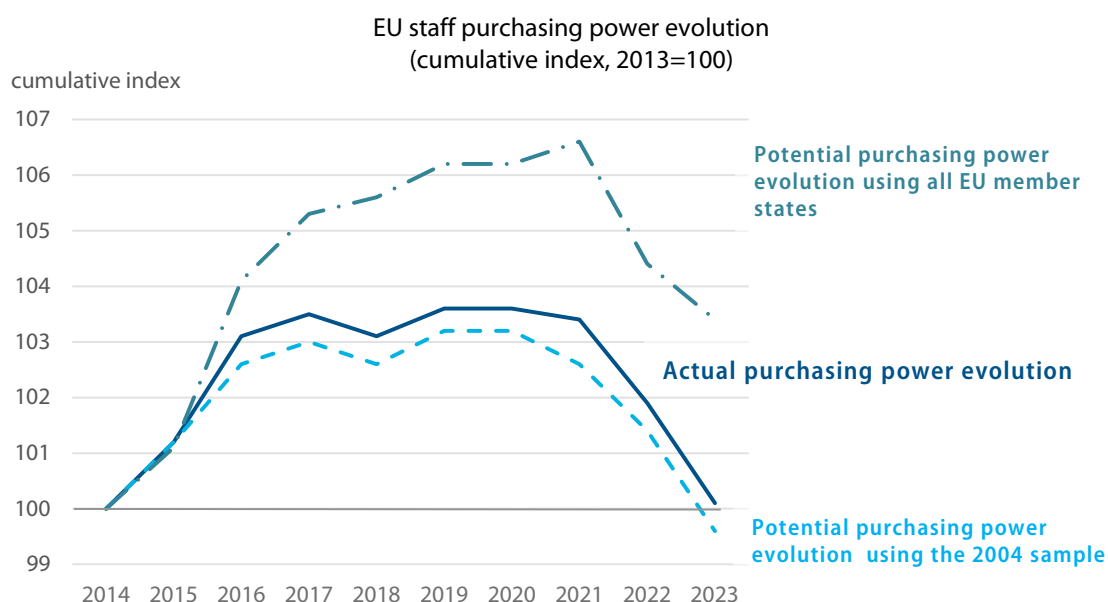
The method for adjusting salaries limited greater EU spending, but reduced the purchasing power of staff

50 Salaries and the guarantee that staff's purchasing power evolves in line with that of national civil servants are an important aspect of the employment benefits offered by the institutions. They are among the factors influencing the institutions' capacity to attract and retain candidates from all member states and for all job profiles. The gross salary of a statutory staff member is determined by their function group (see [Annex I](#)), grade and step, and is adjusted annually to reflect changes in the purchasing power of civil servants in a set sample of member states (see [Annex III](#) for details). The

composition of this sample has evolved since 2004. The current sample contains 10 member states, which together represent more than 75 % of the EU's gross domestic product (GDP).

51 The Commission's [report](#) from 2022 on the implementation of salary adjustments contains a comparison with what the adjustments would have been if the 2004 sample had been kept, as well as a calculation if all member states were used to define the specific indicator. The results of this calculation, extended to include 2023, are presented in [Figure 11](#).

Figure 11 – The evolution of staff's purchasing power, between 2014 and 2023, was affected by the sample chosen as a basis for adjustments



Source: ECA based on Eurostat data.

52 Maintaining the 2004 sample would have resulted in EU staff losing 0.4 % of their purchasing power between 2014 and 2023. On the other hand, using all member states as a reference would have resulted in an increase of 3.4 %. The 2014 sample, which has been used since then, resulted in a negligible evolution between 2013 and 2023: +0.1 % increase.

53 The reason behind these differences is the evolution of the purchasing power of national civil servants in the post-2004 member states. With the exception of Poland, these countries are not included in the sample. Purchasing power in these member states grew by 24 % between 2013 and 2023, while there was almost no change (2 % over the period) in the pre-2004 member states.

54 The 2014 sample ensured that salary adjustments were lower than they would have been if all member states had been taken into account. It does not make EU salaries unattractive in absolute terms – they remain comparable to what is offered by other international organisations – but it does reduce their relative attractiveness over time. In addition, decisions taken between 2010 and 2013 (such as applying adjustments lower than those calculated, or not applying the method in 2013 and 2014) resulted in a permanent 4.5 % gap in the evolution of the purchasing power of EU staff compared to national civil servants (see [Annex III](#)).

55 The method used to calculate salary adjustments also contains clauses designed to protect the EU budget in the case of deteriorating economic circumstances. Part of the 2020 salary adjustment was postponed until 2022 because of the impact of the COVID-19 crisis on the EU's GDP. The Commission estimated that this resulted in savings of €750 million for the MFF 2021-2027¹², and we consider that this calculation is reasonable.

56 The method is not designed as a tool to increase the attractiveness of EU salaries but, when it is applied (see paragraph [54](#)) we found it correctly mirrored changes in the purchasing power of national civil servants, and it also contained the necessary safeguards to adapt to changing economic circumstances.

The competitiveness and attractiveness of EU jobs is not guaranteed for all profiles

57 The institutions can affect the financial attractiveness of the jobs they offer by adjusting the grade at which they recruit staff. The Staff Regulations set the grade at which officials in each function group (see [Annex II](#)) can be recruited: SC1 or SC2, AST1 to AST4, and AD5 to AD8. The Staff Regulations provide for recruitment at higher grades in the AD function group, where appropriate, and also state that labour market conditions may be taken into account. This means that EPSO competitions for specialist profiles are usually organised for higher grades. IT competitions published in 2022 were at AST4 and AD7 levels.

58 Institutions have more flexibility when it comes to recruiting temporary staff since there is no restriction on the grades for which they can recruit. Therefore, while there are selection procedures for temporary staff at AD5 level, very often the advertised grades are higher (from AD6 up to AD8, or even AD9). For AST staff,

¹² Report on data pertaining to the budgetary impact of the 2022 annual update of remuneration and pensions of the officials and other servants of the European Union, [COM/2022/678 final](#).

selection procedures are often at AST3. The institutions can also decide to run a selection procedure with an indicative grade range, for example AD5 to AD7, which allows them to adjust temporary contracts in light of the qualification and experience of recruited staff, depending on their internal rules on grading and the conditions set out in the selection notice.

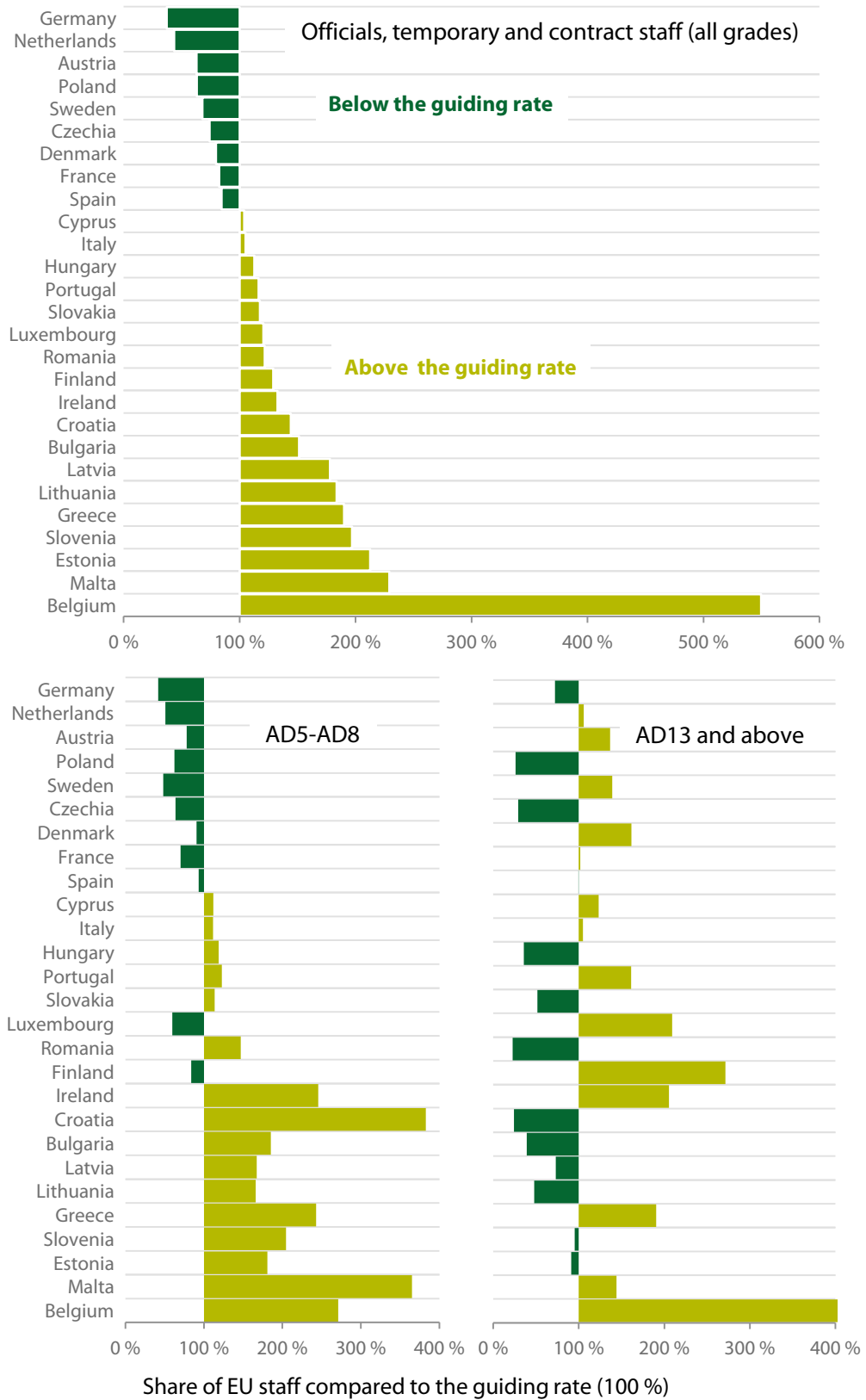
59 Recruitment in the EU institutions is based on a competitive selection process, whereby candidates sit a series of tests, resulting in a reserve list from which recruiting departments can select the individual they would like to recruit. The number of applicants therefore must be high enough to ensure there is a real selection of successful candidates from which to recruit. Considering that not all applicants may be eligible, we estimate that in general, the minimum number of candidates for a given post needs to be between 9 and 12 to ensure proper selection.

60 We reviewed the selection procedures organised by the institutions between 2019 and 2023, in addition to public information relating to the ongoing EPSO competitions. Overall, the institutions always had a number of candidates greater than the number of places on the reserve lists. However, for some very specialised IT profiles, the ratio of applicants to laureates on the reserve lists was between four and six. Despite the higher grades offered, there is an attractiveness issue for these profiles – profiles that are however becoming more and more important both for the institutions’ daily work (see paragraphs [23](#), [24](#) and [33](#)) and for policy design ([Digital Services Act package](#), [Cybersecurity Act](#)).

The EU institutions’ workforce remains imbalanced in terms of nationality of staff

61 EU institutions are expected to recruit staff on the broadest possible geographical basis among the EU member states, but they cannot reserve posts for any specific nationality. In a 2018 [report](#), the Commission indicated that there were geographical imbalances in the EU civil service. The institutions use a common template to report on geographical balance at interinstitutional level, but each institution uses its own guiding rate. For our analysis, we aggregated data from the Parliament, the Council, the Commission and the Court of Justice, and used the Commission’s guiding rate in force in 2023 (see [Annex IV](#)). [Figure 12](#) shows the share of EU staff compared with this guiding rate for each nationality.

Figure 12 – Geographical imbalances in the EU civil service (2023)



Note: 100 % means that the share of EU staff for a given nationality matches the guiding rate.
Source: ECA, based on the audited institutions’ staff lists (officials, temporary and contract staff).

62 The share of staff for some member states (such as Germany, Poland and Czechia) is below the guiding rate for all grades and all function groups. For others, the situation depends on the grade (see [Annex IV](#) for details). The situation in the highest grades (AD13 and above) is particularly imbalanced for nationals of those member states that have joined since 2004 (see [Figure 12](#)). The 2014 revision of the Staff Regulations that limited access to these grades – which are only accessible after a selection procedure or for staff with management responsibilities, and no longer by promotion – to better align pay and responsibility is partly the cause of this situation.

63 Since 2018, the institutions have conducted different actions aimed at the member states whose share of staff is below the guiding rate. These included staff and student ambassadors going to universities across Europe to promote EU careers¹³, as well as the institutions participating in job fairs in the member states and liaising with national authorities. Some of the member states with a lower share of EU staff have dedicated staff in their permanent representation in Brussels or in their own capital who work with the EU institutions to address geographical imbalances. All institutions cooperate with national administrations on this issue, but only the Commission has formalised it in [joint action plans](#).

64 In addition to the outreach measures, some institutions are also refining their recruitment procedures, for example by requesting departments to add at least one candidate from a less well represented member state to those being interviewed for a position, to increase the visibility of these candidates. In the first half of 2024, based on its own analysis of geographical balance, the Parliament launched three nationality-specific competitions for Dutch, Austrian and Luxembourg nationals, to have reserve lists of successful candidates from these nationalities to add to the recruitment pool. It is the only institution using such competitions to help correct geographical imbalances.

65 The results of these actions to improve the geographical balance among EU staff remain to be seen. Moreover, in May 2024, two member states initiated legal actions against the Parliament's nationality-specific competitions before the Court of Justice.

The reasons behind the lack of attractiveness have not been comprehensively analysed

66 The institutions do not use the same approach to identify the root causes of why sufficient numbers of some nationalities do not apply for EU jobs. In a [2022 report](#), the Commission found a strong correlation between applying for competitions and the net

¹³ [Special report 23/2020](#).

earnings and employment perspectives in a member state, as well as with the OECD better life index (the better the life in the member state, the less likely its nationals are to apply for EU competitions). In our interviews with national administrations, the lack of easily accessible information on careers and employment conditions was often mentioned as a reason. The Parliament commissioned an employer attractiveness study for people under 35 in seven member states that are not well represented among new staff. Between 45 % and 69 % of the respondents considered the Parliament an attractive employer. The results were used to review the Parliament's employer brand and update its career outreach material.

67 The institutions offer working conditions that are broadly in line with modern expectations for a skilled expatriated workforce: part-time, flexitime, telework options (including from outside the place of employment), family leave and family allowances. They have also put in place diversity and inclusion policies. However, these conditions are not always advertised in the vacancy notices or on the recruitment pages published by the institutions. Potential candidates are therefore not necessarily aware of the working environment, something which might reduce their motivation to apply for a job that requires expatriation.

68 The rejection of job offers is low in all the institutions, but is not measured in a consistent manner. Depending on the human resources IT system used, or the volume of recruitment handled every year, the rejection rate can be measured automatically but only at the final stage of the process (when the recruitment has already been entered in the system). Alternatively, it can be tracked manually throughout the recruitment process: reported rates varied from 2 % to 15 %, depending on how it is counted. It is therefore not possible to compare the rates between institutions. This also means that the institutions cannot conduct a comparative analysis of the rejections to identify possible trends or common factors.

69 The Luxembourg-based institutions have reported difficulties in recruiting staff over the last 10 years. We have attempted to quantify the issue by analysing the rejection rate for Luxembourg jobs between 2019 and 2023. While the rejection rate was higher for Luxembourg-based jobs than for those that were Brussels-based, the number of job offers rejected were too low (around 100 over 4 years for both the Parliament and Commission) and inconsistently measured (see paragraph **68**) to be extrapolated. Nevertheless, the issue of the attractiveness of the Luxembourg site has led the institutions to coordinate in a working group (see **Box 1**).

Box 1**The working group on the attractiveness of Luxembourg**

The number of EU staff working in Luxembourg has increased considerably since 2014, from 6 074 to about 9 500 in 2023. Despite this growth, the Luxembourg-based institutions report difficulties in recruiting staff, in part due to the cost of housing in the country.

The minimum gross salary paid in the institutions, for contract staff function group (FG)I/1 is below the Luxembourg minimum wage, and the institutions adopted measures to ensure they were not paying their staff less than the local minimum wage. In 2021, the institutions set up a working group to reflect on actions to boost the attractiveness of the site. The resulting 12-point action plan focuses on:

- staff management, to facilitate the recruitment of staff in Luxembourg;
- excellence hubs, presenting Luxembourg a place of excellence for finance, law, IT, linguistic and knowledge management jobs;
- life in Luxembourg, providing support to find accommodation, offering advice to support the integration of partners into the local job market;
- communication, with a common communication strategy for the Luxembourg-based institutions, collaboration with national authorities, and with European universities.

The EU institutions do not fully use all the available possibilities to improve workforce management

70 EU staff members are expected to be independent and to adhere to the highest professional standards. Their employment framework should enable them to carry out their duties as effectively and efficiently as possible¹⁴.

71 The institutions should therefore have a performance framework in place to get the most out of their staff, a framework that recognises good performance, identifies talent and development needs and addresses poor performance. EU staff should have opportunities for career advancement and promotion based on merit and performance¹⁵.

¹⁴ Regulation (EU, EURATOM) No 1023/2013.

¹⁵ OECD, *Principles of public administration*, 2023.

Unnecessarily restrictive approach to staff performance management

Performance assessment framework is mostly focused on incompetence

72 The Staff Regulations set out the minimum requirements of the performance management framework in the institutions which centres on annual appraisal reports. These reports are used to compare the relative merits of staff eligible for promotion and are part of the procedure for downgrading and dismissing staff for incompetence.

73 The appraisal reports assess staff members' ability, efficiency and conduct in the service. The report indicates if the staff member's overall performance has been satisfactory or unsatisfactory. If the appraiser deems the member of staff's performance unsatisfactory, their advancement in step will be stalled. If performance remains unsatisfactory, the procedure for dismissal on the grounds of incompetence can be launched. Staff can also be dismissed for disciplinary reasons, and both procedures can run in parallel.

74 The 2014 revision of the Staff Regulations, while leaving it to each institution to "define procedures to identify, deal with, and remedy cases of incompetence", introduced compulsory steps that lengthened the procedure for dismissal on grounds of incompetence. The procedure can only begin after three consecutive unsatisfactory appraisal reports (leading to downgrading) and requires an additional two unsatisfactory reports before dismissal. This means it takes 5 years of consistently unsatisfactory performance before an official can be dismissed for incompetence.

75 The independence of a civil service rests in part on the fact that civil servants can only be dismissed or demoted based on objective criteria regulated by law¹⁶, so it is appropriate to have a clear evidence-based procedure for dismissing staff. However, the steps introduced in 2014 are cumbersome. No dismissal for incompetence has taken place since 2019 (the earliest it could have happened) in the EU institutions we audited, although every year a few appraisal reports (fewer than 0.1 %) are marked as unsatisfactory.

76 Incompetence is best tackled before a staff member becomes established, and the Staff Regulations provide for newly recruited staff to undergo a probationary period of 6 to 9 months (depending on their contract). In December 2023, the Commission updated its guidance to managers regarding probationary periods, stressing that officials can only be confirmed in their post if they demonstrate a "high

¹⁶ OECD, [Principles of public administration](#), 2023.

level of performance” in all aspects of their job. Cases of probationary periods ending without the member of staff being confirmed remain rare (35 in total in the three audited institutions between 2019 and 2023, around 0.2 % of all recruited staff).

77 The Staff Regulations’ focus on incompetence (the inability or unwillingness to do one’s job), does not prevent the institutions from putting in place measures to address poor performance of established staff before it is reported in the appraisal reports. However, identifying and dealing with poor performance is usually referred to in the implementing decisions on the incompetence procedure, further blurring the two concepts and the related set of measures. Furthermore, in the articles relating to preliminary actions in the institutions’ implementing decisions, reference is usually made to signs or risks of incompetence rather than to the broader issue of poor performance.

78 The Parliament’s Implementing Decision contains an article on formally identifying and reporting the first signs of professional incompetence and taking action before the next appraisal report. The Council’s decision also has a formalised procedure on prevention where there is a risk that the next appraisal report might conclude that there has been professional incompetence. The Commission’s guidelines on performance stress that managers should communicate to the staff member issues relating to unsatisfactory aspect of performance as soon as they occur. The aim of these provisions is to encourage both managers and staff to act before managers report unsatisfactory performance in the appraisal report.

79 Management training covers performance management, but most performance guidelines targeted to managers are centred on the detection and treatment of unsatisfactory performance in appraisal reports, because unless this stage is adequately and formally documented, it is not possible to launch a procedure for dismissal. These guidelines are also usually designed to remind managers of the case law referring to appraisal reports, to ensure that the appraisal exercise does not lead to legal challenges.

80 The Commission also has specific rules applicable to middle managers, whose appraisal reports contain a section to assess managerial performance. Middle managers at the Commission can be reassigned to non-managerial functions after one unsatisfactory managerial performance assessment. After two such reports, a procedure for reassignment must be launched. There has only been one case of reassignment due to unsatisfactory managerial performance at the Commission over the audited period (2019-2023).

81 The procedure for downgrading and dismissing staff on the grounds of incompetence is overly cumbersome and, rightly, requires the appropriate documentation to build a justifiable case. This has conditioned the way performance issues are seen in the EU civil service, to the detriment of other aspects necessary for staff performance management.

Not enough is done to reward high performance

82 At the other end of the performance spectrum, the Staff Regulations do not provide specific measures to reward high performers, other than stating that promotions must be based on merit. The comparison of merit within a grade is mainly based on the content of appraisal reports. However, the satisfactory/unsatisfactory category, stemming from the requirements of the incompetence procedure, does not encourage managers to provide a more nuanced overall performance assessment in appraisal report conclusions. In addition, the institutions consider that “high performance” is the minimum expected of their staff, which makes the identification of exceptionally high performers more difficult. Both the Parliament and the Council have quantitative data linked to the appraisal of staff. This helps to identify staff who perform better than the standards expected when comparing merits for promotion.

83 Staff whose performance is satisfactory but not as strong as that of others in their grade have a slower career progression; staff who perform better can benefit from a faster career progression. However, such opportunities are constrained by the guiding rates for career equivalence set in the Staff Regulations. Introduced in 2004, these rates were designed to ensure an equivalent career development speed between staff recruited before 2004 and those recruited after. Their application results in promotions being mostly based on an average speed. Since 2014, and to limit this semi-automatic progression, which was not always connected to responsibilities, some of the highest AST grade (10 and 11) and AD grade (13 and above) can only be reached by undergoing a selection procedure. This measure has improved the balance between responsibilities and pay level.

84 The statutory constraints on the use of promotions as a reward for outstanding performance, and the fact that attribution of a performance bonus to staff is not allowed under the Staff Regulations, does not prevent the institutions from putting in place non-financial rewards for staff whose performance goes beyond the high standards expected. However, with the exception of some awards – for clear writing, or to recognise sustainable initiatives – none of the audited institutions has put in place a formal policy to reward high performing staff.

Possibilities to improve career perspectives for some staff categories are not fully used

Internal competitions are underused as a career development tool

85 All the institutions offer their staff possibilities to change jobs through internal mobility, and to follow training courses to develop their skills, obtain new competencies and reorient their careers. Both the type of contract (permanent, open-ended or fixed-term) currently held by staff and their function group affect these possibilities.

86 Passing an open or internal competition is the only way to change from being a contract or temporary staff to becoming a permanent official. This can also allow staff to change function group (see paragraph [34](#)).

87 Internal competitions are restricted to staff of the institution organising them. The Staff Regulations state that internal competitions are open to officials and temporary staff and set eligibility criteria for education and professional experience, linked to the function group and grade of the competition (see [Annex II](#)). The institutions can set additional eligibility criteria, for example regarding the function group of the temporary agents that can participate, or on their duration of service.

88 The Staff Regulations also provide the possibility, in exceptional cases, for the institutions to decide to open internal competitions to contract staff from function groups II to IV, provided they have served at least 3 years in the institution. The Staff Regulations also limit the number of appointments to 5 % for former contract staff who can be appointed as officials after passing an internal competition. Internal competitions are not always open to contract staff: the Commission only opens AD6, AST2 and SC2 competitions, but not competitions for AD5 and AST4, although this would also be legally possible.

89 Internal competitions for AD positions are generally only open to AD candidates, and AST competitions are usually only open to AST staff. Such a restriction, which is not based on the requirements of the Staff Regulations, reduces the career opportunities of AST and SC staff. However, the Parliament's internal rules allow staff from all function groups to participate in all internal competitions, provided they meet the minimum requirements of the Staff Regulations. There has also been a recent shift relating to AST competitions in the other institutions, with more competitions open to staff in the SC group. The Council also opened two AD internal competitions to both AST and SC staff (in 2021 and 2023).

90 Both the Parliament and the Commission organise internal competitions at relatively high grades (AD9, AD10, AD12), offering AD officials with sufficient professional experience the possibility to progress in their career faster than through the promotion procedure. This is particularly relevant since the age of new recruits in the institutions (see paragraph 45) points to a gap between the recruitment grades and the actual professional experience of staff. Offering a way for talented staff members to progress faster in their careers is a way to close that gap, however the Commission's rules mean that it is restricted to AD staff.

Increased discrepancies between the jobs, responsibilities and career perspectives of AST/SC and AST staff and their profiles

91 The 2004 reform of the Staff Regulations merged three function groups into one single AST group that covered a wide range of job profiles and offered significant promotion perspectives since it contained 11 grades. Staff recruited after 2004 in this function group could progress through all the grades, regardless of their actual job. This revision led to a situation where in some departments, secretaries could earn more than middle managers. The 2014 revision of the Staff Regulations attempted to correct this by creating the SC function group, reserved for secretarial and clerical jobs¹⁷. This revision also limited access to the last two grades of the AST function group: these are now reserved for staff who take on additional responsibilities, appointed after a selection procedure different from the standard promotion procedure.

92 We consider that the creation of the SC function group was an appropriate way to correct the imbalances between pay and responsibilities in the AST group, which were an unintended consequence of the 2004 reform. However, while the jobs associated with that function group were clearly defined, the minimum qualifications and experience for appointment are the same for both function groups: either a post-secondary education attested by a diploma, or secondary education attested by a diploma giving access to post-secondary education, and at least three years of professional experience. These minimum education requirements have barely changed from the first version of the Staff Regulations in 1962¹⁸, which referred to an advanced level of secondary education or equivalent professional experience.

¹⁷ Special report 15/2019.

¹⁸ Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community.

93 These requirements are out of step with the current level of educational attainment in the EU where over 75 % of the EU population has at least completed secondary education, and 30 % has completed university studies¹⁹. As a result, staff in the SC and AST function groups may often have qualifications that are not aligned with their job requirements. This can lead to demotivation and have an impact on staff performance.

94 The content of secretarial and clerical tasks has evolved significantly since 2014, in part due to increased digitalisation and new ways of working that were introduced following the COVID-19 pandemic²⁰. The Commission identified that the skills and competencies now required of SC staff are more varied than when the group was created and sometimes bring them closer to some of the tasks performed by AST staff (for example, providing support for financial management and financial verification tasks). Increased digitalisation also led to some administrative tasks usually performed by AST staff being taken over by AD staff. The blurring of the lines between some of the tasks performed by each function group, along with higher educational achievements, makes the restriction on participation to internal competitions (see paragraph **90**) even less justified.

95 Career perspectives for staff in the SC and AST function group are constrained. For the SC group, promotions possibilities are low – the guiding rates (see paragraph **83**) have been set in such a way that it would take 30 years on average to move from SC1 to SC6, compared to 12 years to move from AST1 to AST5, which are grades with comparable salary levels. There are also few possibilities for SC staff to participate in AST internal competitions, although some institutions have started to change their practice on this issue (see paragraph **89**).

96 The Staff Regulations provide few opportunities for staff in the AST function group to be appointed to the AD function group, among them an annual procedure known as certification. Staff at AST5 and above are eligible. The number of candidates largely exceeds the number of positions the institutions open every year. Not all the audited institutions open internal AD competitions to AST staff with the relevant qualifications and experience on a regular basis, even though there is no legal provision to prevent them from doing this.

¹⁹ Eurostat, [Population by educational attainment level, sex and age \(%\) - main indicators](#).

²⁰ [Special report 18/2022](#).

97 The reduced career opportunities for SC and AST staff, which is a result of both regulatory constraints and the institutions' internal decisions, poses challenges for workforce management and is among the issues staff in these function groups mention as a reason of dissatisfaction during exit interviews or in surveys.

Conclusions and recommendations

98 We conclude that the employment framework currently in force in the EU institutions has proven flexible, and that the institutions have used it to react to the challenging circumstances under which they have to operate. The institutions have redeployed their vacant posts to the departments with increased responsibilities and reassessed their staffing needs with a greater focus on skills and competencies. They have diversified their recruitment channels to tackle the issue of an ageing workforce and react to disruptions in the organisation of open competitions. Nevertheless, the institutions struggle to attract staff for some specific profiles, and despite recent efforts, geographical imbalances in the workforce remain. Workforce management is sometimes unnecessarily constrained by restrictions that do not stem from the Staff Regulations. Performance management is too focused on the formal procedure for dealing with incompetence, to the detriment of other aspects, and career perspectives are sometimes restricted beyond what is necessary.

99 The EU institutions have committed to reducing administrative expenditure whenever possible and to optimising their staff resources. This has prompted the institutions to place a greater focus on the skills and competencies needed and look at how to acquire them internally, in particular through upskilling or retraining staff. This shift is however recent and not yet common practice (paragraphs [19-33](#)).

100 Since 2020, the institutions have experienced difficulties in recruiting officials because of disruptions to EPSO's activities. They have reacted by increasing their recruitment of temporary staff. They have also diversified their recruitment channels, putting in place programmes targeted at junior professionals, or increasing the number of seconded civil servants from national administrations to fill gaps in expertise. While the recruitment of temporary staff has proven an effective and flexible way to deal with the shortage of successful candidates on EPSO reserve lists, it carries some risks for business continuity and knowledge management, and as such cannot be a viable long-term solution (paragraphs [34-49](#)).

Recommendation 1 – Put in place a risk-based policy for the employment of temporary staff

The European Parliament, the Council, and the Commission should decide – depending on the specificities of each department – on a sustainable level of temporary staff, taking into account the balance between the advantages (including flexibility, speed of recruitment) and the risks (loss of institutional knowledge, equal treatment between staff members), and take appropriate actions when that level is exceeded.

Target implementation date: June 2025

101 The institutions offer working conditions that are in line with the expectations of a modern expatriated workforce. While the purchasing power of EU staff has decreased more than that of national civil servants, salaries remain on a par with what other international organisations offer their staff. Nevertheless, the institutions still experience difficulties in recruiting specific profiles such as IT specialists, or in attracting candidates from all member states in sufficient numbers to have a geographically balanced workforce. Attractiveness is a complex issue and despite certain actions having been put in place regarding geographical balance, the institutions do not yet have a comprehensive view on the reasons why some profiles are difficult to fill (paragraphs 50-69).

Recommendation 2 – Design targeted job attractiveness action plans

The European Parliament, the Council, and the Commission should analyse:

- (a) at the level of each institution, the reasons for rejecting job offers;
- (b) through interinstitutional dialogue, the reasons behind the low application rate for competitions and selection procedures, for all nationalities and all job profiles;

and put in place appropriate and measurable actions to address these issues.

Target implementation date: December 2025

102 The Staff Regulations set out the minimum requirements in terms of performance management which centre around the annual appraisal reports. We found that the institutions apply a staff performance assessment framework that is mostly focused on dealing with incompetence. This entails a cumbersome process, which only concerns the most extreme cases of poor performance and is rarely used in

practice. The need to formalise this procedure has taken precedence over designing policies relating to the management of poor performance before it becomes incompetence (paragraphs 72-81). At the other end of the performance spectrum, high performers can be rewarded with faster promotions, but this is constrained by guiding rates that set an average career speed. Non-financial rewards for high performers are not well-developed (paragraphs 82-84).

103 Internal competitions are mainly used to provide opportunities for the high-performing temporary staff members to become officials. Their potential to provide additional career prospects to staff in the SC and AST function groups is underused, due to the eligibility criteria that are set. These two function groups have undergone significant changes to their job content, and their staff often comply with the minimum academic requirements of AD staff. This results in a certain level of staff dissatisfaction (paragraphs 85-97).

Recommendation 3 – Further develop career and performance frameworks

The European Parliament, the Council, and the Commission should:

- (a) improve the guidelines on dealing with poor performance for cases not covered by the procedure for dismissal on the grounds of incompetence;
- (b) map the tasks and responsibilities associated with AST/SC and AST posts and if necessary, update the job descriptions;
- (c) open internal competitions to eligible staff from other function groups;
- (d) assess the feasibility of having further non-financial recognition for outstanding performance.

Target implementation date: December 2025

This report was adopted by Chamber V, headed by Mr Jan Gregor, Member of the Court of Auditors, in Luxembourg at its meeting of 1 October 2024.

For the Court of Auditors

Tony Murphy
President

Annexes

Annex I – The EU institutions covered by the Staff Regulations and the categories of staff they employ

The Treaty on European Union lists seven EU institutions: the European Parliament, the European Council, the Council, the European Commission, the Court of Justice of the European Union, the European Central Bank, and the Court of Auditors.

Of these institutions, only the staff of the European Central Bank is not covered by the Staff Regulations. In addition, the Staff Regulations cover the staff of five other EU bodies: the European External Action Service, the European Economic and Social Committee, the Committee of the Regions, the European Ombudsman, and the European Data Protection Supervisor; as well as staff from executive agencies.

The institutions' workforce is made up of different categories of staff. Within each category there are different function groups. Within the category of officials and temporary staff, the function groups are further ranked according to grades, which reflect increasingly high levels of professional and educational requirements and levels of responsibility.

Staff covered by the Staff Regulations

An official is any person who, after passing a competition, has been appointed to a permanent post at one of the institutions. For example, Commissioners or members of the European Parliament (MEPs) are not officials. There are three function groups in the officials category:

- Administrators (AD), career in grades AD5 to AD16;
- Assistants (AST), career in grades AST1 to AST11;
- Secretaries and clerks (AST/SC), career in grades AST/SC1 to AST/SC6.

Staff covered by the Conditions of Employment of Other Servants

Temporary staff are recruited:

- on a fixed term contract (maximum 6 years, including periods of renewal) to fill a **permanent post** at one of the institutions or in the European External Action Service;

- on a fixed term contract (with one renewal permitted) or, more rarely, for an indefinite period to fill a **temporary post** at an institution or an agency;
- to assist a person holding office (e.g. a Commissioner, a Court of Justice Judge), in which case the length of their contract is linked to that of the office holder's term of office.

The function groups for temporary staff are the same as for officials.

Contract staff are not assigned to an established post. They are divided into four function groups (FGI to FGIV), depending on the tasks they carry out: from FGI for manual tasks through to FGIV for advisory and administrative tasks. Staff in FGI and those working at an agency or in a delegation, representation or office (e.g. the Commission's Office for Infrastructure in Luxembourg or Office for Infrastructure in Brussels) may be employed for an indefinite period. The contracts of other staff cannot exceed 6 years.

Annex II – Entry requirements for each EU staff category

The table below summarises how the Staff Regulations set the minimum qualifications and language skills required for officials, temporary and contract staff, along with the indicative tasks for each function group.

Officials and temporary staff	Contract staff
Qualifications	
AD	FGIV
Completed university studies of at least 3 years attested by a diploma	
AST and AST/SC	FGIII and FGII
Post-secondary education attested by a diploma, or secondary education attested by a diploma, and professional experience of at least 3 years	
N/A	FGI
	Successful completion of compulsory education
Language requirement	
For all function groups: thorough knowledge of one of the EU languages and a satisfactory knowledge of another. For officials, promotion requires knowledge of a third language.	
Indicative tasks	
AD	FGIV
Administrator: lawyer, translator, auditor, economist, etc.	Similar to AD staff but performed <u>under the supervision</u> of officials or temporary staff
AST	FGIII
Executive or technical role in administration, finance, communication, research, or policy development and implementation	Similar to AST staff but performed <u>under the supervision</u> of officials or temporary staff
AST/SC	FGII
Clerical and secretarial tasks, office management	Similar to AST/SC staff but performed <u>under the supervision</u> of officials or temporary staff
N/A	FGI
	Manual and administrative support tasks (e.g. driver, logistics and building staff) performed under the supervision of officials or temporary staff

Annex III – The method for adjusting EU staff salaries

Annual adjustment of remuneration

Article 65 and Annex XI of the Staff Regulations provide the framework for the calculation of the annual update of EU staff's remunerations. The calculation is based on the change in the **cost of living in Belgium and Luxembourg** (joint Belgium-Luxembourg index – JBLI) and the **changes in the purchasing power of salaries in national civil services** in central government (global specific indicator). Annex XI indicates that the sample can be changed, but that it needs to represent “at least 75 % of the Union gross domestic product”.

The sample of countries used to calculate the specific indicators was designed in 2014 and included Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Poland, Sweden, and the United Kingdom. Following the United Kingdom's departure in 2020, the sample was not adjusted since it still represented at least 75 % of the remaining EU member states' collective GDP.

Annex XI provides for “moderation and exception clauses”. The **moderation** clause applies when the global specific indicator (relative to the purchasing power of national civil servants) is higher than +2 % or lower than –2 %. In that case, only the limit value (+2 % or –2 %) is used to calculate the annual update. The remainder is applied from April of the following year.

The **exception** clause applies if there is a decrease in the EU's real GDP, but the global specific indicator is positive. In that case, only part of the specific indicator is used for calculating the update and the remainder is applied from April of the following year, except when the decrease in GDP is below –3 %. In this case, the value of the specific indicator is applied from the moment the cumulative increase of GDP becomes positive.

The method to adjust salaries has been in place since 1975, with certain technical adjustments: changes in the list of member states used to calculate the specific indicator, introduction of the moderation and exception clauses in 2014, automatic application as of 2014 (without the need for a Council regulation as was the case previously). The average **nominal** annual salary adjustment between 2014 and 2023 resulting from this method was 2.3 %.

Eurostat publishes all the statistical data relating to the application of Annex XI in its [annual report](#) at the end of October. In December every year, the Commission publishes a [report](#) on the budgetary impact of the annual adjustment of remuneration and pensions. As required by the Staff Regulations (Article 15 of Annex XI), in April 2022, the Commission published a [report](#) assessing whether the “evolution of

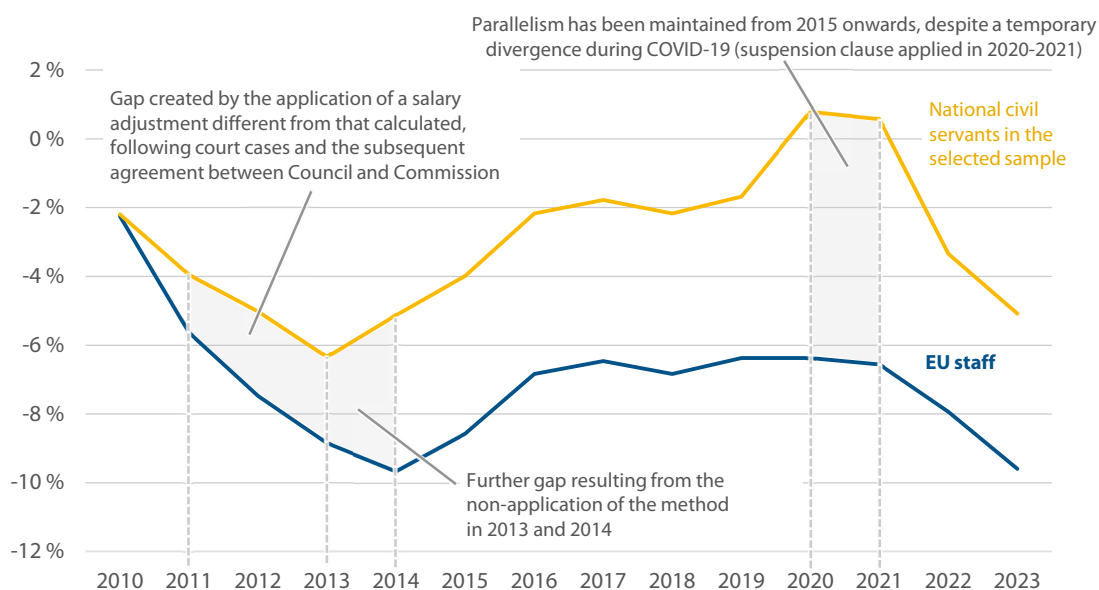
purchasing power of remuneration and pensions of Union officials is in accordance with the changes in the purchasing power of salaries in national civil services in central government”.

The annual adjustment calculation method is meant to ensure the parallel evolution of the purchasing power of EU staff and of national civil servants. The JBLI takes into account the specific consumption patterns of EU staff measured via dedicated household budget surveys, instead of the standard harmonised index of consumer prices (HICP), to reflect as precisely as possible the evolution of the cost of living in Brussels and Luxembourg. In times of higher inflation, such as those experienced between 2021 and 2023, the cumulative JBLI was slightly lower than the weighted HICP (15.98 % as opposed to 16.21 %).

In its December 2023 report on the budgetary impact of the annual update, the Commission indicated that “in the period 2004-2023, EU staff endured a significant loss in terms of real purchasing power. During this period the EU staff lost around 13.9 % of their purchasing power, due to the combined effect of the reforms of the staff regulations in 2004 and in 2013 and cuts in salary adjustments. Over the same period civil servants in central governments of the member states lost 4.8 %”.

Looking only at the 2010-2023 period (see figure below), a 4.5 % gap in purchasing power evolution was created between EU staff and national civil servants. Parallelism was maintained from 2015 onwards, but this gap will never be closed.

The purchasing power of EU staff has evolved unfavourably compared to that of national civil servants (2010-2023)



Source: ECA based on Eurostat data, with 2009 as starting point.

Correction coefficients

Article 64 of the Staff Regulations indicates that staff's remuneration shall be "weighted at a rate above, below or equal to 100 %, depending on the living conditions in the various places of employment" (**correction coefficients**), and that "no coefficient shall be applicable in Belgium and Luxembourg" due to the "special referential role of these places of employment as principal and original seats of most of the institutions". Annex XI sets out the conditions under which coefficients can be created.

Based on household surveys, Eurostat has adopted a specific methodology on the calculation of the correction coefficients, to establish the consumption patterns of staff assigned to the different duty stations (e.g. Warsaw or Copenhagen). These surveys are normally conducted every 5 years, but they have been less frequent of late. The correction coefficients are also published on the Eurostat [website](#).

Correction coefficients are meant to ensure that EU staff enjoy the same purchasing power, regardless of their duty station. They ensure that the purchasing power of EU staff outside Brussels evolves in parallel with that of staff in Brussels, but not necessarily with that of local employees. Correction coefficients are a purchasing power tool to ensure equal treatment among EU staff and are not intended to affect attractiveness or competitiveness.

Because coefficients are a purchasing power tool, they are adjusted annually to reflect changes in prices in duty stations relative to the changes in prices observed in Brussels. As a result, even in cases where prices increase, the local correction coefficient can decrease if the local price increase is lower than that observed in Brussels. When prices drop abruptly, as they did in some duty stations during the financial crisis in 2008, the coefficient decreased (the coefficients for Dublin, Madrid, and Lisbon decreased respectively by 7.1, 2.2 and 3.9 percentage points). In a similar way, the euro crisis led to a significant drop in the coefficient for Athens (a drop of 11 percentage points between 2013 and 2015). The rising cost of living in the post-2004 member states is also visible in the evolution of the correction coefficients for these locations, with the biggest increases in Tallinn (from 79.5 to 98.9); Prague (from 87.1 to 102.9) and Vilnius (from 78.6 to 93.4).

Annex IV – Geographical balance of the EU institutions' workforce

The Staff Regulations state that EU staff should be “recruited on the broadest possible geographical basis from among nationals of member states of the Union”, and that “no posts shall be reserved for nationals of any specific member state”. Temporary exemptions apply in the case of enlargements, with posts specifically reserved for the nationals of the member states joining the EU.

In 2014, faced with the increase in geographical imbalances within the EU workforce, the co-legislators amended the Staff Regulations to add that, while recruitment should always be based on merit, “the principle of the equality of the Union’s citizens shall allow each institution to adopt appropriate measures following the observation of a significant imbalance between nationalities among officials which is not justified by objective criteria”.

In 2018, the Commission published a comprehensive [report](#) on the geographical balance among EU staff, also covering this balance in EPSO competitions. EPSO has already launched outreach actions targeted at the member states deemed “underrepresented” among the applicants to its competitions²¹.

At the end of 2022, all of the EU institutions agreed to work on a common template to report regularly and at inter-institutional level on geographical balance. Each institution could still use the guiding rate it deemed most appropriate for its own context. The rate used by the Commission as of 2023 is calculated based on the population of each member state, the number of votes in the Council and the number of MEPs. The Parliament’s rate is based on the number of MEPs for each nationality. There are other differences, for example, while the Commission excludes linguists from its internal analysis, believing they may distort the overall picture, the Parliament does include them. For our analysis, we used the Commission’s guiding rate as defined in 2023.

Using the 2014 possibility of taking measures to address geographical imbalances, in November 2022 the Parliament adopted general implementing rules that would allow it to organise nationality-specific competitions for those nationalities where significant imbalances had been observed. The aim of these competitions is to create reserve lists of potential recruits from member states whose share of staff in the Parliament was below the institution’s own guiding rate (based on the number of MEPs), to be added to the other reserve lists of candidates considered for recruitment. The first such

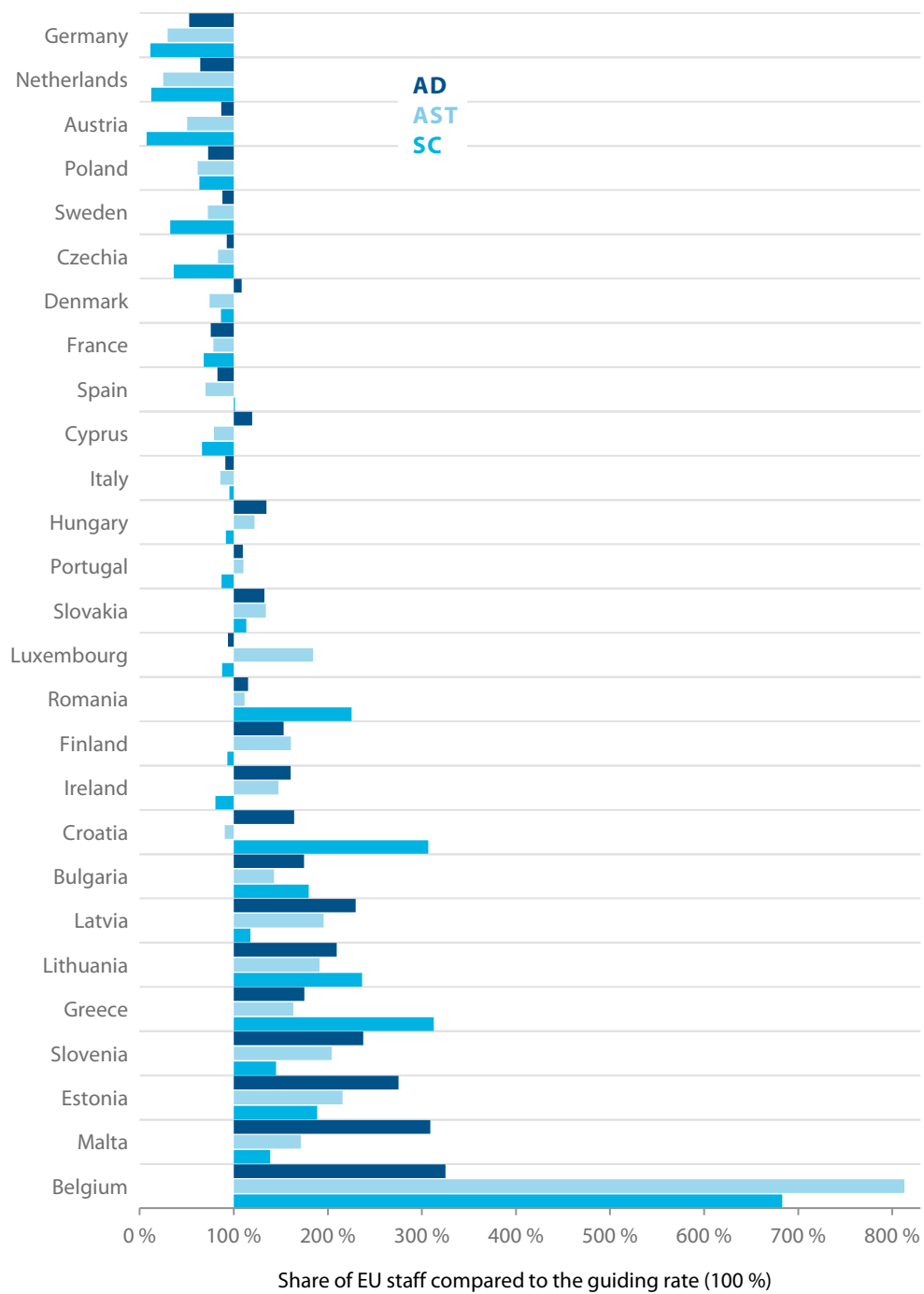
²¹ [Special report 23/2020](#).

competitions were launched in the first quarter of 2024, however two member states initiated legal action against them before the Court of Justice.

The Commission analyses the share of staff compared to the guiding rate for: AD5 to AD8 non-linguistic staff (both officials and temporary staff, as well as separately for officials), all administrators, middle management, and senior management. Based on this, it identified 15 member states with significant imbalances and developed joint action plans to address the issue. These actions plans were adopted in 2023 and are in the public domain. For the remaining member states, it adopted (unpublished) operational conclusions, which describe the current situation for member states and the general outlook. The Commission plans to update the state of play on the action plans in 2024 and to monitor the situation on an ongoing basis.

When looking in more detail at the geographical balance, there are significant differences depending on the function group and the grades of staff. The AD function group is more balanced than the AST and the SC groups (see figure below). This might be explained by the types of job and starting salary levels in each function group. It may also be affected by their relative attractiveness when factoring in expatriation, for example, secretarial jobs are typically widely available in all member states, making expatriation less attractive. This is one of the reasons why the institutions do not focus on imbalances in the SC and AST function groups in their analysis, and concentrate instead on the AD group, and in particular the starting grades (AD5-AD8).

Geographical imbalances are also affected by function group (2023)



Source: ECA based on the audited institutions' staff lists at 01.01.2023, officials and temporary staff.

Abbreviations

AI: Artificial intelligence

CEOS: Conditions of Employment of Other Servants

DG: Directorate-General

DG AGRI: Directorate-General for Agriculture and Rural Development (European Commission)

DG CLIMA: Directorate-General for Climate Action (European Commission)

DG CNECT: Directorate-General for Communications Networks, Content and Technology (European Commission)

DG COMP: Directorate-General for Competition (European Commission)

DG DEFIS: Directorate-General for Defence Industry and Space (European Commission)

DG EAC: Directorate-General for Education, Youth, Sport and Culture (European Commission)

DG ECHO: Directorate-General for European Civil Protection and Humanitarian Aid Operations (European Commission)

DG EXPO: Directorate-General for External Policies of the Union (European Parliament)

DG FISMA: Directorate-General for Financial Stability, Financial Services and Capital Markets Union (European Commission)

DG GROW: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (European Commission)

DG HOME: Directorate-General for Migration and Home Affairs (European Commission)

DG IPOL: Directorate-General for Internal Policies of the Union (European Parliament)

DG NEAR: Directorate-General for European Neighbourhood and Enlargement Negotiations (European Commission)

DG RTD: Directorate-General for Research and Innovation (European Commission)

EPSO: European Personnel Selection Office

FPI: Service for Foreign Policy Instruments (European Commission)

GDP: Gross domestic product

HERA: Health Emergency Preparedness and Response Authority (European Commission)

HICP: Harmonised index of consumer prices

HR: Human resources

JBLI: Joint Belgium-Luxembourg Index

MEP: Member of the European Parliament

MFF: Multiannual financial framework

NGEU: NextGenerationEU

OECD: Organisation for Economic Co-operation and Development

PSEO: Pension Scheme for European Officials

SNEs: Seconded national experts

Glossary

Appointing authority: Person or entity within an EU institution whose responsibilities, under the EU Staff Regulations, include selecting and assigning individuals to specific roles, positions or tasks.

Decentralised agency: Independent EU body established for an indefinite period, as a centre of expertise, to perform tasks contributing to the development and implementation of an EU policy.

Establishment plan: Annex to the budget of an EU institution or body setting out its maximum number of available permanent and temporary posts, by job category and pay grade.

Executive agency: Organisation set up and managed by the Commission, for a limited period, to carry out specified tasks related to EU programmes or projects on its behalf and under its responsibility.

European Council: EU institution that defines the general political direction and priorities of the EU. Its members are the heads of state or government of the 27 EU member states, the European Council President and the President of the European Commission.

Multiannual financial framework: The EU's spending plan setting priorities (based on policy objectives) and ceilings, generally for 7 years. It provides the structure within which annual EU budgets are set, limiting spending for each category of expenditure.

NextGenerationEU: Funding package to help EU member states recover from the economic and social impact of the COVID-19 pandemic.

Replies of the Parliament

<https://www.eca.europa.eu/en/publications/sr-2024-24>

Replies of the Council

<https://www.eca.europa.eu/en/publications/sr-2024-24>

Replies of the Commission

<https://www.eca.europa.eu/en/publications/sr-2024-24>

Timeline

<https://www.eca.europa.eu/en/publications/sr-2024-24>

Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber V – Financing and administering the Union, headed by ECA Member Jan Gregor. The audit was led by ECA Member Jorg Kristijan Petrovič, supported by Martin Puc, Head of Private Office and Mirko Iaconisi, Private Office Attaché; Colm Friel, Principal Manager; Marion Kilhoffer, Head of Task; Ilze Ozola, Tadhg Ó Caoimh and Luis Sancho De las Alas-Pumariño, Auditors. Laura McMillan provided linguistic support. Jesús Nieto Muñoz provided graphical support.



From left to right: Martin Puc, Mirko Iaconisi, Marion Kilhoffer, Jorg Kristijan Petrovič, Tadhg Ó Caoimh, Ilze Ozola, Jesús Nieto Muñoz, Colm Friel.

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The objective of this audit was to assess whether the EU institutions' employment framework provides them with the flexibility to meet recruitment needs and improve workforce management, and enable them to address the increasingly challenging circumstances that the EU faces. We found that the EU institutions dealt with emerging priorities by reallocating staff where most needed and diversifying recruitment channels. They relied more on staff with fixed-term contracts, although this brings business continuity risk. The institutions struggle to attract some profiles, and do not use all the flexibilities in their employment framework regarding staff performance and career opportunities. Our recommendations aim at improving the institutions' policies for their employment of temporary staff, their attractiveness as employers, and their workforce management.

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