EUROPEAN COMMISSION

Brussels, 29.7.2011
COM(2011) 468 final

2011/0208 (NLE)

Proposal for a

COUNCIL REGULATION

laying down the weightings applicable from 1 July 2010 to the remuneration of officials, temporary staff and contract staff of the European Union serving in third countries

EXPLANATORY MEMORANDUM

Regulation (Euratom, ECSC, EEC) No 3019/87 of 5 October 1987 amended the Staff Regulations of officials of the European Communities by adding an Annex X laying down special and exceptional provisions applicable to officials serving in third countries.

Articles 11, 12 and 13 of Annex X deal with the remuneration of officials posted in countries outside the European Union. Remuneration is payable in euros in Belgium, but there is also provision for all or part of an official's remuneration to be paid in the currency of the country of employment. In that event, the portion paid in local currency is subject to a weighting.

The first paragraph of Article 13 of Annex X required the Council to determine the weightings for third countries every six months.

Council Regulation (ECSC, EEC, Euratom) No 2175/88 of 18 July 1988 laid down the initial weightings applicable from 10 October 1987.

This system of remuneration has also applied to contract staff since the new Staff Regulations entered into force on 1 May 2004 (Regulation (EC, Euratom) No 723/2004 of 22 March 2004).

The first paragraph of Article 13 of Annex X to the new Staff Regulations requires the Council to set the weightings applicable in third countries annually.

The most recent weightings, which took effect on 1 July 2009, were laid down by the Council in Regulation (EU) No 768/2010 of 26 August 2010.

The attached proposal adjusts the weightings applicable from 1 July 2010 to the remuneration of officials, temporary staff and contract staff of the European Communities serving in third countries.

Under Article 64 of the Staff Regulations, the remuneration system for staff serving in countries outside the Union is based on purchasing power parity of remuneration paid in local currency compared to that paid in Brussels.

To apply this principle Eurostat calculates the economic parities. The *weighting* is the factor obtained by dividing the *economic parity* by the *exchange rate*. This means that implementation of the weighting system primarily involves calculating economic parities by comparing (prices at) Brussels and the other places of employment.

The exchange rates used are established in accordance with the rules for the implementation of the Financial Regulation and correspond to the date of application of the weightings.

The Annex to the proposed Regulation sets out the weightings derived from the parities communicated by Eurostat for July 2010 for all places of employment. A detailed comparison with July 2009 is set out below (*Summary of the Overall Change in the Parities*). The budgetary impact is small (in percentage terms); see the Financial Statement.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 336 thereof,

Having regard to the Staff Regulations of officials of the European Communities and the conditions of employment of other servants of the Communities laid down by Council Regulation (EEC, Euratom, ECSC) No 259/68[1], and in particular the first paragraph of Article 13 of Annex X thereto,

Having regard to the proposal from the European Commission,

Whereas:

(1) It is necessary to take account of changes in the cost of living in countries outside the Union and to determine accordingly the weightings applicable from 1 July 2010 to remuneration paid in the currency of the country of employment to officials, temporary staff and contract staff of the Union serving in third countries.

(2) The weightings in respect of which payment has been made on the basis of Council Regulation (EC) No 613/2009[2] may lead to retrospective upward or downward adjustments to remuneration.

(3) Provision should be made for back-payments in the event of an increase in remuneration as a result of the new weightings.

(4) Provision should be made for the recovery of sums overpaid in the event of a reduction in remuneration as a result of the new weightings for the period between 1 July 2010 and the date of entry into force of this Regulation.

(5) Provision should be made for any such recovery to be restricted to a period of no more than six months preceding the date of entry into force of this Regulation and for its

[1] OJ L 56, 4.3.1968, p. 1.
[2] OJ L 181, 14.7.2009, p. 1.

effects to be spread over a period of no more than twelve months following that date, as is the case with the weightings applicable within the Union to the remuneration and pensions of officials and other servants of the Union,

HAS ADOPTED THIS REGULATION:

Article 1

With effect from 1 July 2010, the weightings applicable to the remuneration of officials, temporary staff and contract staff of the Union serving in third countries payable in the currency of the country of employment shall be as shown in the Annex.

The exchange rates for the calculation of such remuneration shall be established in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities[3] and shall correspond to 1 July 2010.

Article 2

1. The institutions shall make back-payments in the event of an increase in remuneration as a result of the weightings shown in the Annex.

2. The institutions shall make retrospective downward adjustments to remuneration in the event of a reduction as a result of the weightings shown in the Annex for the period between 1 July 2010 and the date of entry into force of this Regulation.

   Retrospective adjustments involving the recovery of sums overpaid shall be restricted to a period of no more than six months preceding the date of entry into force of this Regulation. Recovery shall be spread over no more than twelve months from that date.

Article 3

This Regulation shall enter into force on the day of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

[3] OJ L 248, 16.9.2002, p. 1.

ANNEX

JULY 2010

	PLACE OF EMPLOYMENT	Economic parity July 2010	Exchange rate July 2010 (*)	Weighting July 2010 (**)
(***)	Afghanistan	0	0	0
	Albania	86,28	136,693	63,1
	Algeria	73,2	94,6259	77,4
	Angola	137	115,037	119,1
	Argentina	3,321	4,8506	68,5
	Armenia	376,7	453,4	83,1
	Australia	1,542	1,425	108,2
	Azerbaijan	1,088	0,9806	111
	Bangladesh	50,15	85,5047	58,7
	Barbados	2,979	2,4518	121,5
	Belarus	2610	3722,37	70,1
	Belize	1,81	2,4049	75,3
	Benin	610,3	655,957	93
	Bolivia	5,66	8,563	66,1
	Bosnia and Herzegovina (Banja Luka)	1,253	1,95583	64,1
	Bosnia and Herzegovina (Sarajevo)	1,456	1,95583	74,4
	Botswana	5,447	8,62069	63,2
	Brazil	2,459	2,1946	112
	Burkina Faso	634,6	655,957	96,7
(***)	Burundi	0	0	0
	Cambodia	4448	5201	85,5
	Cameroon	612,1	655,957	93,3
	Canada	1,207	1,2812	94,2
	Cape Verde	81,84	110,265	74,2
	Central African Republic	664,5	655,957	101,3
	Chad	733,3	655,957	111,8
	Chile	452,4	652,86	69,3
	China	8,31	8,2918	100,2
	Colombia	2185	2304,82	94,8
	Congo (Brazzaville)	765,4	655,957	116,7
	Costa Rica	599,1	641,853	93,3
	Côte d'Ivoire	634,7	655,957	96,8
	Croatia	5,972	7,1973	83
	Cuba	USD 1,006	USD 1,2198	82,5
	Democratic Republic of the Congo (Kinshasa)	USD 1.801	USD 1.2198	147,6
	Djibouti	237,9	216,784	109,7
	Dominican Republic	31,13	44,0387	70,7
	Ecuador	USD 0.9829	USD 1.2198	80,6
	Egypt	4,159	6,99795	59,4
	El Salvador	USD 0,9752	USD 1.2198	79,9
	Eritrea	17,91	18,8103	95,2
	Ethiopia	15,26	16,7933	90,9
	Fiji	1,573	2,43635	64,6
	Former Yugoslav Republic of Macedonia	37,3	61,6021	60,5
	Gabon	685	655,957	104,4
	Gambia	28,07	32,8	85,6
	Georgia	1,652	2,2603	73,1
	Ghana	1,284	1,75825	73
	Guatemala	7,756	9,7462	79,6
	Guinea (Conakry)	4931	7293,53	67,6
	Guinea-Bissau	624,3	655,957	95,2
	Guyana	173,2	250,657	69,1
	Haiti	54,21	50,0791	108,2
	Honduras	19,13	23,129	82,7

	Hong Kong	10,35	9,4958	109
	Iceland	149,4	157,29	95
	India	39,17	56,702	69,1
	Indonesia (Banda Aceh)	8672	11052,7	78,5
	Indonesia (Jakarta)	9431	11052,7	85,3
(***)	Iraq	0	0	0
	Israel	5,229	4,7628	109,8
	Jamaica	112	104,64	107
	Japan (Tokyo)	162,6	108,31	150,1
	Jordan	0,8491	0,86484	98,2
	Kazakhstan (Astana)	174	180,65	96,3
	Kenya	83,16	99,834	83,3
	Kosovo (Pristina)	0,6088	1	60,9
	Kyrgyzstan	44,4	56,1108	79,1
	Laos	8644	10164	85
	Lebanon	1612	1838,85	87,7
	Lesotho	6,406	9,318	68,7
	Liberia	USD 1.321	USD 1.2198	108,3
	Libya	1,011	1,6193	62,4
	Madagascar	2218	2720,67	81,5
	Malawi	166	184,836	89,8
	Malaysia	3,189	3,9692	80,3
	Mali	657,2	655,957	100,2
	Mauritania	233,1	346,305	67,3
	Mauritius	32,06	40,028	80,1
	Mexico	12,22	15,6591	78
	Moldova	10,16	15,7927	64,3
	Montenegro	0,6501	1	65
	Morocco	8,577	10,997	78
	Mozambique	29,96	42,61	70,3
	Namibia	8,034	9,318	86,2
	Nepal	75,54	90,77	83,2
	New Caledonia	135,5	119,332	113,5
	New Zealand	1,764	1,7579	100,3
	Nicaragua	16,53	26,0955	63,3
	Niger	578	655,957	88,1
	Nigeria (Abuja)	179,9	181,748	99
	Norway	11,12	7,9085	140,6
	Pakistan	54,66	104,835	52,1
	Panama	USD 0.8233	USD 1.2198	67,5
	Papua New Guinea	3,58	3,4638	103,4
	Paraguay	3881	5830,04	66,6
	Peru	3,165	3,4502	91,7
	Philippines	44,41	56,609	78,5
	Russia	40,98	38,13	107,5
	Rwanda	702,7	721,185	97,4
	Samoa	2,91	3,15976	92,1
	Saudi Arabia	3,619	4,4823	80,7
	Senegal	592,1	655,957	90,3
	Serbia (Belgrade)	70,63	104,089	67,9
	Sierra Leone	5193	4764,26	109
	Singapore	2,062	1,7075	120,8
	Solomon Islands	10,8	9,7236	111,1
	South Africa	6,319	9,318	67,8
	South Korea	1577	1484,96	106,2
(***)	Southern Sudan (Juba)	0	0	0
	Sri Lanka	114,1	140,185	81,4
	Sudan (Khartoum)	2,663	3,01508	88,3
	Suriname	2,179	3,46	63
	Swaziland	6,689	9,318	71,8

	Switzerland (Berne)	1,586	1,3258	119,6
	Switzerland (Geneva)	1,617	1,3258	122
	Syria	52,11	57,71	90,3
	Taiwan	35,34	39,365	89,8
	Tajikistan	3,751	5,34565	70,2
	Tanzania	1295	1691,16	76,6
	Thailand	32,43	39,564	82
	Timor Leste	USD 1.212	USD 1.2198	99,4
	Togo	563,8	655,957	86
	Trinidad and Tobago	7,192	7,85895	91,5
	Tunisia	1,338	1,8572	72
	Turkey	1,899	1,9303	98,4
	Uganda	1946	2768,57	70,3
	Ukraine	7,584	9,69851	78,2
	United States (New York)	1,286	1,2198	105,4
	United States (Washington)	1,232	1,2198	101
	Uruguay	24,06	25,5548	94,2
	Uzbekistan	1095	1942,23	56,4
	Vanuatu	152,5	127,05	120
	Venezuela	4,246	5,23861	81,1
	Vietnam	13488	23380,7	57,7
	West Bank - Gaza Strip	5,512	4,7628	115,7
	Yemen	202,4	278,652	72,6
	Zambia	4985	6254,26	79,7
(***)	Zimbabwe	0	0	0

(*) 1 EURO = **x** units of local currency (USD for Cuba, El Salvador, Ecuador, Liberia, Panama, D.R. Congo and Timor-Leste).

(**) Brussels = 100%.

(***) Not available because of local instability or unreliable data.

N.B. *Economic parity* or *purchasing power parity* (PPP) is:

Number of monetary units required to buy the same product compared with Brussels (per euro).

The figure provided in the first column (PPP) is the product of multiplying the *exchange rate* (TX) by the *weighting* (CC).

The mathematical formula used to calculate the CC is therefore: PPP (provided by Eurostat) divided by TX = CC.

The amounts due to staff are calculated by applying the invariable PPP established by this table - not by multiplying each time the CC by the TX of the date of the transaction, since this TX is variable and will produce a different (wrong) PPP.

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Proposal for a Council Regulation laying down the weightings applicable from 1 July 2010 to the remuneration of officials, temporary staff and contract staff of the European Communities serving in third countries.

2. BUDGET LINES CONCERNED

CE (BGUE-B2011): XX-01.01.02-11.01, 08.01.05.01, 19.01.04.02-02,

19.01.04.03-02, 21.01.04.01-02, 21.01.04.10.

SEAE/EEAS (B2011) : 1100, 3000, 3001.

3. LEGAL BASIS

Articles 12 and 13 of Annex X to the Staff Regulations.

4. FINANCIAL IMPACT

4.1 For EC + SEAE/EEAS budgets

Estimated amount for 2010 of the salaries of all staff posted outside the Union €187 175 000 (1)

Estimated actual expenditure in local currency for 2010, just the staff concerned €12 884 461 (2)

Estimated impact of weightings July 2010 + €1 305 029 (3)

Difference

[(3) : (1) =] + 0,006973

[(3) : (2) =] + 0,101287

4.2 For the EC budget

Estimated actual expenditure in local currency 2010 for just the staff concerned €7 166 250 (1)

Estimated impact of weightings July 2010 + €659 617 (2)

Difference

[(2) : (1) =] + 0,092045

4.3 For the SEAE/EEAS budget

Estimated actual expenditure in local currency 2010 for just the staff concerned €5 718 211 (1)

Estimated impact of weightings July 2010 + €645 412 (2)

Difference

[(2) : (1) =] + 0,1128694

N.B. For details see the basic table; because of its size it is available only in electronic format (Excel). It can be supplied, on request, by Division EEAS/MDR/C3. With the '*Table coef correct*' tab you can see the trend in weightings over the previous twelve months and compare them with this proposal for July 2010. The '*Calculs*' tab shows the persons concerned, their salary in local currency and their place of employment. The '*Synthèse fonct contract*' tab summarises the various amounts by population group (officials (FO) and contractual staff (AC)). The '*Synthèse budget*' tab sets out the totals making up the grand total, grouped by budget line (one column per line, where the budget codes are associated with different PMO codes).