



COMMISSION OF THE EUROPEAN COMMUNITIES

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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND THE
EUROPEAN PARLIAMENT**

**THE IMPACT OF THE ACCESSION OF BULGARIA
AND ROMANIA ON THE HUMAN RESOURCES OF THE COMMISSION**

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INTRODUCTION

The European Parliament gave its assent to the accession of Bulgaria and Romania on 13 April 2005. On this basis, the Accession Treaty was signed by the EU Member States and Bulgaria and Romania in Luxembourg on 25 April 2005. Subject to ratification of the accession treaties, and provided they comply timely with the conditions necessary to fully implement the *acquis* from the first day of accession, Bulgaria and Romania would be expected to become members of the EU in January 2007..

In fact, the Commission adopted on 25 October a Communication (Comprehensive monitoring report on the state of preparedness for EU membership of Bulgaria and Romania), which refers to "... a monitoring report which the Commission intends to present to the Council and Parliament in April/May 2006" and points out that "At that moment, the Commission may recommend that the Council postpone the accession of Bulgaria or Romania until 1st January 2008 if there is a serious risk of any of those states being manifestly unprepared to meet the requirements of membership by January 2007 in a number of important areas. The Commission expects Bulgaria and Romania to take all necessary corrective actions until then so as to avoid having to issue such a recommendation".

The purpose of this communication is to substantiate the Commission's claim for additional human resources by assessing the Commission's needs according to the impact of the accession of these two new Member States on the Commission's activities. It outlines the general orientations and impact of enlargement on human resources by groups of policy areas and by job profile. It will be a key component in future budgetary proposals and in the design of the recruitment strategy. It does however not cover the recruitment targets of nationals from the new Member States, which is a different issue to be addressed in due course.

This assessment extends to Bulgaria and Romania (EU-2) the communication presented in 2002 for the ten Member States that joined the Union in May 2004 (EU-10). Its nature and timing make the EU-2 enlargement very similar to the last one. Given the obvious similarities, this analysis was carried out using the same methodology as in 2002, but also taking into account the lessons learnt from the EU-10 accession as it occurred in actual fact in 2004. This communication therefore confirms and updates the medium-term estimates of human-resource needs made in 2002, as requested by the European Parliament in its resolution on the Annual Policy Strategy for 2006.

1. PURPOSE AND FRAMEWORK OF THE COMMUNICATION

Experience shows that recruiting new staff and integrating them smoothly into Commission departments is much easier if prepared well in advance. This stable framework is provided by identifying and planning the staffing levels needed for the post-accession period. The previous EU-10¹ communication highlighted the central role played by this exercise and its usefulness both to the budgetary authority and the Commission.

When presenting its Preliminary Draft Budget for 2006², the new Commission expressly confirmed the validity of the analysis made in 2002 and the medium-term need for some 3900³ new staff members by 2008 to carry out tasks arising from the accession of these ten new Member States. The findings of the 2002 communication remain valid today for EU-10⁴.

Over the last three years, from 2003 to 2005, the budgetary authority has granted the Commission 1980 new staff for enlargement-related tasks (1480 new officials and 500 external staff). Though significant, these initial reinforcements are nevertheless insufficient to ensure the proper functioning of the enlarged EU and the full application of all Commission policies, Community rules and programmes. To safeguard the continuity of all ongoing activities, especially the main common policies linked to cohesion and the single market, the Commission will need the remainder of the 3900 FTEs considered necessary if it is to meet its institutional responsibilities in the projected period.

2. SCOPE OF THE CHALLENGE

2.1. What is expected from the Commission in an enlarged Union?

As the European Union's executive body, the Commission is responsible for managing and implementing the EU budget and the policies and programmes approved by Parliament and the Council. After enlargement the Commission will have to manage programmes designed to support the new Member States, primarily under the common agricultural policy, structural operations and internal policies.

As guardian of the Treaties, the Commission will have to ensure that Community law is properly applied in all Member States. Though the candidate countries have been making considerable efforts to assume their future responsibilities as Member States, their administrative and judicial systems and capacities might sometimes take a few years to settle.

¹ COM(2002) 311 final 05.06.2002

² COM(2005) 300 from 15.06.2005

³ Of which 3960 FTEs covered by the administrative budget and a reduction of 60 FTE covered by other headings

⁴ Further explanations were provided to the budgetary authority, at its request, during the budgetary procedure : See working paper on "Human Resources for Enlargement" dated from 14th July 2005

The proper functioning of the single market, the safety and health of the public, the protection of the environment, the supervision of the EU's external borders and the careful management of Community funds in an enlarged EU all demand that the Commission be given additional human resources so that it can:

- actively manage EU policies and monitor their implementation in the new Member States;
- help the new Member States apply Community law correctly and initiate infringement proceedings where necessary;
- propose and then implement Community programmes to provide the new Member States with financial support;
- supervise whether programming and spending is being carried out correctly;
- communicate and publish Community documents in two new languages.

2.2. Scale of the tasks in figures

The scope and challenges of the next enlargement can be gauged by the following indicators:

- Two new Member States will take the EU's membership from 25 to 27 (8% increase).
- Two new official languages will take the total from 20 to 22 (a 10% increase⁵).
- 30 million additional citizens will increase the EU's total population from 452 to 482 million in 2007 (a 6.6% increase).
- With a per capita GDP in Purchasing Power Standards of about 30% of the EU-25 average, the two new Member States are the poorest new entrants to date.

The impact of this enlargement on the activities of the Commission should be viewed in the context of the previous enlargement as the accession of 12 new Member States in a quite short period brings obviously new challenges for Community institutions, which now have to deal with 80% more Member States and twice as many languages.

3. ASSUMPTIONS, METHODOLOGY AND STRATEGY

3.1. Assumptions

The working scenario for assessing the impact of enlargement is based on the following assumptions:

⁵ For the sake of comparison, Irish is not included in the 20 existing languages as it is subject to specific arrangements and to a 5-year transitional period starting from 2007

- (1) Subject to ratification of the accession treaties and provided they comply timely with the conditions necessary to fully implement the acquis from the first day of accession, two new countries would join the European Union on 1 January 2007. If those conditions are not fulfilled, the calendar presented in this communication will be adapted accordingly. The estimates of the human resources needs remain, however, valid independently of the final accession date.
- (2) Activities are assessed at full cruising speed, once all the activities and tasks associated with enlargement have been phased in or out, taking account in particular of the need to ensure that staffing of preaccession programmes management and control activities remains fully adequate until their closure. The time profile of human resource needs will differ from one department to another, a difference which will be reflected in the annual allocation⁶.
- (3) The starting point for the level of human resources by activity reflects the 2006 situation, assuming that this specific enlargement does not change policies, programmes and delivery systems. However, changes already approved or proposed by the Commission for the future have been taken into account (e.g. executive agency⁷).
- (4) All types of human resources (establishment plan posts and external staff) and all sources of financing (administrative budget or operational programmes) are considered on an equal footing. Staffing needs are measured in full-time equivalents (FTE). The basic assumption is that this enlargement will not change fundamentally the ratio between different types of human resources at the Commission. The breakdown of human resources by type and source of financing has been made on an aggregate level and will be specified in each individual budgetary procedure.
- (5) The assessment has been carried out on a net basis, taking account of the scope for redeployment in the light of the expected completion of pre-accession activities during this period (pre-accession programmes, negotiations, relations with applicant countries).
- (6) The total estimate includes 100 external staff already catered for in the Preliminary Draft Budget (PDB) for 2006 as an advance on medium-term needs. To being ready for enlargement, preparations have to start in 2006. In its PDB, the Commission estimated its priority human-resource needs at 100 staff to perform essential activities in preparation for enlargement, mainly in the linguistic sector. These staff are not additional to the estimated post-enlargement needs but part of the overall package.

⁶ This could be the case in particular for the linguistic services.

⁷ This communication does not take into account staff in executive agencies. However, estimate of human resources requirements for the Commission has been correspondingly reduced compared to the 2002 analysis where an executive agency has been set up since 2002

3.2. Methodology

As this assessment updates the 2002 communication for the accession of the EU-10 countries for the purposes of the EU-2 enlargement, it is consistent to apply the same methodology.

Human-resource needs were assessed on the basis of the activities defined by the Activity Based Budgeting (ABB) nomenclature. To ensure a methodical and homogenous review of expected developments, a questionnaire was sent to all departments.

The impact of enlargement on activities was then analysed and activities rated according to whether they increased, remained unchanged or diminished. The next step was to assess the impact on human resources. As a rule, changes in human-resource needs have been estimated in relation to changes in the main factors determining the workload for a given activity.

Where an activity, organisation or delivery system has undergone - or is to undergo - no significant changes since 2002, and where the impact of the EU-2 enlargement is assumed to be proportional to the EU-10 enlargement, the results of the previous EU-10 communication have been extrapolated to the EU-2 enlargement.

To ensure consistency between demands for various activities, responses were screened to ensure equal treatment and comparability of data with a view to making sure that:

- the figures and the underlying justifications provided were coherent;
- the estimated needs of different departments for similar activities were treated identically;
- only the additional workload arising from enlargement was covered;
- the scope for redeployment from pre-accession activities was duly taken into account.

3.3. Transitional period for new posts

The assessment takes account of departments' needs and the Institution's capacity to absorb new recruits. The Commission therefore proposes that new posts be phased in over a period of three years, subject to the availability of reserve lists and to the absorption capacity of the services concerned. However, most of the Commission departments felt the five-year period for new EU-10 posts, a period dictated by budgetary and recruitment constraints, was too long and the selection and recruitment pace has now reached its cruising speed.

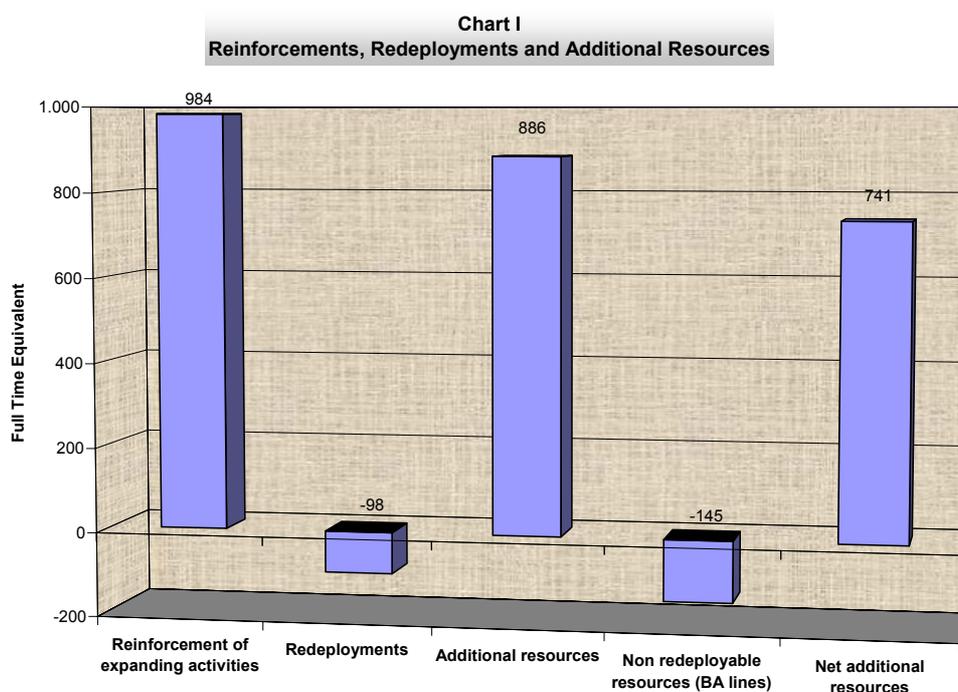
It does not prejudge the duration of the transitional period for the recruitment of the officials from the two new Member States, which the Commission is proposing to be a 5 year period. Therefore, the Commission will set in due time the recruitment targets for nationals of the new Member States, which is a different issue.

4. RESULTING HUMAN RESOURCES NEEDS

4.1. Result of the screening

In their initial assessments, Commission departments put their gross needs for extra staff at about 1084 FTEs and expected the end of pre-accession activities to free up 237 FTEs.

Screening produced revised estimates that put the gross increase in human resources demanded by an expansion in activities at over 984 FTEs. These needs can be met by redeploying about 98 staff (23 of them within departments) and recruiting 886 new staff. The need for redeployment is driven by the Commission's aim of providing quality service at a reasonable cost. It is also assumed that the equivalent of around 145 outside personnel currently working on pre-accession instruments (and financed on the former BA budget items) will have to be let go as they cannot be redeployed. This brings net additional resources to 741 FTEs .



Compared to the present situation, the additional 741 FTEs represent an increase of around 2.5% in the overall human resources employed by the institution, which is below the relative weight of the acceding countries, as measured by the various indicators specified in section 2 of the communication.

4.2. Type of human resources and financing source

As specified in Table 1 below, the 741 additional staff by type and source of financing could be indicatively be broken down as follows:

- 750 posts in the operational establishment plans (administrative budget under the current heading 5 of the financial perspective), including about 166 posts for linguists;
- 36 posts in the research establishment plans (operational budget);
- additional appropriations for around 100 outside personnel in the administrative budget;
- reduction in appropriations for the equivalent of 145 outside personnel currently financed on the operational budget (former BA items of pre-accession instruments).

Table 1

	<i>Posts in establishment plans</i>	<i>Outside personnel (FTE)</i>	
<i>Administrative budget</i>	750	100	850
<i>Operational budget</i>	36	-145	-109
	786	-45	741

This table confirms that some 850 FTEs financed by the administrative budget will be needed, in line with the assumption underlying the proposed financial perspective.

4.3. Phasing-in 850 new staff in the administrative budget

The Commission proposes that new staff should be phased-in over a period of three years. This would allow account to be taken of departments' real needs and reflect the Institution's capacity to absorb new recruits. The indicative profile is shown in Table 2 below, in the case that accession takes place in 2007.

Table 2

<i>Year</i>	<i>Share of additional posts</i>	<i>New establishment plan posts (administrative budget)</i>	<i>External staff⁸</i>	<i>Total Staff planned administrative budget</i>
2006			100	100
2007	33%	250		350
2008	33%	250		600
2009	33%	250		850

The time profile and annual share of future demands for establishment plan posts might demand a degree of flexibility. The Commission will detail its annual requests for new posts, cumulatively with the 1280 people still to be recruited for EU-10 enlargement in 2007-08⁹, in each Annual Policy Strategy and Preliminary Draft Budget. The planned schedule for competitions will also be taken into account.

The breakdown between establishment plan posts and external staff will also have to be fine-tuned in each annual budgetary procedure. However, while contractual staff hired in 2006 to prepare enlargement should progressively be replaced by officials, the Commission will still need external staff even at cruising speed, mainly in the language services and representations in the new Member States. Should the final need in external staff be less than 100, the Commission would request the conversion of some external staff into posts.

4.4. Budgetary implications for administrative expenditure

At cruising speed, the total cost of these new staff is expected to be around € 85 million¹⁰ (including the related infrastructure costs) for the Commission alone¹¹. This amount is fully compatible with the financial perspective proposed by the Commission. The final agreement on the definitive financial perspective should cater for this specific budget allowing the Commission to recruit the staff needed for enlargement; due consideration should also be given to the corresponding needs of other institutions.

⁸ Some of these 100 external staff might also be converted into posts while keeping unchanged the 850 FTE

⁹ Assuming the 700 new posts requested for 2006 are granted as expected

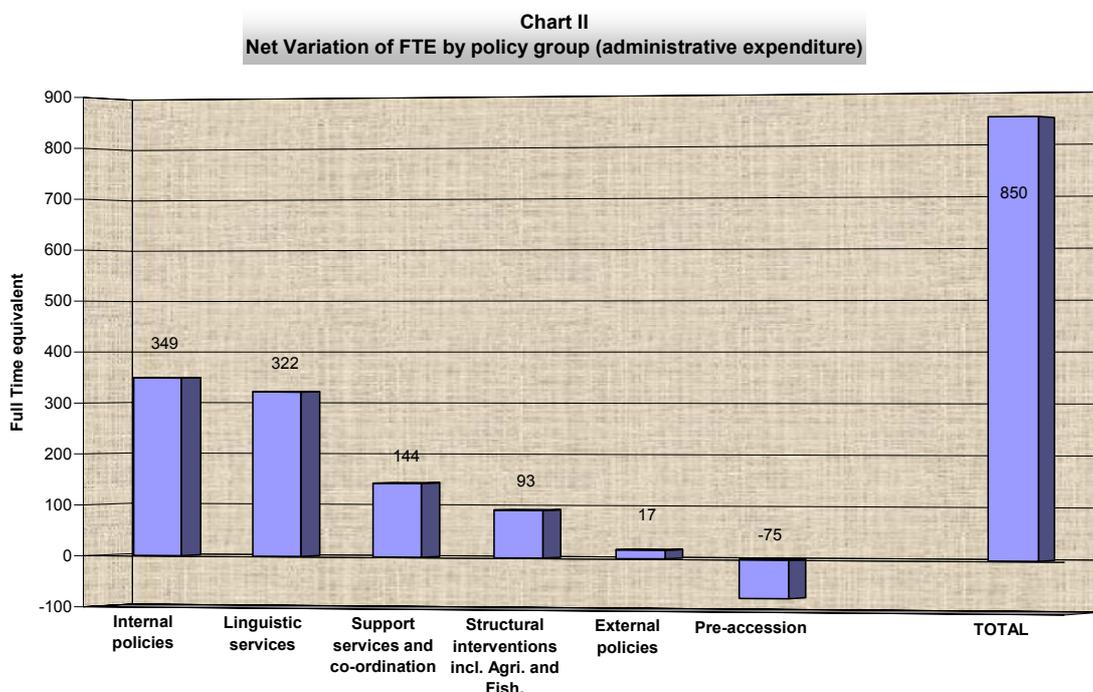
¹⁰ At 2004 prices

¹¹ Calculation made for the draft financial perspective demonstrates that an amount of around 130 million should be included in the financial perspective for the accession of Bulgaria and Romania assuming that the human resources needs of other institutions is proportional to the last enlargement

5. IMPACT ON POLICIES AND ACTIVITIES

The analysis conducted by the Commission for the purposes of assessing its human-resource needs allows results to be broken down by “Policy Group” (departments) and ”Job Profile” (individuals).

5.1. Changes by policy group



5.1.1. Internal Policies

Making law and enforcing that law in the new Member States are the two main factors driving staff increases in internal policies. From the day of accession, the Community acquis will be applicable in new Member States and the whole legislative process will have to adapt to include them in the consultation process on policy initiatives and legislative proposals.

The domain covers tasks as diverse and complex as the internal market, the environment, competition, taxation and customs union and health and consumer protection. What is more, a number of new strategic goals set by the EU focus on internal policies, among them the “Lisbon Strategy” for prosperity through economic growth including the trans-European networks and the “Hague programme” strengthening freedom, security and justice in the European Union. This heading also covers the gradual establishment of press offices in the new Member States.

The full integration of the new Member States into the application of these policies and Community rules requires the assignment of around 349 FTEs. Given the array of policies that need to be implemented across 27 Member States and current resourcing, this represents a relatively modest increase in human resources and accurately reflects the main focus of the Commission’s activities today.

5.1.2. *Language services*

Providing quality language services is one of the Commission's key priorities of the period following enlargement. The relatively strong increase (322 FTEs) in this area of activity (translation, interpreting and publication) should, however, be seen in the context of the introduction of very efficient demand management and quality assurance systems. This has allowed demands on resources to be kept to a minimum while guaranteeing multilingualism and promoting the EU's legitimacy, transparency and efficiency.

5.1.3. *Support services and coordination*

In a comprehensive enlargement strategy, support services and coordination have a decisive role to play and should receive adequate staffing for the smooth running of all operations. Decision-making in the EU will become increasingly complex and demand more staff for the new Commissioners' private offices and for the coordination of policy in an EU with 27 Member States. Special attention must also be given to permitting the application of European law in all new languages. Other activities include stepping up the recruitment process and reinforcing anti-fraud and audit capabilities in an enlarged Europe. An estimated 144 FTEs seems adequate for these heterogeneous tasks.

5.1.4. *Structural interventions, including agriculture and fisheries*

Structural and cohesion policies pursue the goal of economic convergence by promoting growth and competitiveness and strengthening the economic, social and territorial cohesion of the Union. They are major European programmes with a significant macroeconomic impact. Current legislation makes both accession countries eligible for support for less developed regions (Objective 1). This is the area of activity in which accession is expected to cause the biggest increase in appropriations. As these programmes are managed on a decentralised basis, (shared management) comparatively fewer additional staff will be needed. Notwithstanding, control and audit function requirements have to be served.

Agriculture plays an important part in the economic and political life of the two countries about to join the EU. Current activities under the pre-accession instrument for rural development (Sapard) will be brought under the umbrella of mainstream agricultural policy. However as it is the case for the other pre-accession instruments (e.g. PHARE and ISPA), there will be a transitional period as the implementation of these programmes will continue after the accession until their closure. The Commission will also have to monitor how the *acquis* is implemented by the new Member States after accession by the same mechanisms as those applicable to the existing Member States.

Structural interventions, agriculture and fisheries together account for an estimated 93 FTEs in additional human resources, a relatively low figure in view of the sums involved but well in line with the delivery mechanisms.

5.1.5. *External policies*

The main changes concern trade policy and trade-defence measures, including negotiations in the WTO following the adoption of the common customs tariff in the new Member States and the need to strengthen the European Neighbourhood Policy in particular towards our Eastern neighbours. The overall impact for external relations will be fairly limited, with needs estimated at 17 FTEs.

5.1.6. *Pre-accession (including delegations, PHARE¹²)*

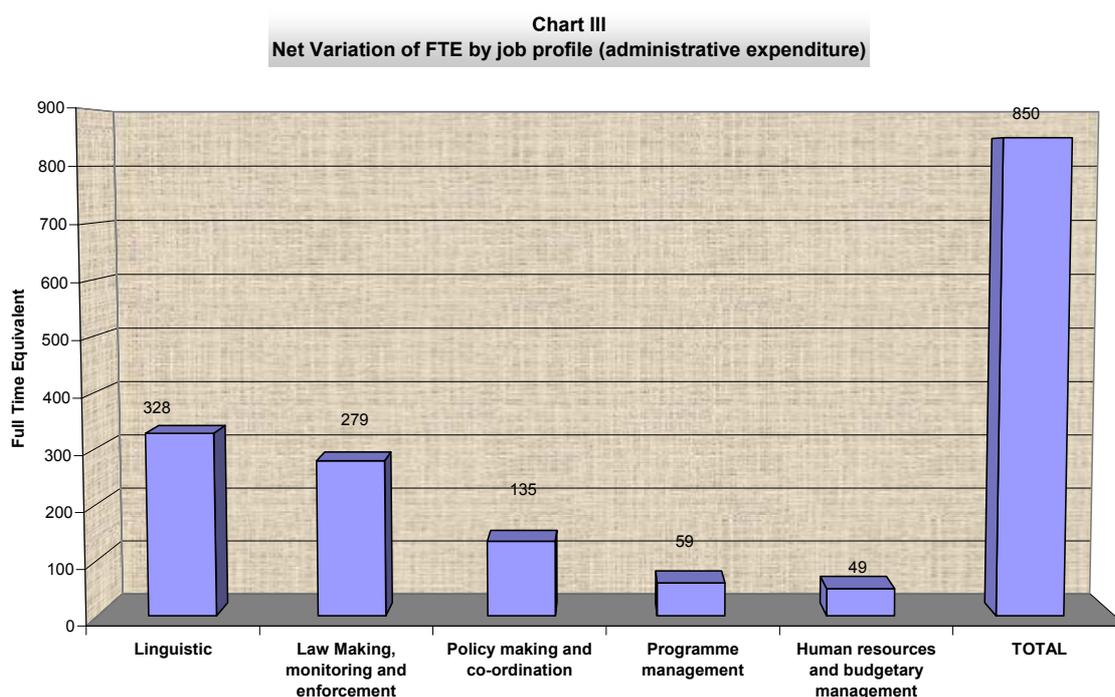
Delegations in the acceding countries and pre-accession activities relating to Romania and Bulgaria, such as negotiations and the monitoring and management of pre-accession instruments, will be phased out under the relevant provisions of the Accession Treaty. Accordingly, the relevant staff in Delegations and most of their counterparts at Headquarters will be redeployed progressively taking into account the timing of the accession process. Redeployment of pre-accession staff will further take account of the fact that pre-accession programmes are carried through under principles of sound financial management according to the timing of the programme management cycle itself. All in all, this will progressively reduce staffing by 220 FTEs (75 FTEs financed by the administrative budget and 145 external staff financed by the PHARE programme).

5.1.7. *Research*

Most research programmes are already open to accession countries, and the 6th Framework Programme increased the involvement of candidate countries before enlargement. It has, moreover, focused on a reduced number of priorities and simplified management methods and procedures. While the next multiannual framework programme will continue the trend towards greater efficiency and concentration, the estimated human-resource needs for EU-2 enlargement warrant a modest increase of 36 FTEs, which will be financed within the limits of the 7th Framework Programme's ceiling on administrative expenditure.

¹² Excluding Ispa and Sapard, whose staff will be redeployed within the same department, since human-resource needs for agriculture and structural operations are presented on a net basis

5.2. Changes by job profile



5.2.1. Linguistic

The number of linguists will increase more than any other job profile so that the Commission can bring its policy closer to the citizen and facilitate the EU's decision-making process at meetings. Estimated needs stand at 328 FTEs, including external staff and also support staff.

5.2.2. Law making, maintenance and enforcement

Legislation is another central pillar of the Commission's work, an area of activity that includes the monitoring and enforcement needed to create a real "community of law". This area of work will experience by far the second most important expansion. The enlargement-led workload at most stages of the legislative process is directly proportional to the number of Member States. This is particularly true at the enforcement stage. The number of interested parties and their diversity will also influence legislative drafting and maintenance. The estimated needs stand at an additional 279 FTEs.

5.2.3. Policy making and coordination

Drafting policy will become increasingly complex with the rising number of Member States and stakeholders. Policy-making needs will grow to reflect the importance of including new members in all processes. Estimated needs stand at 135 FTEs.

5.2.4. Programme management

The small rise in human resources for programme management (59 FTEs) might be striking at first glance. The reasons for this rise become apparent when one considers

that current candidate countries are already eligible for many EU programmes and that serious efforts are currently under way to streamline the administrative procedures associated with programming. The additional estimated needs for expanding programme management activities are covered by the progressive redeployment of resources currently needed for management and control of pre-accession instruments till their actual closure, which will take more than 3 years after accession.¹³ Nevertheless, further needs arise for planning and coordination as well as for control functions. When these aspects are taken into account, they produce a more balanced picture.

5.2.5. *Human resources and budget management*

The overall increase in activity demands an appropriate increase for managing operational budget and human resources. These needs are estimated at 49 FTEs.

6. CONCLUSIONS

Drawing on its experience and the results of its 2002 communication for the last enlargement, the Commission has assessed its human-resource needs in view of the forthcoming accession. The Commission confirms the human-resource needs for the previous enlargement and assesses its needs induced by the forthcoming at an additional 850 FTEs on the administrative budget and 36 additional FTEs on the research budget. This outcome is consistent with the previous exercise and relevant indicators measuring the incidence of this accession. It also proves the ability of the Commission to generate productivity gains without jeopardising its ability to carry out its tasks properly.

The analysis further highlights the targeting of new personnel on operational activities, showing that human resources policies are in line with political priorities. The time profile for phasing-in is consistent with the sums earmarked for administrative expenditure in the Draft Financial Perspective 2007-2013 and with the Commission's capacity to absorb new staff.

The budgetary authority's support for granting these resources is crucial for the proper preparation of the recruitment strategy and the sound planning of tasks.

¹³ Taking into consideration non-redeployable resources from former BA lines, the reduction in programme-management staff due to the end of pre-accession instruments is greater