

COLLEGE DES PRESIDENTS DES COMITES DU PERSONNEL

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Contrôleur européen de la protection des données – Cour de justice de l'Union européenne Cour des comptes européenne - Mécanisme européen de stabilité
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Brussels, 22 April 2021

BY EMAIL ONLY

CPCP NOTE

To the attention of: Mr Alfredo Calot Escobar, President of Collège des Chefs d'administration

Cc.: Ms Sylvie Durand, Secretariat of the Staff Regulations Committee

Subject: Attractiveness of Luxembourg based EU Institutions and Bodies

Mr President,
Dear colleagues,

The CPCP was made aware by the Luxembourg-based staff committees representatives of a particularly acute deterioration of the purchasing power of staff of EU institutions and bodies which are based in Luxembourg. They argue that the problem is mainly due to high real estate prices (buying and renting), and to the regular indexation of the national wages that is not applicable to EU institutions and bodies, and that the gap with national purchasing power (public and private sectors) has been growing for almost two decades, thus seriously weighing on the recruitment capacities and on the efficiency of EU institutions and bodies based in Luxembourg.

Most of the EU institutions and bodies function under the [Staff Regulations](#) (SR) while others work under similar systems. None contain efficient mechanisms ensuring an adequate response to the growing purchasing power discrepancy. It is important to remember that the European Court of Auditors [assessed](#) the actual Staff Regulations very negatively especially in that they have generated substantial savings? at the expense of efficiency besides forgetting any decent assessment. This affects notably Luxembourg even further, showing de facto a relative diminution of competent personnel and an increasing proportion of them living across the border, leaving to other EU worksites or for the national public or private sectors. Both the hiring and the retention of competent personnel in Luxembourg is at stake.

Several other international bodies based in Luxembourg have remedied the situation by adapting their income/revenue. EU institutions and bodies did not do so, except for some cosmetic actions supporting a few workers under the minimum national wage (and differently for each EU institution and body).

Luxembourg-based colleagues recall that the Commission contracted an external study (AIRINC)^[i] that was submitted on 26 September 2019. This document presented its methodology, the figures recorded as well as several options to remedy the cost-of-living differential between Luxembourg and Brussels, the other main seat of EU institutions and bodies. This study showed significant disparities between the cost of housing in the Luxembourg area and that in Brussels (which, according to the study was at 10.5% in 2019).

The CALUX (Heads of Administrations of EU Institutions and Bodies based in Luxembourg) has been working for some time on possible solutions. Yet, no concrete proposal was made so far., thus raising concern among the Luxembourg-based Staff and its representatives that the outcome of the process under way would be rather cosmetic.

While recognizing the independence of each EU institutions and body, whether they function under the SR or not, and welcoming the CALUX involvement in the matter, the Luxembourg-based Staff and its representatives call for a structural response to the situation addressing the ever-growing loss of purchasing power but without amending the Staff Regulations. That is in our perception the only way to guarantee a proper attractiveness and to retain competent Staff and thereby the presence of EU institutions and bodies in Luxembourg.

The CPCP calls on the relevant authorities to meet a delegation representing the Luxembourg-based EU staff (Staff Committees Presidents) at their earliest convenience to discuss possible solutions. The CPCP stands ready to facilitate a solution that would be fair and equitable in addressing the specific issues of Luxembourg-based staff.

The CPCP Coordination Team

Laura Massocchi
Staff Committee of the
European Ombudsman

Nancy Mazur
Staff Committee of the
European Economic and Social
Committee

Apor Sajgó
Staff Committee of the
European Committee of the
Regions

PS: The following Staff Committee abstains from co-signing the enclosed document: Council

^[i] <https://myintracomm.ec.europa.eu/NewsPortal/Documents/2019/study-cost-of%20living-eu-staff-luxembourg-final-report-26-09-2019.pdf>