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REPORT FROM THE COMMISSION TO THE COUNCIL

**on the application of Annex X to the Staff Regulations
(Council Regulation No 3019/1987 of 5 October 1987)
Year 2005**

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INTRODUCTION

In accordance with Article 101a of the Staff Regulations, Annex X determines, without prejudice to the other provisions of the Staff Regulations, the special and exceptional provisions applicable to officials of the European Communities serving in non-member countries.

Article 14 of Annex X requires the Commission to “submit an annual report to the Council on the application of this Annex and in particular on the fixing of the rate of the allowance for living conditions as provided for in Article 10”.

The Commission has prepared fifteen such reports since 1 January 1988. They cover the following periods: October 1987-December 1988, 1989, 1990-1991, 1992, 1993, 1994, 1995, 1996, 1997-1998, 1999, 2000, 2001, 2002, 2003 and 2004.

CHAPTER 1: GENERAL PROVISIONS

ARTICLE 1: RECRUITMENT

On 31 December 2005, there were 1021 officials/temporary staff members in delegations¹ (compared to 1008 on 31 December 2004). By the same date, 26 posts for contract staff had been created.

In 2005 these staffing levels were increased as follows:

- 3 posts to be allocated in 2005; 8 additional posts made available by other DGs.

On 31 December 2005 966 of these posts were occupied in delegations. The 55 vacant posts accounted for 5.5% of posts compared to 11.11% (112 vacant posts) in 2004.

¹ The posts for officials/temporary agents in delegations break down as follows: a) the formal allocation of the External Service (984 posts on 31 December 2005); b) posts lent for specific, ad hoc actions; c) posts made available by DGs from outside the RELEX family. These posts remain assigned to their parent DG's establishment plan but are financed wholly or in part by the External Service budget.

ARTICLE 2: MOBILITY

Rotation

The rotation exercise for 2005 covered 170 officials on the list (196 in 2004), of whom:

- 54 moved between delegations (60 in 2004);
- 89 moved from delegations to headquarters (89 in 2004);
- 12 terminated their service (15 in 2004);
- 19 remained in post (32 in 2004).

The principle of alternate postings in delegations and at headquarters resulted in:

- 89 moves from delegations to headquarters (89 in 2004);
- 82 moves from headquarters to the delegations (94 in 2004).

In all, 237 officials moved under the 2005 rotation exercise (compared to 258 in 2004).

Redeployment

Eight posts were redeployed:

- 1 A post: India to Sri Lanka (delegation upgrade).
- 1 A post: Russia to Moldova.
- 1 B post: Russia to Moldova.
- 1 C post: Japan to Sri Lanka.
- 1 C post: Ghana to Ethiopia.
- 1 A post: Nicaragua to Honduras.
- 1 A post: Nicaragua to El Salvador.
- 1 A post: Mauritania to Kenya (Special envoy for Somalia).

ARTICLE 3: RETRAINING

In 2005 decisions were made to retrain 58 External Service officials who were reassigned to headquarters in one of the Directorates-General of the Relex family as part of the rotation policy.

CHAPTER 2: OBLIGATIONS

ARTICLE 4: CARRYING OUT DUTIES AT PLACE OF EMPLOYMENT

Nothing to report.

ARTICLE 5: ACCOMMODATION

In late 2005 DG Relex completed its work on housing standards in third countries. Since then, all delegations have had standards for rental accommodation in the host country. At the same time, responsibility for administrative matters was transferred to the delegations.

CHAPTER 3: WORKING CONDITIONS

ARTICLES 6, 7 AND 9: ANNUAL LEAVE

Officials serving in third countries are continuing to make an effort to use their entitlement and reduce excessive carryover of leave, in line with the recommendation from headquarters. Despite an increase in staffing levels, administrative decentralisation has increased the workload, which to some extent has prevented officials from taking the desired amount of leave.

The table below shows that out of 912 officials and contract staff, a majority (54.84%) carry over less than 14 days of annual leave. The percentage of carryovers of more than 14 days has fallen in comparison with the previous year (45.16% compared with 47.12%). Carryovers of between 36 and 50 days rose slightly (5.92% compared with 5.89%). There was a clear fall in carryovers of between 50 and 70 days, with 2.3% in 2005 compared with 3.44% in 2004.

Annual leave carryovers		
Number of officials	Carryovers 2003/2004	Carryovers 2005/2006
Fewer than 14 days	431	500
	52.88%	54.84%
More than 14 days	384	412
	47.12%	45.16%
14 to 35 days	298	323
	36.56%	35.42%
36 to 49 days	48	54
	5.89%	5.92%
50 to 70 days	28	21
	3.44%	2.3%
More than 70 days	10	14
	1.23%	1.53%
Total for officials and contract staff	815	912

ARTICLES 8 AND 9(2): EXCEPTIONAL GRANTING OF REST LEAVE

On 28 April 2004 the Commission decided to transfer the exercise of the powers conferred by the Staff Regulations on the appointing authority and of those conferred by the Conditions of Employment of Other Servants on the authority responsible for concluding contracts of employment (the Director-General of RELEX).

Since the entry into force of the new Staff Regulations on 1 May 2004, exceptional granting of rest leave also applies to contract staff serving in third countries.

Under its regular annual exercise, the appointing authority decided on 8 April 2005 to grant rest leave for the year 2005, by way of exception, only for places of employment where living conditions were considered “particularly difficult”, on the basis of the parameters used to fix the living-conditions allowance each year, and for places declared to be in crisis.

Strict application of the conditions set out in Article 8 of Annex X resulted in this entitlement being accorded for 32 places of employment in 2005 (see Annex I), compared with 30 in 2004. For places in a state of emergency, entitlement is granted in proportion to the actual duration of the crisis.

CHAPTER 4: PAY AND SOCIAL SECURITY BENEFITS

SECTION 1 EMOLUMENTS AND FAMILY ALLOWANCES

ARTICLE 10(1): LIVING CONDITIONS ALLOWANCE

On 28 April 2004 the Commission decided to transfer the exercise of the powers conferred by the Staff Regulations on the appointing authority and of those conferred by the Conditions of Employment of Other Servants on the authority responsible for concluding contracts of employment (the Director-General of RELEX).

Since the entry into force of the new Staff Regulations on 1 May 2004, the living conditions allowance also applies to contract staff serving in third countries.

On 20 December 2004 the appointing authority fixed the living conditions allowance rates for 2005 as shown in the table in Annex II:

- 1 increase (from 15% to 20%): Jamaica.
- 2 increases (from 30% to 35%): Laos and Pakistan.
- 1 decrease (from 20% to 15%): Romania.
- 1 decrease (from 30% to 25%): Cape Verde.
- 2 decreases (from 35% to 30%): Algeria and Serbia and Montenegro/Kosovo.

A mid-year exercise took effect on 1 July 2005 (appointing authority decision of 21 September 2005) for the following places of employment:

- 1 increase (from 15% to 20%): South Africa.
- 1 decrease (from 20% to 15%): Bulgaria.
- 3 abolitions (from 10% to 0%): Australia, Croatia and New Zealand, since the departments concerned consider the living conditions in these countries equivalent to those usual in the 25-member Community (see second subparagraph of Article 10(1) of Annex X to the Staff Regulations).

ARTICLE 10(2): ADDITIONAL ALLOWANCE

On 28 April 2004 the Commission decided to transfer the exercise of the powers conferred by the Staff Regulations on the appointing authority and of those conferred by the Conditions of Employment of Other Servants on the authority responsible for concluding contracts of employment to the Director-General of RELEX.

Since the entry into force of the new Staff Regulations on 1 May 2004, the additional allowance also applies to contract staff serving in third countries.

No new additional allowances were granted in 2005. Additional allowances were lowered for the following postings:

Delegation	Date of effect	Allowance (%)	Number of officials concerned
Côte d'Ivoire (Abidjan)	7.11.2004	5	8
	from 8.11.2004	10	
	from 1.6.2005	5	

ARTICLES 11 AND 12: PAYMENT OF REMUNERATION

The currency in which remuneration to officials and contract staff was paid in 2005 breaks down as follows in percentage terms:

- 72% opted to have their salaries paid in euros under Article 11 of Annex X to the Staff Regulations;
- 25% requested payment of part of their salary in local currency. Of these, 48% asked for the maximum allowed by the internal directives relating to Article 12 of Annex X (80%) and the remainder opted for percentages varying between 7% and 78%;
- under the second paragraph of Article 12 of Annex X, 14% requested payment of part of their remuneration in a currency other than that of their place of employment (Angola, Kazakhstan, Democratic Republic of Congo and Ukraine), on the basis of the necessary supporting documents.

ARTICLE 13: WEIGHTING

Since the new Staff Regulations entered into force on 1 May 2004,

- weightings also apply to contract staff serving in third countries;
- Article 13 of Annex X to the new Staff Regulations now requires the Council to set the weightings applicable in third countries annually.

Article 33(4) of the Treaty on the accession of the ten new Member States created a legal basis for extending the application of Annex X of the Staff Regulations (rules applicable to staff working outside the Community) to officials remaining in post in the new Member States for a maximum period of fifteen months after accession. Therefore, weightings should be set for these new Member States not only in accordance with Annex XI but also in accordance with Annex X to the Staff Regulations.

On 27 February 2006 the Council adopted Regulation No 351/2006² laying down the weightings applicable from 1 July 2005 to the remuneration of officials, contract staff and temporary staff of the European Communities serving in third countries.

The Commission also approved on 18 July 2005³ the Decision adjusting the weightings applicable from 1 August, 1 September, 1 October, 1 November, 1 December 2004, and 1 January 2005, and on 16 January 2006⁴ the Decision adjusting the weightings applicable from 1 February, 1 March, 1 April, 1 May and 1 June 2005 to the remuneration of officials, contract staff and temporary staff of the European Communities serving in third countries.

In 2005 the Working Party on Article 64 of the Staff Regulations looked for the first time at the possibility of increased coordination between the main public bodies active in this area, with a view to improving the statistical quality of the weightings and the convergence between the results of such bodies.

ARTICLE 15: EDUCATION ALLOWANCES

A total of EUR 3 818 180.64 was paid in education allowances in the year 2004/2005. The system of granting advances to officials whose school fees were particularly high was maintained. All the advances granted for the 2004/2005 school year were settled within the prescribed deadlines.

Following an overall increase in school expenses for some delegations, particularly in Japan, Washington and New York, the Commission allowed fee ceilings to be exceeded.

² OJ L 59, 1.3.2006, p. 1.

³ OJ L 190, 22.7.2005, p. 29.

⁴ OJ L 21, 25.1.2006, p. 17.

Such authorisations were, however, exceptional and covered children receiving instruction at the place of employment in an international school awarding European or international baccalaureates. The aim was to allow children to continue in their current school. In another case of applying the principle of continuity with regard to studies, 17 officials in retraining, covered by Annex X, also received school expenses exceeding the ceilings for the 2004/2005 school year. The total amount paid over and above the maximum for the 2004/2005 school year came to EUR 181 987.43.

In 2004/2005 the Commission also launched Education allowance A. This allowance, which concerns children who are under 8 and not in their first year of primary school, was brought in by the administrative reform of 1 May 2004. Under Article 15 of Annex X, the Commission was able to make a contribution to the pre-school expenses of officials serving in third countries. There were 35 authorisations to exceed the ceiling, totalling EUR 79 900, and 65 applications for reimbursement below the ceiling were paid, totalling EUR 27 042.64.

ARTICLE 16: INSTALLATION AND RESETTLEMENT ALLOWANCES

In 2005 allowances paid for installation (for officials transferred from headquarters to a delegation or from one delegation to another) and resettlement (for officials in a delegation definitively ceasing their functions) totalled EUR 3 176 424.63 (compared with EUR 2 440 382.86 in 2004).

The amount breaks down as follows:

- Installation allowances
 - EUR 2 544 183.03 for payments made in Belgium, directly by the PAIE.
 - EUR 346 645.77 for payments in local currency in the official's place of employment, with application of economic parity (weighting and associated exchange rate).
- Resettlement allowances
 - EUR 55 206.19 for resettlements in Belgium; and
 - EUR 230 389.64 for payments in local currency in the country to which the officials resettled, with application of economic parity.

SECTION 2: RULES RELATING TO THE REIMBURSEMENT OF EXPENSES

ARTICLE 17: REIMBURSEMENT OF EXPENSES INCURRED IN RESPECT OF REMOVAL OF FURNITURE AND ACTUAL INSTALLATION ALLOWANCES FOR OFFICIALS NOT IN FURNISHED ACCOMMODATION PROVIDED BY THE INSTITUTION

This article was not applied in 2005.

ARTICLE 18: TEMPORARY ACCOMMODATION

164⁵ decisions authorising temporary accommodation were taken in 2005 (versus 187 in 1998, 163 in 1999, 195 in 2000, 184 in 2001, 318 in 2002, 270 in 2003 and 284 in 2004).

ARTICLE 19: SERVICE CARS/MILEAGE ALLOWANCE

This article was not applied in 2005.

ARTICLE 20: TRAVEL EXPENSES FOR REST LEAVE

Travel expenses for rest leave were reimbursed based on the distance between the place of employment and the place of leave determined by the Commission. Where the place of rest leave was disregarded, reimbursement could be claimed up to the same amount. Expenditure in 2005 was EUR 700 000.

ARTICLE 21: REIMBURSEMENT OF THE COST OF TRANSPORTING PERSONAL EFFECTS, REMOVALS AND STORAGE

There were 324 removals in 2005 (compared with 266 in 1998, 237 in 1999, 278 in 2000, 324 in 2001, 358 in 2002, 331 in 2003 and 415 in 2004) under the rules for the removal of personal effects, which were updated in 1997 and implemented in 1998.

ARTICLE 23: REIMBURSEMENT OF RENT WHERE THE OFFICIAL IS NOT PROVIDED WITH ACCOMMODATION BY THE INSTITUTION

In 2005⁶ Article 23 was applied in 134 cases, 48 involving officials and 86 contract staff (compared to 10 cases in 1999, 8 in 2000, 7 in 2001, 31 in 2002, 40 in 2003 and 31 in 2004).

SECTION 3: SOCIAL SECURITY

ARTICLE 24(3): REPATRIATION IN THE EVENT OF A MEDICAL EMERGENCY OR AN EXTREME MEDICAL EMERGENCY

The Medical Service authorised 77 repatriations in 2005, 58 of them for a medical emergency (total repatriations of this type numbered 75, because some persons requiring individual follow-up were evacuated on multiple occasions) and 2 for an extreme medical emergency.

The SOS Air Ambulance annual premium cost EUR 16 905 in 2005.

⁵ Based on 121 responses received from delegations.

⁶ Based on 121 responses received from delegations.

ARTICLE 25: ACCIDENT COVER FOR DEPENDANTS OF OFFICIALS

There were 5 claims in 2005 under the accident cover for officials' dependants.

ANNEX I

DETERMINATION OF ENTITLEMENT TO REST LEAVE

(Article 8 of Annex X)

Date of effect: 1 January 2005

LIVING CONDITIONS ALLOWANCES		
Number of days and periods	Place of employment	Place of rest leave
9 working days in up to 3 instalments (living conditions allowance \geq 12 points)	Afghanistan	Brussels (Belgium)
	Bangladesh	Phuket (Thailand)
	Liberia	Dakar (Senegal)
	Papua New Guinea	Darwin (Australia)
	Central African Republic	Libreville (Gabon)
	Sierra Leone	Dakar (Senegal)
	Sudan	Mombassa (Kenya)
	Chad	Dakar (Senegal)
6 working days in up to 2 instalments (living conditions allowance = 11 points)	Angola	Windhoek (Namibia)
	Armenia	Vienna (Austria)
	Burundi	Mombassa (Kenya)
	Congo	Libreville (Gabon)
	Georgia	Vienna (Austria)
	Guinea	Dakar (Senegal)
	Mauritania	Casablanca (Morocco)
	Niger	Libreville (Gabon)
	Pakistan	Delhi (India)
Democratic Republic of the Congo	Libreville (Gabon)	
3 working days in no more than 1 instalment (living conditions allowance = 10 points)	Cameroon	Mombassa (Kenya)
	Côte d'Ivoire	Dakar (Senegal)
	Guinea-Bissau	Dakar (Senegal)
	Guyana	Cayenne (French Guyana)
	Haiti	Santo Domingo (Dominican Republic)
	Solomon Islands	Brisbane (Australia)
	Kazakhstan	Frankfurt (Germany)
	Kyrgyzstan	Frankfurt (Germany)
	Laos	Phuket (Thailand)
	Nigeria	Libreville (Gabon)
	Rwanda	Mombassa (Kenya)
	Tajikistan	Frankfurt (Germany)
	Togo	Libreville (Gabon)
Yemen	Dubai (United Arab Emirates)	
ALLOWANCES FOR STATES OF EMERGENCY IN 2004		
Number of days and periods	Place of employment	Place of rest leave
9 working days in up to 3 instalments	Serbia and Montenegro (Pristina) (living conditions allowance = 8 points; emergency = 12 months in 2004)	Vienna (Austria)
3 working days in no more than 1 instalment	Saudi Arabia (living conditions allowance = 7 points; emergency = 5.5 months in 2004)	Dubai (United Arab Emirates)

ANNEX II

PLACES OF POSTING AND LIVING CONDITIONS ALLOWANCE RATES (Article 10 of Annex X)

Date of effect: 1 January 2005

40%	35%	30%	25%	20%	15%	10%	No allowance
Afghanistan	Angola	Albania	Saudi Arabia	Former Yugoslav Rep. of Macedonia	South Africa	Australia	Canada
Bangladesh	Armenia	Algeria	Benin	Bosnia and Herzegovina	Argentina	Barbados	United States (New York)
Liberia	Burundi	Burkina Faso	Bolivia	Bulgaria	Botswana	Brazil	United States (Washington)
Papua New Guinea	Cameroon	Cambodia	Cape Verde	South Korea	Chile	Croatia	Norway
Central African Republic	Congo	Djibouti	China (Beijing)	Cuba	China (Hong Kong)	Morocco	Switzerland
Sierra Leone	Côte d'Ivoire	Ethiopia	West Bank – Gaza Strip	Gabon	Costa Rica	Mauritius	
Sudan	Georgia	India	Colombia	Israel	El Salvador	Namibia	
Chad	Guinea	Indonesia	Egypt	Jamaica	Honduras	New Zealand	
	Guinea-Bissau	Mali	Ecuador	Lesotho	Japan (Tokyo)	Dominican Republic	
	Guyana	Mozambique	Eritrea	Malaysia	Jordan	Trinidad and Tobago	
	Haiti	Nepal	Gambia	Mexico	Lebanon	Tunisia	
	Solomon Islands	Serbia and Montenegro (Pristina)	Ghana	Serbia and Montenegro (Belgrade)	New Caledonia	Uruguay	
	Kazakhstan	Sri Lanka	Guatemala	Swaziland	Paraguay		
	Kyrgyzstan	Tanzania	Fiji	Syria	Romania		
	Laos	Vietnam	Japan (Naka)	Thailand	Senegal		
	Mauritania	Zambia	Kenya	Vanuatu	Singapore		
	Niger		Madagascar	Zimbabwe	Taiwan		
	Nigeria		Malawi		Turkey		
	Pakistan		Nicaragua				
	Democratic Republic of Congo		Uganda				
	Rwanda		Peru				
	Tajikistan		Philippines				
	Togo		Russia				
	Yemen		Suriname				
			Ukraine				
			Venezuela				

ANNEX III

PLACES OF POSTING AND LIVING CONDITIONS ALLOWANCE RATES

(Article 10 of Annex X)

Date of effect: 1 July 2005

40%	35%	30%	25%	20%	15%	10%	No allowance
Afghanistan	Angola	Algeria	Saudi Arabia	South Africa*	Argentina	Barbados	Australia *
Bangladesh	Armenia	Albania	Benin	Former Yugoslav Rep. of Macedonia	Botswana	Brazil	Canada
Liberia	Burundi	Burkina Faso	Bolivia	Bosnia and Herzegovina	Bulgaria *	Morocco	Croatia *
Papua New Guinea	Cameroon	Cambodia	Cape Verde	South Korea	Chile	Mauritius	United States (New York)
Central African Republic	Congo	Djibouti	China (Beijing)	Cuba	China (Hong Kong)	Namibia	United States (Washington)
Sierra Leone	Côte d'Ivoire	Ethiopia	West Bank – Gaza Strip	Gabon	Costa Rica	Dominican Republic	Norway
Sudan	Georgia	India	Colombia	Israel	El Salvador	Trinidad and Tobago	New Zealand*
Chad	Guinea	Indonesia	Egypt	Jamaica	Honduras	Tunisia	Switzerland
	Guinea-Bissau	Mali	Ecuador	Lesotho	Japan (Tokyo)	Uruguay	
	Guyana	Mozambique	Eritrea	Malaysia	Jordan		
	Haiti	Nepal	Gambia	Mexico	Lebanon		
	Solomon Islands	Serbia and Montenegro (Pristina)	Ghana	Serbia and Montenegro (Belgrade)	New Caledonia		
	Kazakhstan (Almaty)	Sri Lanka	Guatemala	Swaziland	Paraguay		
	Kyrgyzstan	Tanzania	Fiji	Syria	Romania		
	Laos	Vietnam	Japan (Naka)	Thailand	Senegal		
	Mauritania	Zambia	Kenya	Vanuatu	Singapore		
	Niger		Madagascar	Zimbabwe	Taiwan		
	Nigeria		Malawi		Turkey		
	Pakistan		Nicaragua				
	Democratic Republic of Congo		Uganda				
	Rwanda		Peru				
	Tajikistan		Philippines				
	Togo		Russia				
	Yemen		Suriname				
			Ukraine				
			Venezuela				

* Some officials remaining in their post in the new Member States after accession will receive the living conditions allowance applicable prior to accession for a transition period of up to 15 months beginning on 1 May 2004.