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COMMUNICATION FROM THE COMMISSION

on the multiannual plan to allocate External Service resources



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As part of the reorganisation of delegation staff, it is proposed that three offices be adjusted (Antigua and Barbuda, Tonga, Vanuatu). These offices would no longer have regular officials but local staff (AI. and/or ALAT). Officials in the regional delegations will be responsible for cooperation with those countries.

Under the regionalisation programme at least 5 A posts will be reassigned.

3. Programme for the reorganisation of staff and the redeployment of posts between delegations (see Annex II)

The reorganisation exercise takes into account the number of officials and graduate-level local staff. The aim is to ensure that each delegation has an adequate number of officials who will be responsible for public-service tasks.

On the basis of this analysis, it is proposed that a total of 6 A officials be redeployed in the following delegations: Botswana (1), Madagascar (1), Nigeria (1), following the closure of Lagos and the transfer of the delegation to Abuja, Senegal (2), Venezuela (1). In addition there would be 1B in Paris and 1C in Malta.

Some of the redeployments could be offset, at no extra cost, by the assignment of Group I local staff posts so that the staff reorganisation exercise begun in 1996 can continue.

4. Opening of new delegations and offices

Implementation of the multiannual programme for the opening of delegations and offices up to 2002 (see Annex III) will take into account the political priorities updated to take account of developments in the various regions of the world, the financial and human resources available, priorities established on the basis of the other criteria set out above and Parliament's request that the total number of delegations be limited to 120.

The proposed new delegations and offices fit into a coherent Commission representation programme.

In the former Yugoslavia zone, given the EU's role in that region, it is important that the Commission be represented in all the countries which have emerged from that state. The Commission already has delegations in Belgrade (a chargé d'affaires) and in *Bosnia and in* Slovenia. It is now proposed that the posts of Special Envoy in Croatia, if political conditions allow, *and* in FYROM be converted into delegations.

In the region of the former Soviet Union, the Commission is represented in Moscow, the three Baltic Republics and Ukraine. The delegation in Kiev which operates on a regional basis also covers Moldova and Belarus. In addition, in the Caucasus, the regional delegation in Georgia also covers Armenia. For political reasons, the same Head of Delegation should not be accredited to both Armenia and Azerbaijan. For that reason, in view of the economic interests and the large amount of aid involved, it is proposed that a delegation be opened in Azerbaijan. Responsibility for Armenia is currently assumed by the regional delegation in Georgia (Tbilisi). This situation is satisfactory and, with the opening of a delegation in Baku, the Commission would be properly represented in the Caucasus.

Memorandum on the multiannual plan to allocate External Service resources (regionalisation of the network, redeployment of staff and system for the allocation and management of resources)

INTRODUCTION

Since March 1996, the Commission has approved a series of papers on the development of its External Service:

- the report on "The longer-term requirements of the External Service", on 27 March 1996 (SEC(96)554).
- the communication "Staff redeployment and rationalisation of the network", on 27 March 1996 (SEC(96)554/2).
- the communication "Development of the External Service of the Commission", on 8 April 1997 (SEC(97)605).

In the last communication, the Commission called on its departments to "submit memoranda on changes in the existing network through restructuring and extension in 1997-98 and the next round of redeployment measures for 1997 and 1998, in conjunction with the rotation exercises over the same two years". This should have been accompanied by a multiannual programme for the opening of new Delegations and Offices in the light of various criteria, including the volume of aid-management activities in relation to the running costs of a delegation or an office (cost-effectiveness analysis).

In the Decision of 8 April 1997, the Commission also requested that redeployment begun in 1996 to reorganise staff be continued while taking into account changes in Delegations' remits and staff requirements and that improvements be made to the ratio, at present unbalanced in certain parts of the network, between officials responsible for public service tasks and other staff in each Delegation. For that purpose, staff were redeployed to Delegations in countries where Community aid is concentrated: 23 posts were redeployed within the network in 1996, 15 from headquarters to the delegations in 1997 and at least 21 posts to be redeployed from headquarters to the delegations in 1998.

As part of the 1998 budget exercise, Parliament laid down two conditions for releasing the Title VI appropriations from the reserve, one being that at least 20 posts should be redeployed from headquarters to the delegations and the other "a review of political priorities in terms of the opening of new delegations, possible conversion of delegations into offices or possible closure of offices".

This communication sets out a plan for the conversion of delegations into offices and for adjustments to offices, determines the posts to be redeployed and establishes a multiannual plan for the opening of delegations and offices up to the year 2002.¹

The proposals made in this memorandum are the second step following the Commission's March 1996 decisions. A more detailed analysis of the Commission's external representation network will be prepared to act on the findings of the examination of the RELEX DGs in the "Designing Tomorrow's Commission" operation and the impact of the recent creation of the Joint Service for implementing Community aid to non-member countries. This analysis will also take in the effects of applying the decentralisation and devolution policies. In the light of the results of this analysis, new proposals for restructuring the network will be put to the Commission before end-1999.

PLAN FOR THE ALLOCATION OF RESOURCES TO THE EXTERNAL SERVICE 1998-2000

1. Criteria

On the basis of the above three communications and given the probability of relative stagnation in the creation of additional posts for External Service officials in the years to come (2 C posts in 1998 and at most 2 A posts, 1 B and 1 C post in 1999, sufficient posts to open only one new delegation), the Commission has made an in-depth and systematic study of the delegation network on the basis of the following criteria:

- political imperatives for the Commission's presence in the host country;
- average volume of aid dispensed by A official and Group I local staff by delegation and the importance of cooperation agreements;
- running costs of a delegation in the light of the volume of aid management activities (cost/effectiveness);
- an examination of the tasks carried out in the delegations compared with headquarters;
- the need to guarantee the minimum number of officials capable of performing public-service tasks.

This communication lays down a multiannual plan, comprising measures for the regionalisation of the network, reorganisation of the External Service staff and a programme for the opening of delegations and offices, based on that study. The

¹ NB A Delegation consists of a Head of Delegation accredited to the host country (and, in the case of a regional delegation, to other neighbouring countries), a number of officials and other staff. An Office consists of one official, who is the resident adviser, and local staff. The resident adviser reports to a non-resident Head of Delegation who is accredited to the government of the country where the resident adviser resides.

principles applied so far to the restructuring of the External Service network, namely regionalisation and staff reorganisation also underpin this exercise.

The principle of **regionalisation** entails establishing the presence of the Commission on a regional basis, either at the outset or by conversion of certain existing structures. This regional representation centres on a regional delegation, whose Head is accredited in one or more countries of the region. In the other countries depending on the regional delegation, the Commission can either be represented by an office with a single residence officer or not be represented at all. The principle of **reorganisation** involves the search for a more even balance in each delegation between regular Commission officials and other (local) staff, in particular university graduates.

2. Regionalisation

a. Current situation

One of the main objectives of the development of the External Service is to regionalise the presence of the Commission in all parts of the network.

At present, 27 regional delegations are scattered throughout each geographical zone in the world. In these cases each Head of Delegation is accredited to at least two non-member countries.

There are 7 regional delegations in Latin America and the Caribbean:

Barbados, Colombia, Costa Rica, Jamaica, Mexico, Trinidad and Tobago, Uruguay.

There are 7 regional delegations in Africa:

Cameroon, Ethiopia, Gabon, Kenya, Madagascar, Mauritius, Senegal.

There are 10 regional delegations in the Asia-Pacific zone and the Middle East:

Australia, China, Fiji, Hong Kong, India, Indonesia, Jordan, Papua-New Guinea, Sri Lanka, Thailand.

There are 3 regional delegations in Europe:

Georgia, Norway, Ukraine.

At present one delegation out of four is a regional delegation thereby making it possible to make economies of scale and to have specialists within the delegation who can cover action in the neighbouring countries (for example, agronomist, civil engineer).

The continuation of the regionalisation programme for 1998-2002 is presented below.

b. Future programme (see Annex I)

The objective is to start a new movement towards a better equilibrium between the (human and financial) resources deployed by the Commission in the various regions of the globe.

It is thus proposed that one delegation be converted into an office (Suriname).

As part of the reorganisation of delegation staff, it is proposed that three offices be adjusted (Antigua and Barbuda, Tonga, Vanuatu). These offices would no longer have regular officials but local staff (AL and/or ALAT). Officials in the regional delegations will be responsible for cooperation with those countries.

Under the regionalisation programme at least 5 A posts will be reassigned.

3. Programme for the reorganisation of staff and the redeployment of posts between delegations (see Annex II)

The reorganisation exercise takes into account the number of officials and graduate-level local staff. The aim is to ensure that each delegation has an adequate number of officials who will be responsible for public-service tasks.

On the basis of this analysis, it is proposed that a total of 6 A officials be redeployed in the following delegations: Botswana (1), Madagascar (1), Nigeria (1), following the closure of Lagos and the transfer of the delegation to Abuja, Senegal (2), Venezuela (1). In addition there would be 1B in Paris and 1C in Malta.

Some of the redeployments could be offset, at no extra cost, by the assignment of Group 1 local staff posts so that the staff reorganisation exercise begun in 1996 can continue.

4. Opening of new delegations and offices

Implementation of the multiannual programme for the opening of delegations and offices up to 2002 (see Annex III) will take into account the political priorities updated to take account of developments in the various regions of the world, the financial and human resources available, priorities established on the basis of the other criteria set out above and Parliament's request that the total number of delegations be limited to 120.

The proposed new delegations and offices fit into a coherent Commission representation programme.

In the former Yugoslavia zone, given the EU's role in that region, it is important that the Commission be represented in all the countries which have emerged from that state. The Commission already has delegations in Belgrade (a chargé d'affaires) and in Slovenia. It is now proposed that the posts of Special Envoy in Croatia, and if political conditions allow, in FYROM be converted into delegations.

In the region of the former Soviet Union, the Commission is represented in Moscow, the three Baltic Republics and Ukraine. The delegation in Kiev which operates on a regional basis also covers Moldova and Belarus. In addition, in the Caucasus, the regional delegation in Georgia also covers Armenia. For political reasons, the same Head of Delegation should not be accredited to both Armenia and Azerbaijan. For that reason, in view of the economic interests and the large amount of aid involved, it is proposed that a delegation be opened in Azerbaijan. Responsibility for Armenia is currently assumed by the regional delegation in Georgia (Tbilisi). This situation is satisfactory and, with the opening of a delegation in Baku, the Commission would be properly represented in the Caucasus.

As regards Central Asia, a regional delegation already exists in Kazakhstan, whose Head is also accredited in Kyrgyzstan. It is proposed that another regional delegation be opened in Uzbekistan, whose Head would be accredited in Tajikistan and Turkmenistan. With this new delegation the Commission would be properly represented in Central Asia.

In the Arab and Islamic world, the Commission is well represented in the Maghreb and Mashrek countries (the delegation in Jordan is a regional delegation) but not between Damascus and Islamabad. The opening of a delegation in Saudi Arabia is part of the regionalisation process: it would cover each of the 6 Gulf countries (Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman) and strengthen relations between the EU and the Gulf Cooperation Council which has its secretariat in Riyadh.

The Commission is represented in South-East Asia by regional delegations in Indonesia and Thailand. In view of the economic importance of the region and despite recent developments, it is proposed that a delegation be opened in Malaysia. Commercial policy calls for the opening of an office in Taiwan. On account of the specific nature of this representation, the procedures for opening the office should be set out carefully.

The Commission is represented in several countries in Latin America. Four regional delegations already exist (Colombia, Costa Rica, Mexico and Uruguay). It is proposed that given the volume of aid, offices be opened in Paraguay and Ecuador (which would come under the delegations in Uruguay and Columbia respectively).

Since a delegation's remit requires a minimum number of functions, each new delegation will need to have at least two A officials, a B official and a C official and an office must have only one A official. The multiannual programme for the opening of new delegations and offices calls for 13 A + 7 B + 7 C additional posts in all over the next four years (including Algeria and Liberia).

The additional budget necessary for the implementation of this programme totals ECU 11.85 million for the first twelve months of operation, of which almost a quarter (ECU 3.5 million) could be financed through regionalisation (conversion of delegations and adjustment of offices) of the network. In view of the fact that expenditure incurred in the first year is more than when cruising speed is attained, operating costs will be less after the first year.

This means that the balance of ECU 8 to 9 million for the programme of new delegations and offices should be sought from either additional budgetary resources or through a more ambitious conversion and adjustment programme or by slowing down the programme for opening new delegations and offices. It should be noted that two A posts, 1 B post and 1 C post have been requested in the 1999 budget with the concomitant appropriations of ECU 1 million.

The specific proposals for openings will be submitted to the Commission for a decision individually depending on budgetary availabilities. The Council and Parliament will be informed of the Commission decision.

5. Conclusions

The regionalisation and reorganisation programme will release **11 A posts, 1 B post and 1 C post** for redeployment.

The programme for opening new delegations and offices will require **13 A, 7 B and 7 C posts**.

That means that 11 of the 13 A posts required for the programme of new delegations and offices will be available as the regionalisation and reorganisation programmes are implemented. These posts will be offset, where necessary, by Group I (university level) local staff or by ALATS. The remaining 2 A posts, 6 B post and 6 C posts will be sought from the existing resources of the External Service or by possible increases in the budget or by redeploying posts from headquarters to the delegation, the latter operation entailing additional costs.

The utilisation of the posts to be redeployed will be defined in direct liaison with redeployment as part of the decentralisation and devolution of activities of the RELEX Directorates-General, the setting up of the SCR, developments in the economic and political situation in the various parts of the world, in accordance with the evaluation criteria set out in this communication.

THE REGIONALISATION AND TRANSFORMATION PROGRAMME UNTIL 2002
SOME CHARACTERISTICS OF DELEGATIONS AND OFFICES PROPOSED FOR TRANSFORMATION

	Responsible Delegation	Delegation to be transformed into Office	Offices to be down graded			Office to be closed
		Surinam Guyane	Antigua and Barbuda Barbados	Tonga Fidji	Vanuatu Fidji	Nigeria Lagos Abuja
Population	Millions	0,41	0,065	0,104	0,169	111,27
PNB	US \$/capita	880	6,000 ¹	1.630	1.200	220
EU Trade	Imports Mio US\$	172,3	36,7	0,6	15,2	n/a
	Exports Mio US\$	119,7	178,9	7,3	7,8	n/a
EU Cooperation: Disbursements	MECU 1994	2,12	1,82	3,54	0,80	24,9
	MECU 1995	4,70	0,40	0,96	2,31	15,3
	MECU 1996	4,88	0,06	1,40	2,47	9,5
Average	1994-96	3,90	0,76	1,97	1,86	16,6
	Highest	4,88	0,76	1,97	2,47	16,6
Staff #	A	3	1	1	1	4
	B	0	0	0	0	0
	C	0	0	0	0	0
	Gr I	0	0	0	0	0
	Staff A+Gr I	3	1	1	1	0
	Grant per A/Gr I (MECU)	1,6	0,8	2,0	2,5	
	Staff reduction: A	-2	-1	-1	-1	-1 ²⁾
B	0	0	0	0	0	
C	0	0	0	0	0	
Operating costs	ECU 1996	888.707	300.887	250.891	240.913	1.294.463

¹ Estimate

² 3 Staff grade A are moved to Abuja

n/a Not available

PROGRAMME DE RECOMPOSITION ET DE REDEPLOIEMENT

TOTAL DISBURSEMENTS of GRANTS BY DELEGATIONS IN RELATION TO STAFF SIZE
Amounts in million ECU

DELEGATIONS OFFICES	Disbursements			Average 1994-96	Highest (Average or 1996) (1)	Staff			Ratio Grant per A/gr1-grade		SCREENING	Modified Ratio Grants/A (5)=(1)/(2)-(4))
	1994	1995	1996			A-grade 31 '12 97	Gr-1 Total (2)	Averages	Highest (3)=(1)/(2)	Regionalisation Recomposition		
												Modified Staff A level
Botswana, Gaborone	8,62	8,91	4,04	7,19	7,19	5	0	5	1,4	1,4	-1	1,8
Madagascar, Antananarivo	30,65	21,59	83,31	45,18	83,31	6	1	7	6,5	11,9	-1	13,9
France, Paris	n/a	n/a	n/a	n/a	n/a	4	0	4	n/a	n/a	-1 B	n/a
Senegal, Dakar	87,48	67,33	83,67	79,49	83,67	7	2	9	8,8	9,3	-2	12,0
Venezuela, Caracas	1,80	9,26	4,20	5,09	5,09	2	4	6	0,8	0,8	-1	1,0
Malte	1,39	3,18	3,18	2,58	3,18	1	2	3	0,9	1,1	-1 C	1,1

Total

-5 A
-1 B
1 C

PROGRAMME D'OUVERTURES

Total extra posts required

	<u>Reactivation costs</u>	A	B	C
reactivation of Algeria	1.51 m ECU			1
re-opening of Liberia	0.63 m ECU			
TOTAL	2.14 m ECU	0	0	1
	<u>total cost of first year</u>			
opening of a Delegation in Azerbaijan	1.47 m ECU	2	1	1
Croatia	1.24 m ECU	1	1	1
FYROM	1.39 m ECU	1	1	1
Saudi Arabia	1.98 m ECU	2	1	1
Malaysia	1.46 m ECU	2	1	1
Uzbekistan	1.69 M ECU	2	1	1
opening of a representation in Taiwan	1.37 m ECU	1	1	1
opening of a representation in Paraguay	0.70 m ECU	1		
Opening of a representation in Ecuador	0.55 m ECU	1		
TOTAL	11.85m ECU	13	7	7

NB: The opening of a Delegation in Switzerland is envisaged