



COMMISSION OF THE EUROPEAN COMMUNITIES

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

Consolidation and expansion of the External Service

1. INTRODUCTION

The network of Delegations and the latest changes

50 years after the establishment of the first representation abroad of the European Communities, the External Service has evolved into a very broad, consistent and coherent network. With the full implementation of the latest decisions concerning the evolution of the network, there are now 127 Delegations and other representations through which the Commission represents the Communities and promotes the European Union's interests throughout the world. All in all, the Commission is now represented in 155 countries, and it also has 5 Delegations to International Organisations. More than 1000 officials and 3800 other staff are currently serving abroad.

In 2001, the Commission gave new impetus to the network of Delegations, launching a process of regionalisation and a review of the entire network, which led to a number of new openings, closures and other changes. In 2003, the Commission decided on further significant changes to increase the coherence of the network, including 2 new openings (in Yemen and in New Zealand) and 16 upgrades and name changes, which led to the conclusion of a number of Establishment Agreements and to the redeployment of officials from other Delegations in the region. Both Communications have been now entirely implemented.

In parallel, a major effort took place to implement the deconcentration process, which is an essential part of the reform of the Commission¹. Deconcentration to the majority of the 80 Delegations concerned has now been accomplished. This has required the mobilisation of very significant additional human and financial resources; at the end of this period (2000-2004) a total of 1561 staff (359 officials and 1202 external staff) had been mobilised to work in delegations. The financing of devolution has been secured through a mix of resources; the costs for officials have in particular been financed against the External Service former A-6 budget line.

The above effort has imposed a very significant investment in human and financial terms. In that context, the Commission has striven to implement the latest changes to its network of Delegations within the budgetary limits of former title A-6 for 2004, through the redeployment of human and financial resources (see table below).

¹ The objectives of deconcentration were to reduce substantially the time taken to implement projects; to make significant improvements in the quality and responsiveness of project/programme management; to ensure robust financial, technical and contractual management procedures in line with the best international standards on propriety and accountability; and to improve the impact and visibility of EC development cooperation and aid

Table 1 – financial impact from openings within last three years (estimates)

<i>Delegation</i>	<i>Date of establishment</i>	<i>Start-up costs (in €)</i>	<i>Yearly costs (in €)</i>	<i>Total</i>
Paraguay	30/11/2001	0	102.636	102 636
Cambodia	14/12/2001	0	33.816	33 816
Nepal	13/03/2002	93.700	24.708	118 408
Singapore	05/04/2002	113.500	545.220	658 720
Taiwan	27/11/2002	113.500	371.220	484 720
Cuba	29/01/2003	83.700	72.708	156 408
Malaysia	13/02/2003	182.200	419.928	602 128
Laos	20/03/2003	93.700	21.708	115 408
Saudi Arabia	23/09/2003	142.200	461.928	604 128
Yemen	18/12/2003	93.700	24.708	118 408
N. Zealand	16/02/2004	113.500	383.220	496 720
<i>Total</i>		<i>1.029.700</i>	<i>2.461.800</i>	<i>3 491 500</i>

The need to absorb the financial impact of these openings within the limits of the available resources has further stretched the limited resources of the External Service.

2. DEVELOPMENT OF THE NETWORK

2.1. Political priorities for next openings

New political priorities for new openings have arisen since the adoption of these changes. The establishment of Delegations in **Switzerland** (Berne)² and **Moldova** (Chisinau)³ is now envisaged. In addition, a regionalised Delegation is proposed at a later stage for **Uzbekistan** (Tashkent),⁴ to be headed by a *Chargé d’Affaires a.i.* reporting to a non-resident Head of Delegation. Furthermore, given the evolution of EU-Sri Lanka relations and the longer-term EU response to the Tsunami in South-East Asia, it is proposed, as a matter of priority, to upgrade the regionalised Delegation in **Sri Lanka** to a fully fledged Delegation. Finally, the future opening of

² Already envisaged in document SEC(1998)1261 of 22 July 1998

³ Suggested in COM(2001)381 of 3 July 2001, subject to the existence of appropriate conditions.

⁴ Envisaged in document SEC(1998)1261 of 22 July 1998

Delegations in **Timor Leste** and **Iraq** is also envisaged, as soon as the political and practical conditions allow.

Most of these openings had already been mentioned in past proposals, which specified that they should be confirmed when the appropriate circumstances prevail. From an analysis of the current political situation and the advice of the relevant departments, it appears that this is now the case; very strong factors make these openings timely and necessary:

- Despite the importance of EU-**Switzerland** relations, the Commission does not yet have a Delegation in Berne. The need for this opening is recognised both by the Swiss authorities and by the Commission. Many factors militate for the establishment of a Delegation in Berne: the unique geographical situation of the Helvetic Confederation; the closeness of our relations (no other third country has as many agreements with the EU as Switzerland); and the importance of our trade flows (Switzerland is the EU's 4th largest commercial partner in absolute terms) are just a few of them. This question is becoming even more urgent as the overall bilateral relationship develops.
- For **Moldova**, the growing economic and political bilateral relations militate in favour of a permanent presence in the country. Indeed, the Commission has already expressed its support in the past for such a presence as soon as the political situation allows. Moldova is the only country covered by a European Neighbourhood Policy Action Plan where the Commission does not yet have a Delegation. The Action Plan will necessitate the opening of the Delegation by 2005 in order to implement the policies it endorses. Moldova is also keen to see greater EU involvement in the settlement of the Transnistria issue; with a delegation, the Commission will be in a better position to support this process.
- It is also envisaged given the evolution of the Western Balkans countries to open a Liaison Office in Montenegro.
- In view of the evolution of bilateral relations, and as part of the longer-term European Union response to the natural cataclysm in South-East Asia, the regionalised Delegation in **Sri Lanka** should become a fully fledged Delegation, in support of the European Union's longer-term effort to help repair the damage suffered.
- Openings in **Uzbekistan** and in **Timor Leste** are also envisaged, subject to the fulfilment of the necessary political and practical requirements, and provided the appropriate resources are available, which is currently not the case. These openings must be seen, respectively, in the context of the growing importance of our strategic interests in Central Asia and in the framework of the accession of East Timor to the EU-ACP Cotonou Agreement.
- Similarly, when the appropriate political and practical requirements are met, a Delegation in **Iraq** should also be established, to contribute to the EU's efforts to bring greater stability to that country. At the moment the necessary resources are not available.

- Finally, a liaison office in **Kosovo** has also been set up as a priority, to meet the current political circumstances in the area. For Montenegro such an opening is justified from a political point of view by the pressing need to strengthen the EU presence in the Region and from an assistance point of view by the need to replace the EAR. It is envisaged to open the Montenegro office as soon as possible, according to the availability of resources. The preparation of *ad hoc* systems for representation in the International Civil Aviation Organisation (Montreal) and in the Council of Europe (Strasbourg) is also underway.

2.2. Timing envisaged

In view of the political priorities, DG Relex is aiming to upgrade the Sri Lanka Delegation by May 2005 and to open the Delegation in Moldova in the first half of 2005, to be followed by the opening of a Delegation in Switzerland later on in the year.

2.3. Human and budgetary resources

As soon as the political priorities above were identified, the Commission started work on identifying the necessary resources for these openings. However, due to conflicting priorities, appropriations for these openings could not be entered in the 2005 budget proposal. It has therefore been necessary to consider alternative means of funding these openings by making savings elsewhere.

It needs to be borne in mind that, as the network is already over-stretched and the previous openings were already implemented by reassigning priorities within the allocated appropriations, only very limited opportunities for savings have been identified to date, which makes it necessary to prioritise the timing of these openings.

Notwithstanding these budgetary problems, the above-mentioned political priorities make these openings necessary and timely; they will therefore have to be put into effect with what resources as are currently available. This is to be accomplished mainly through redeployment of existing human resources - in particular from other Delegations in the region - and via the redistribution of budgetary resources from the entire network in order to cover the running costs, infrastructure, personnel and other expenses. This will involve a process of further rationalisation of available resources.

In the light of all the points set out above, the following table provides a guide as to the basic cost estimates and the preliminary timetable for the openings:

Table 2 - Foreseen impact and timetable

<i>Delegation/ Concept</i>	<i>Personnel</i>		<i>Costs</i>			<i>Tentative Opening date</i>
	<i>Officials (1)</i>	<i>Other staff (1)</i>	<i>Total Estimated Start-upcosts (2)</i>	<i>Total Estimated Yearly costs (1)</i>	<i>Total costs</i>	
Sri Lanka ⁽⁴⁾ (upgrade)	3A 2B 1C	1 AL III (admin)	678.000	718.536	1.396.536	May/June 2005
Moldova ⁽⁴⁾	2A 1B 1C	1 AL II 1 AL III 1 AL IV ⁽³⁾	583.500	308.376	891.876	July 2005
Switzerland	1A 1B 1C	1 AL II 1 AL III 1 AL IV	528.000	875.988	1.403.988	October 2005
Total	6A 4B 3C	2 AL II 3 AL III 2 AL IV	1.789.500	1.902.900	3.692.400	

(1) only additional costs linked to the openings/upgrades are listed here, as staff will be re-deployed.

(2) all costs will be covered by existing resources within the 2005 budget through a review of priorities.

(3) when Contract Agents are introduced, 1 secretary and 1 informatics officer are foreseen for Moldova.

(4) the necessary staff for the cooperation/aid and finances-contracts sections will be determined at a later stage with DG Aidco.

3. CONCLUSIONS

The new openings described above will be implemented as a matter of priority. The necessary financial and human resources will be covered by restructuring the current network, redeploying posts and reducing costs elsewhere. These reductions should not compromise the quality of the network, either at the new Delegations or in the Delegations subject to reductions in their resources to allow for the new openings. Hence the gradual timetable proposed above.

This effort also needs to be seen in the context of the preparatory work for the implementation of the Constitutional Treaty, subject to its ratification by the Member States. The Treaty, which was signed by the Heads of State and/or Government in Rome on 29 October 2004, includes a number of provisions which will deeply affect the structure and organisation of the external relations of the European Union and therefore of the External Service. The Treaty provides, among other things, for European Union Delegations to represent the Union in third countries and in international organisations.

Against this backdrop, it must be borne in mind that, although they are hierarchically part of the Commission structure, in practice Delegations serve the interests of the European Union as a whole, as described by the Commission in its Communication of 3 July 2001⁵. They do so by publicising, explaining and implementing EU policy, analysing the policies of the countries where they are accredited, and conducting negotiations in accordance with the mandate they have been given.

⁵ COM(2001) 381 of 3 July 2001.

The measures described in this Communication will contribute to the consolidation and expansion of a more coherent network, able to take on the additional obligations and duties from the new Constitutional Treaty.

FICHE FINANCIERE SIMPLIFIEE

Domaine(s) politique(s): RELATIONS EXTERIEURES

Activité(s): Service Extérieur

DÉNOMINATION DE L'ACTION: COMMUNICATION DE LA COMMISSION AU CONSEIL ET AU PARLEMENT EUROPÉEN – CONSOLIDATION ET EXPANSION DU SERVICE EXTERIEUR.

1. LIGNE(S) BUDGÉTAIRE(S) + INTITULÉ(S)

XX.010102: Dépenses relatives au personnel en activité des délégations de la Commission.

XX.010202: Personnel externe des délégations de la Commission

XX.010212: Autres dépenses de gestion des délégations de la Commission

XX.010302: Dépenses immobilières et dépenses connexes des délégations de la Commission.

2. DONNÉES CHIFFRÉES GLOBALES

2.1 Enveloppe totale de l'action (partie B): 2,582 Mio€ en CE en 2005 et 1,903 par année par la suite.

2.2 Période d'application

L'expansion prévue dans cette communication sera entamée et complétée au cours de l'exercice 2005. S'agissant de «l'upgrade» d'une délégation et l'ouverture des deux nouvelles délégations il n'y a pas une date limite prévue pour l'action.

2.3 Estimation globale pluriannuelle des dépenses

a) Echancier crédits d'engagement/crédits de paiement (intervention financière)
(cf. point 6.1.1)

Mio€ (à la 3^{ème} décimale)

	Année n	n + 1	n + 2	n + 3	n + 4	n + 5 et exer. suiv.	Total
Crédits d'engagement	2,582	1,903	1,903	1,903	1,903	1,903	12,097
Crédits de paiement	2,582	1,903	1,903	1,903	1,903	1,903	12,097

b) Assistance technique et administrative (ATA) et dépenses d'appui (DDA)
(cf. point 6.1.2)

CE							
CP							

Sous total a+b							
CE	2,582	1,903	1,903	1,903	1,903	1,903	12,097
CP	2,582	1,903	1,903	1,903	1,903	1,903	12,097
CE	2,582	1,903	1,903	1,903	1,903	1,903	12,097
CP	2,582	1,903	1,903	1,903	1,903	1,903	12,097

2.4 Compatibilité avec la programmation financière et les perspectives financières

- Proposition compatible avec la programmation financière existante.
- Cette proposition nécessite une reprogrammation de la rubrique concernée des perspectives financières.
- Y compris, le cas échéant, un recours aux dispositions de l'accord interinstitutionnel.
- Type de dépense: il s'agit de définir la classification économique des dépenses en distinguant les dépenses courantes des dépenses en capital. Cette classification permet une meilleure articulation entre la comptabilité budgétaire et la comptabilité générale.
- Dépenses courantes: elles sont liées aux charges de l'exercice.
- Dépenses en capital: elles sont liés aux postes du bilan. Quel type d'activité, ces dépenses sont-elles destinées à financer?

3. CARACTÉRISTIQUES BUDGÉTAIRES

Nature de la dépense		Nouvelle	Participation AELE	Participation pays candidats	Rubrique PF
DO	CND	OUI	NON	NON	N° 5

4. BASE LÉGALE

Statut des fonctionnaires des Communautés européennes, et notamment ses articles 27 à 31, 33 et 65 bis ainsi que ses annexes III, VII et X.

Régime applicable aux autres agents des Communautés européennes.

5. DESCRIPTION ET JUSTIFICATION

5.1 Nécessité d'une intervention communautaire⁶

5.1.1 Objectifs poursuivis

Afin de mieux gérer les relations économiques et politiques de la Commission avec la Suisse et la Moldavie il est considéré nécessaire à ce stade d'ouvrir des délégations de la Commission dans ces pays. Dans le cas du Sri Lanka, il est nécessaire d'adapter la structure de la délégation pour faire face à l'évolution des relations avec ce pays ainsi de gérer la réponse de la Communauté au désastre naturel qui a eu lieu dans la région.

5.1.2 Dispositions prises relevant de l'évaluation ex ante

L'ouverture des nouvelles délégations est décidée sur base des nécessités en termes de l'évolution des relations économiques et politiques de la Communauté avec les pays en question et en étroite collaboration avec tous les services et autres Directions générales concernés.

5.1.3 Dispositions prises à la suite de l'évaluation ex post

Les délégations en questions feront partie du « network » des délégations de la Communautés et ainsi seront l'objet de contrôle dans le cadre des visites de l'Inspection des délégations ainsi que du service de Contrôle Interne du Service Extérieur.

5.2 Actions envisagées et modalités de l'intervention budgétaire

Il s'agit des dépenses administratives liées à l'ouverture de deux nouvelles délégations et l'upgrade d'une délégation régionalisée à une délégation normale. Les dépenses supplémentaires de l'exercice 2005 seront financées à partir des crédits existants en faisant des économies sur d'autres dépenses. Ces actions amèneront à une amélioration des relations politiques et économiques avec les pays en question et permettront à la Commission de mieux gérer ses activités dans ces pays.

5.3 Modalités de mise en œuvre

Comme pour toutes les dépenses administratives des délégations la gestion sera en mode directe par la Commission en utilisant du personnel statutaire et externe (agents locaux).

⁶ Pour plus d'informations, voir le document d'orientation séparé.