

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## EXTERNAL REPRESENTATION

(Communication from the Commission to the Council)

COM(78) 66 final

## External Representation

### Introduction

On 22 July 1977 the Commission sent to the Council a Communication on External Representation - medium term policy (doc. COM(77) 368 final). At that time the Commission undertook to present a further paper to the Council which would go into more detail. The present paper is intended to fulfil that undertaking.

The first part of the paper discusses ways of strengthening cooperation between the Commission's offices and the diplomatic missions of Member States. The second concerns measures the Commission itself proposes to take to bring about greater harmonization of the internal administration of the different kinds of external offices.

### PART ONE - Cooperation between the Commission's external offices and the diplomatic missions of Member States

In view of the increasing weight in world affairs of the Community as an entity, it is important that the diplomatic representatives of Member States in non-Community countries, as well as the representatives of the Commission, should be in a position to project a coordinated picture of Community policy. This is equally important in the many countries in which the Commission is not represented. The Commission believes that the machinery for coordination should be strengthened and the supply of information improved.

1. In those third countries in which the Commission is represented effective cooperation is increasingly taking place in practice at all levels, including the participation of the Heads of the Commission's Offices in the regular meetings of the Ambassadors of Member States.

#### (i) Commercial Affairs

On 17 April 1973 the Council adopted a text concerning the procedure for the preparation, transmission and use of reports from the Commercial Counsellors of diplomatic missions of Member States in non-EEC countries. The inclusion of the Commission's external offices in this procedure was not envisaged at the time, but there has since grown up good practical cooperation between external offices and missions. The external offices take part in the meetings of the Commercial Counsellors and supply information on Community policies bearing on common commercial policy and the application of cooperation agreements.

It would be advisable if this informal collaboration could be made official by the Council.

(ii) Information

Information Counsellors prepare reports according to a procedure similar to that applicable in the case of Commercial Counsellors. Furthermore, in accordance with a Council decision of 31 January 1972<sup>(1)</sup>, as confirmed by a Council decision of 3 May 1977<sup>(2)</sup>, the Head of the Press and Information Office of the Commission takes part in meetings of Information Counsellors and helps to draft the reports. Each report receives a reply from the Council, which is drafted by the services of the Commission. These directives should continue to be applied.

In countries where the Commission has no external office, for example in some EFTA countries, contacts are arranged at least once a year between the Information Counsellors in Member States' missions and an official of the Commission's information services.

Similar arrangements are made for the Delegates in ACP countries.

Following a meeting in February 1977 of senior Foreign Ministry information officials arrangements were made for Member States' missions to draw on background material available from the Commission services, and there are other possibilities of cooperation in the field of information. These arrangements are set out in three Council notes. (3)

The Commission believes that cooperation in this field should now be reviewed in the light of experience, with a view to holding a further meeting towards the end of 1978 of senior information officials of Member States and the Commission.

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(1) doc. R/2424/72 (AG 229 rev. 1)  
(2) docs R/874/77 (AG 28) and R/1041/77 (AG 33)

(3) information publications (R/766/77 (AG 17))  
audio-visual information (R/873/77 (AG 27))  
information visits (R/856/77 (AG 23))

(iii) Development Policy

The Council adopted on 8 November 1976 a resolution concerning the coordination and harmonisation of development policies in the Community. This provided for the reinforcing of existing cooperation of Member States' representatives and the Commission delegates in ACP countries. A further resolution was adopted on 28 November 1977 which invited the Commission to extend its activities of coordination, which should be organized in a more systematic way.

These resolutions should be applied to all countries in which the Commission has external offices primarily concerned with the execution of cooperation agreements.

2. In third countries in which the Commission is not represented the essential problem is one of informing the Embassies of Member States of Community policies.

In a letter dated 22 November 1974 to Mr. Burin des Roziars, President of the Committee of Permanent Representatives, Sir Christopher Soames and Mr. Cheysson underlined the need to provide Member States' missions with more information on Community policy and decisions.

On 13 October 1975, the Council adopted a procedure to inform Member States' missions, after each Council meeting, of Council decisions which concern them. <sup>(1)</sup> Experience has shown that information supplied in accordance with this procedure is not adequate for the needs expressed by the Embassies themselves.

The Commission suggests that the Council should review the operation of this system in the light of experience gained since 1975.

There is no comparable system for informing Member States' missions of Commission decisions which affect them. The Council's decision of 13 October 1975 stipulated that after a trial period of the system of information on Council decisions, the question of information on Commission decisions should be examined. The time has come to take up this question.

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3. Posting of Commission officials to certain non-Community countries

The Commission has been made aware of an increasing need for the Community viewpoint to be represented as such in some important non-Community countries, where the Commission itself is not represented. A recent example of this is Australia.

The Commission has no intention of meeting this need by setting up an external office in each of the countries in question. Instead, the Commission would propose individual postings so that, for limited periods, and in response to specific needs, an official could be attached, for example, to the Embassy of the Member State holding the presidency. His duties would be to ensure the direct supply of Member States' missions with the necessary information about Community policy; he could also assist on-the-spot coordination.

The Commission intends to discuss further the practical implications of this suggestion with the Council and with Member States.

4. Rationalisation

The Commission will follow with great interest the progress of studies at present under way in Member States to rationalise their external representation. The Commission would be interested in benefiting from the fruits of this exercise.

PART TWO - Internal administration of the different kinds of external offices

1. Conditions of employment

a) Introduction

The Regulations and Rules applicable to officials and other Servants of the European Communities lay down, just as they do for headquarters staff,

the conditions of employment for officials and local staff subject to those Regulations in the external offices. These conditions vary according to the place of employment. Nevertheless, certain special management procedures have been set up, as for example the systems of inspection and rotation mentioned below.

Internal directives concerning payment of allowances and the refunding of expenses have also been adopted to take into account the special nature of the external offices. Further adaptations, which may require revision of the Staff Regulations, are currently being considered for possible future presentation to the Council.

In the external offices the Commission employs two broad categories of staff, Community officials posted from Brussels and local officers who may be engaged for duties at all levels. The latter's conditions of employment are fixed by the Commission in conformity with the Rules applicable to other servants of the European Communities, and are identical except in the areas which vary according to the post, i.e. salaries and social security.

Changes in the terms of employment of local officers in the non-EAC external offices should be introduced to ensure the greatest possible flexibility in their recruitment and to improve relations with the Central Staff Committee and the local committees.

The external offices run by the EAC employ three categories of staff. The first category is composed of the Delegates themselves, who will be either officials (in the Maghreb, Mashrek and Israel) or, progressively, temporary Commission employees (in the ACP countries). The second category is mainly composed of advisers and technical employees, who are and should remain non-established because of the technical nature of their duties and the mobility required. The third category comprises local staff, who come under the labour laws of the country of employment, recruited by the Delegate for service tasks (ushers, drivers, guards, domestic staff and secretaries).

The rules governing employment by the EAC were specifically drawn up for the purpose, and have a more flexible procedure for adaptation in

changing circumstances.

Moreover, the Commission is sending to the Council a draft reform of the status of the EAC which would set up a public agency under Community law. This reform would also encourage greater convergence between the terms of employment and salary of EAC officials and those subject to the Staff Regulations. The following account of the position of EAC staff refers therefore to the present, unreformed, situation.

The terms of employment of EAC officials are subject to Belgian labour legislation. Their standing is contractual, not statutory or subject to regulation as is the case with Commission officials.

The contract between the official and the EAC is governed by the "general and special provisions and the Regulation on the administrative Régime", a copy of which he receives on engagement. These documents set out the official's rights and duties for the duration of his contract. They are reproduced and explained in detail in the document "Collection of texts and instructions for the management of contracts with officials employed abroad", the latest edition of which was issued in December 1977. In addition, the official is given a mandate which defines his duties. This mandate is given by the Commission in the case of an official serving in a delegation, and by the national authorities in the case of a Technical assistance official.

(b) Salaries and currency for payments

The basic objective of the salary provisions in the Staff Regulations is to ensure, by means of weighting allowances, equivalent purchasing power regardless of the country in which the official is posted. To calculate the allowances, the Commission makes as much use as possible of statistics available from international organizations such as the UN and the OECD. However, the Statistical Office of the European Communities remains

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responsible for control over the statistics used. Technically, the characteristics of the salary system are that it is based on a single pay scale expressed in Belgian francs (soon to become European Units of Account (EUA) and adjusted by geographical weighting allowances. These weighting allowances are founded largely on calculations of the cost of living in the various places of work and allow for payment to be made in the local currency.

The Staff Regulations (Article 63) provide for payment normally in the currency of the country to which an official is posted. Recognising that officials also have obligations, or purchasing needs, elsewhere than the country of posting, the Regulations (Article 17 of Annex VII) also provide for transfers of salary into other currencies. This system will henceforward be based on the EUA, which will diminish a series of problems which have arisen with the now outdated UA. Moreover under a Commission proposal currently being approved by the Council this provision is being up-dated to meet modern monetary conditions so that weighting allowances used for the transferred part of the salary reflect economic conditions (price levels) in the country to which the transfer is made.

This modification of the transfer article also makes possible some greater flexibility in its use in a way to be agreed by the Community Institutions. Until now the Commission has limited the proportion of salary transferred to a maximum of 35%. It is recognized however that in many non-industrialised countries outside the European Communities, local facilities provide inadequately for the purchases required to maintain a European life-style. In these cases it is proposed to raise the present ceiling and make a higher proportion, according to circumstances, payable in European currency, with a weighting allowance varying according to the Community country in which payment is made. The intention to do this has already been mentioned to the Staff Regulations Group of the Council, who have asked that all the transfer regulations, which are at present the subject of informal rules, should be agreed between the Institutions. The required common agreement document is now being prepared within the Commission.



A number of difficulties have indeed arisen in the application of the Staff Regulations in the external offices. Solutions have however been found for specific problems, and the situation will be further improved by the introduction of the EJA and the transfer provisions described above. To sum up, this completion of the salary system for external offices should, if correctly implemented, maintain the overall objective of equivalence in purchasing power by applying weighting allowances that are appropriate to the country in which an official should normally be expected to spend or deposit various proportions of his salary. If difficulties occur a more radical solution would have to be considered involving a probably controversial Statute revision designed to operate a different salary system for officials when they are in external offices from that which they have at Headquarters.

The different system used by the EAC provides for

- salary fixed in Belgian francs and paid in the same currency into a convertible account in Belgium
- an overseas allowance which represents 20% to 30% of total emoluments. The allowance is expressed and paid in the currency of the country in which the employee is posted, and varies in accordance with the local cost of living as established in the U.N. statistics.

The EAC system therefore does not give rise to questions on the rate of exchange for the overseas allowance.

(c) Social security

In most cases there is no reason for applying the Staff Regulations differently as between Headquarters staff and externally posted staff. For example the pensions system (maximum pension 70% of final basic salary after 35 years of service) is equally applicable wherever the years of service have been accomplished. It is generally considered to be a good scheme as are those for widows' and orphans' pensions. Any detailed improvements made in future (e.g., better benefits for early retirement) would be of general interest and not just to external staff.

Arrangements for reimbursing medical expenses may on the other hand need adaptation according to the place of work. The scheme is in consequence applied flexibly so that the usual 80% limit on reimbursement is not maintained in countries where the cost of medical treatment is particularly high.

The EAC official's contract provides for a group insurance "sickness-accident" and "pension", which covers the staff against social risks.

The pension insurance is taken out with the OSSOM (Office de Sécurité Sociale d'Outre-Mer) for permanent contracts, or with the Société AG de Trieste for fixed-term contracts. The insurance includes retirement and widow's pension, orphan's pension, allowance for incapacity and a deferred insurance for health care.

The OSSOM régime is at present indexed to the cost of living in Belgium. Contributions are 13.50% for the employer and 6.75% for the employee.

A sickness-accident insurance policy taken out by the EAC with the Cie Van Breda covers the medical expenses of the official and his wife and dependents, for 100% except in exceptional cases for which there are ceilings; temporary incapacity of the official through sickness; medical care, incapacity, invalidity and death from accident of the official and his family.

Some risks current overseas are covered e.g. repatriation expenses, civil war, riot etc.

No contribution is made by the official.

(d) Education

The Regulations for payment of educational allowances also provide for the case of Community Staff posted away from Headquarters in that educational expenses up to double the normal limit may where justified be paid where the place of work has neither a European school nor a school using the language appropriate for the child. The maximum is at present 6,186 FB, plus weighting allowance, per month per child. By way of example this currently gives staff in Washington a maximum of 7.856 FB per child.

EAC regulations provide for the reimbursement of education fees and charges up to a ceiling of 2000 FB per month for children educated overseas accompanying their parents and 5000 FB per month for children remaining behind to complete their education in Europe.

(e) Entertainment allowance

The Commission has introduced a system of fixed entertainment allowances for its external offices outside the Member States. The allowances are granted annually. Those who receive them are required to make six-monthly reports on the use they make of the allowances. An objective of the system which has certainly been realised was to create a certain degree of harmony between offices, where there had previously been a mixture of fixed allowances and other reimbursement arrangements.

The EAC system provides that only the Delegates have their entertaining expenses refunded, although the general provisions provide for exceptions to be made (art. 58). This possibility is not in fact made use of for the benefit of the other officials.

The allowance has a ceiling fixed for each year according to the country concerned. The ceiling is indicated in the contract. At present it varies between 2.500 EUA and 4.500 EUA.

Part of this fixed amount (less than 50%) is paid in a lump sum. The remainder is subject to prior authorization and must be accounted for.

For exceptional entertainment (for example the visit of a Member of the Commission), expenditure above the ceiling can be authorized.

(f) Accommodation policy

- Accommodation allowance

The weighting allowance provided for in the Staff Regulations normally includes an element for rent. This implies that no further allowance should be granted purely for basic accommodation.

Nevertheless, the Commission may support a part of accommodation expenses either when the official is required to provide regular official entertainment in his residence, or if he is posted in a country in which housing conditions are exceptionally difficult.

Grants of accommodation expenses are made according to a fixed procedure of calculation which has given reasonable satisfaction.

The EAC provides its officials with furnished accommodation suited to their professional and family situation.

Air conditioners are supplied (according to the composition of the family) if the climate justifies it, which is almost always the case in Africa, the Caribbean and the Pacific.

The EAC pays a part of the cost of electricity for air conditioning (400 kwh per month per air conditioning unit). Only the delegates are refunded the full cost of electricity.

- Provision of official accommodation

(i) Present situation

For the Offices and Delegations of the "classical" type, the Commission hires and furnishes office accommodation.

The only purchases of buildings or apartments were made before the amalgamation of the Executives with ECSC funds (Paris, London and Montevideo).

The Commission does not purchase or rent accommodation for its officials, except for the official residences at Washington or Ottawa which are Commission property. The Commission makes a reasonable contribution to the furnishing of reception rooms in the residences of Heads of Delegation.

The EAC hires accommodation and furnishes it.

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If no accommodation is to be hired locally, an attempt is made to arrange with the government of the host country to build with EDF finance.

The first arrangement made on these lines provides for putting a site at the Commission's disposal, transferring the ownership of the buildings to the Government when building is completed, and making the offices available to the Delegation free of charge for the duration of the EDF's activities in the country.

(ii) Medium term

The Commission intends to continue to rent accommodation for its Offices and Delegations. Only in exceptional cases, or when the local property market makes it impossible or uneconomic, will the purchase of accommodation be considered.

As regards private accommodation for officials, a distinction should be made between the situation in developing countries and that in countries where the standard of living is comparable to the Community's.

In the former the policy of the EAC is justified and should be continued. In countries with a high standard of living, the Commission should only intervene in exceptional cases where the local situation is especially difficult, whether because of a shortage of suitable accommodation or because of rents out of proportion with the cost of purchasing.

2. Inspection

In their daily working relationship with the external offices the Commission services keep a permanent check on their work by means of written reports and duty trips.

In addition, all external offices, like other Commission services, are subject to checks by Financial Control. By decision of 20 December 1975, the Commission instructed Financial Control to inspect on the spot the way in which Heads of external offices in ACP countries perform internal administrative and financial duties in their offices.

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On 25 July 1975 the Commission decided to set up an inspection team, whose members would vary according to the nature of the post to be inspected. The inspections carried out by this team, which form part of the general programme for reviewing the operation and organization of the Commission's services, are designed to review the duties of the post and the staff and equipment at its disposal and to check on the spot on financial management.

The Commission adopts its inspection programme at the beginning of each year.

Four inspections of offices (Ankara, Ottawa, Bonn and London) have so far been made, the last of them during November 1977. These were designed as pilot inspections. A report summarising their results and making recommendations for the future was prepared in February 1978.

For the Commission's external offices in ACP countries, in addition to the permanent check by Commission services and the overall responsibility of Financial Control mentioned above, the European Association for Cooperation (EAC) can inspect offices on the spot to check their management of aid agreements and in general their operating conditions.

The following missions have been carried out by the competent services to inspect delegations in the ACP countries.

a) joint missions of the Financial Control and the responsible service to Senegal and Ivory Coast in 1976, Surinam, Dutch West Indies, Cameroon and Chad in 1977; probably Zaïre, Mali, Togo and Benin in 1978.

In accordance with the Commission's decision of 20 December 1975, these missions were designed to inspect the delegation's control methods and the conditions of financial and technical execution of the projects and programmes financed by the EDF.

b) missions of financial inspection by EAC to Ghana, Upper Volta, Mali and Nigeria in 1977 and probably Zambia, Tanzania and the Sudan in 1978.

These missions were designed to check the post accounts on the spot.

### 3. Rotation

A system of rotation for Commission officials to delegations in third countries has been introduced by the Commission, in parallel to a system of internal mobility.

This system is designed to give officials breadth of experience while ensuring that external representation is carried out by officials with experience of work in the Commission's headquarters, as well as to make possible the posting to external offices of officials from services other than those principally concerned with external relations.

The system applies to A, B and C officials. Special consideration is given to management and personal problems, particularly in the two latter cases. The system operates by means of regular consideration of fresh postings for all officials who have been in posts abroad for 3 years or more, on the basis that a posting is normally for 3 years but that this can be extended for up to three further years. The first new postings under this system will take place in 1978.

The ensemble of EAC expatriate overseas personnel are rotated on an ad hoc basis dependent on the requirements of the service about once every four years.

In order to encourage the mobility of Commission officials and their interpenetration with the staff of EAC, the Commission had asked the Council for 34 posts in the 1977 Budget. The Council stipulated that the execution of this operation would be conditional on settling various political, financial and staff status questions. The explanations requested have been sent to the Council in the form of a working paper. This paper is designed to enable the Council's decision of 23 November 1976 to create 34 new posts to be put into effect. It reviews the political, statutory and financial aspects of the exercise.

### 4. Conclusions

The Commission does not believe that the existence of two systems for managing its relations with its external offices, which differ in some

respects as the foregoing account makes clear, presents in itself an obstacle to efficient operation. It is the Commission's policy to find solutions for problems as they arise. Nevertheless, the Commission is keeping the situation under review, with a view to making further progress in achieving convergence between the differing arrangements.



On 13 October 1975, the Council adopted as an A point the following decision (see doc. R/2329/1/75 (AG 52 rev. 1) :

- Information on Council decisions

Immediately after each Council meeting the General Secretariat of the Council would draw up, under the responsibility of the Presidency, a draft telex providing information for the countries concerned by the Decision. This draft would then be forwarded to the delegations for approval.

If no comments were received from any delegation within 24 hours, the telex would be considered approved and sent by the Presidency to its Embassy/Embassies in the country/countries concerned.

At the end of the telex, the Embassy of the country holding the Presidency would be asked to forward the telex to the Embassies of the other Member States so that decisions taken might be submitted in co-ordinated form to the local authorities concerned and to the public.

The above system would be tested for an experimental period and reviewed in the light of results.

- Information on Commission decisions

The question of information on Commission decisions will be examined in due course.