



**Directorate General Internal Policies of the Union**

**BUDGETARY SUPPORT UNIT**

**BUDGETARY AFFAIRS**

**THE COST OF CFSP - AN ASSESSMENT**

**STUDY**

Abstract

The different sources for the financing of the Common Foreign and Security Policy (EU budget Commission and Council sections; Members States and other) are analysed and assessed against the background and the objectives of the CFSP. The developments of these components in recent years are shown. Evaluation is approached at different levels. Better *ex-ante* and *ex-post* reporting on CFSP measures to the European Parliament is strongly recommended.

**IPOL/D/BSU/ST/2006-004**

**06/10/2006**

**PE N° 371.843**

This study was requested by the European Parliament's Committee on Budgets

This paper is published in the following languages:

- Original: EN

Author: Helmut WERNER  
Budgetary Support Unit  
B-1047 Brussels  
Tel: +32 (0)2 28. 43750  
Fax: +32 (0)2 28. 49012  
E-mail: [helmut.werner@europarl.europa.eu](mailto:helmut.werner@europarl.europa.eu)

Responsible Official: Mrs Anne VITREY  
Budgetary Support Unit  
B-1047 Brussels  
Tel: +32 (0)2 28. 44 729  
Fax: +32 (0)2 28. 44 907  
E-mail: [anne.vitrey@europarl.europa.eu](mailto:anne.vitrey@europarl.europa.eu)

Manuscript completed on 06 October 2006

Copies can be obtained through:

E-mail: [ip-budgetsupport@europarl.europa.eu](mailto:ip-budgetsupport@europarl.europa.eu)

Site intranet: <http://www.ipolnet.ep.parl.union.eu/ipolnet/cms/pid/1517>

Brussels, European Parliament, 2006.

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorized, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

## TABLE OF CONTENTS

---

<b>EXECUTIVE SUMMARY AND RECOMMENDATION</b> .....	<b>4</b>
<b>1. CONTEXT</b> .....	<b>8</b>
<b>2. BACKGROUND OF THE COMMON FOREIGN &amp; SECURITY POLICY</b> .....	<b>9</b>
CFSP IN THE TREATY OF THE EUROPEAN UNION .....	9
CFSP OBJECTIVES AND INSTRUMENTS.....	9
<b>3. THE RULES GOVERNING THE FINANCING OF CFSP AND ESDP</b> .....	<b>10</b>
<b>4. ESDP STRUCTURES AND MECHANISM (ATHENA)</b> .....	<b>11</b>
<b>5. CFSP SPECIFIC RULES IN THE INTERINSTITUTIONAL AGREEMENTS OF 1999 AND 2006</b> .....	<b>13</b>
<b>6. PARLIAMENT'S RULES OF PROCEDURE CONCERNING CFSP</b> .....	<b>15</b>
<b>7. THE COST OF CFSP IN THE EU BUDGET</b> .....	<b>16</b>
OVERVIEW OF THE BUDGET DEDICATED TO CFSP 2000-2005 .....	17
ADMINISTRATIVE IMPLICATIONS OF CFSP .....	19
THE COUNCIL BUDGET TITLE 3 .....	19
THE CFSP AGENCIES .....	22
ESDP ACTIONS WITH THEIR INITIAL REFERENCE AMOUNTS (CONTRIBUTED BY MS) .....	23
<b>8. ITEMS FOR DETERMINING THE TOTAL COST OF CFSP</b> .....	<b>24</b>
<b>9. MONITORING AND EVALUATION REQUIREMENTS STEMMING FROM THE FINANCIAL REGULATION</b> .....	<b>25</b>
<b>10. REPORTING</b> .....	<b>26</b>
MINIMUM EVALUATION CRITERIA TO BE CHECKED AT LEAST EVERY SIX MONTHS OF ONGOING ACTIONS AND AT COMPLETION OF EACH CFSP ACTION.....	27
<b>11. EVALUATION OF THE BENEFIT</b> .....	<b>28</b>
CASE STUDIES .....	30
<b>12. CONCLUSION</b> .....	<b>34</b>
<b>SOURCES</b> .....	<b>35</b>
<b>ANNEXES</b> .....	<b>40</b>
ANNEX 1: FINANCING OF CRISIS MANAGEMENT OPERATIONS .....	40
ANNEX 2: GENERAL COMMISSION BUDGET FOR EXTERNAL ASSISTANCE IN 2005 .....	43
ANNEX 3: UNITED NATIONS: THREE TABLES .....	44
ANNEX 4: CFSP JOINT ACTIONS IN 2004 AND 2005 .....	45
ANNEX 5: EU SPECIAL REPRESENTATIVES IN 2005 AND 2006.....	51

# THE COST OF CFSP - AN ASSESSMENT

## EXECUTIVE SUMMARY AND RECOMMENDATION

This study has been realised by the Budgetary Support Unit (BSU, Directorate Budgetary Affairs, GD Internal Policies of the European Parliament) at the request of the Committee on Budgets. Objective of the study is the assessment of the global cost of CFSP which is split according to article 28 TEU amongst

- the General Budget implemented by the Commission,
- the General Budget implemented by the Council,
- contributions by Member States.

Furthermore, CFSP measures may be fuelled by additional financial sources from e.g. beneficiary states and third countries, international organisations, and from the EDF !

For instance for 2005 the total of the cost of CFSP measures amounts to more than Eur 850 million. This figure has to be compared to the Eur 62 million entered under the CFSP budget chapter 19 03 in Section III of the EU Budget.

Whereas objectives of CFSP are set by title V of TEU and by the activity statements of the EC General Budget, as well as by the individual CFSP measures, the evaluation of CFSP in general and its measures in particular are lacking transparency as the evaluation function is underdeveloped and results are not fully reported to Parliament.

However, the Council has created an infrastructure for implementation and monitoring in the field of CFSP which partially duplicates structures of the Commission on one hand, and which shortcuts established structures including the European Parliament for controlling spending by the General Budget.

### **A. Assessing the CFSP budget in relation to the total of financial, in-kind and staff deployment by MS in the field of foreign and security policy:**

Further to the political visibility of Europe, the activities of the core of CFSP allow for the **coordination of all contributions** from the Member States (MS) and other sources, thus **reducing cost**, and leading to **concertation of measures** at strategic and tactical level, thus **increasing impact**. Therefore, the 160 M€ identified in this study as cost for the core of CFSP in 2005 have a huge inherent potential of being **beneficial** to the whole of EU and Member States' actions in the field of the common foreign and security policy which amounted to far more than 850 M€ in 2005. Further to the benefit deriving from coordination and concertation, CFSP measures can have a **leverage effect** by encouraging and guiding MS to contribute resources within the CFSP framework, which they may not allocate if there were no such instrument as CFSP. However, the MS contributions to CFSP are still lacking of transparency which should be remediated for reasons of both democratic control of the tax-payers' moneys.

## **B. CFSP in relation to all external actions of EU policies:**

Another level of assessment of the benefit of CFSP is in relation to the whole of external actions of the different policies of the European Union. E.g. for **2005 the general Commission budget for External Assistance amounted to €7853 million** in commitments and €8159 million in payments, of which €3997 million commitments and €3693 million payments were managed by DG AidCo, and €3856 million commitments and €4466 million payments by other DGs including: ECFIN, AGRI, ENER, ENV, RTD, FISH, REGIO, TAXUD, EAC, JAI, RELEX, TRADE, DEV, ELARG, ECHO, **plus €3511 million from the EDF** in 2005 (commitments). In relation to this, the CFSP budget lines of the Commission amounted to relatively modest €62 million in 2005 (€63 million in payments) - intended to triplicate from 2006 to 2013 following the multiannual financial framework 2007-2013.

A drastic example of interrelationship of different policy areas is that of Justice and Home Affairs (third pillar of EU) and of Foreign and Security Policy (second EU pillar) if one considers the migration flows from developing countries to the EU.

Therefore a Common Foreign Security Policy designed and implemented in a way **coherent** with the other policies is clearly **beneficial**, in proportion to the benefit of the other policies to which security the CFSP contributes. Evidently, the European Parliament can largely make sure that such coherence of policies happens, if it is duly involved in the decision making process for the CFSP measures. This holds also for the following:

## **C. Thirdly we should see the issue of CFSP in relation to United Nations actions:**

"The UN peacekeeping budget pays for military operations enacted by the Security Council. As of mid-2006, the UN had more than 70,000 soldiers, police and military observers conducting missions in 15 nations, including Haiti, Liberia, the Democratic Republic of Congo and Sudan."<sup>1</sup>

If we have a look at the top ten contributors to United Nations budgets, funds, programmes and agencies including the standing Peacebuilding Fund (see annex) we see that several EU MS are major contributors. In addition to direct contributions from its MS the European Community provided US\$ million 457 in 2002, 572 in 2003 and 822 in 2004. The table summarises contributions to 22 UN entities including: UN budget, UN General Funds, FAO, ILO, WHO, UNESCO, UNDP, UN-HABITAT, UNHCR, WFP, UNFPA, UNRWA, UNAIDS, IFAD, UNODC, IAEA, UNIDO and WMO. It reflects virtually all significant financial contributions to the UN, amounting to more than US\$ 33000 million for the ten top contributors over the 3 year period of 2002 to 2004.

Although most of these activities do not fall in the field of CFSP, some of them do, and many of them are closely related to other EU external actions. The Commission has

---

<sup>1</sup> United Nations Association of the United States of America: Fact Sheet, All about the United Nations Budget, June 2006 <http://www.unausa.org/site/pp.asp?c=fvKRI8MPJpF&b=1813833>

addressed this issue by COM(2003)526 of 10.9.2003 on "The European Union and the United Nations: The choice of multilateralism" with an approach "towards greater efficiency and impact by working together". On 24 September 2003 EU and UN agreed on a "Joint Declaration on UN-EU Co-operation in Crisis Management", and the European Council of 17-18 June 2004 adopted its position on "EU-UN co-operation in Military Crisis Management Operations - Elements of Implementation of the EU-UN Joint Declaration".

Considering this scenario it is clear that **coordination, concertation and coherence** must be assured by the European Union and that its CFSP must be conducted accordingly so as to be **beneficial** to the whole and to reinforce the political impact of CFSP.

#### **D. Yet another approach to assessment is analysis of the individual CFSP measures.**

At this "micro-level" (as opposed to the three previous "macro-level" considerations) benefit can be assessed much more concretely and tangibly. Such exercise has been shown in this study for 2 CFSP measures: for AMM, the Aceh Monitoring Mission, and for EU BAM Rafah, the EU Border Assistance Mission for the Rafah Crossing Point. The **benefit** of these two actions could clearly be demonstrated.

#### **E. Evaluation following up on CFSP objectives**

Objectives are formulated at several levels:

- by the **Treaty on European Union**, article 11(1) setting the general objectives of CFSP; the objectives of this level prevail over objectives at the other levels;
- by the **Activity and Financial Statements of the General Budget**  
"Specific objectives, Indicators and Output" at the level of chapter 19 03 CFSP are given in the PDB (for the year n with output concerning year n-2);
- by the **legislative act** (e.g. Council Joint Action) on any individual CFSP measure which defines its mission and objectives;
- - associated with the draft legislative act of the individual CFSP measure having financial impact is, or should be, a **Financial Statement**, containing a description of the objectives pursued, and indications about the evaluation envisaged and its reporting; these financial statements are regularly transmitted by the Council to the European Parliament.

However,

- the "output" indications in the PDB and in the annual activity report of DG RELEX are very general and cannot replace an evaluation;
- ex-post evaluations of the policy area are absent;
- evaluations of individual CFSP actions are not reported to European Parliament.

Therefore, the issue of reporting of CFSP matters to European Parliament needs to be addressed seriously. The approach of reporting evaluation only within the institutions in charge of implementing the policy is questionable and in fact contrary to evaluation principles. Doing evaluation regularly and reporting such evaluation outside the bodies responsible for implementation relates to good governance. This is all the more necessary as long as one and the same institution is responsible of both the lawmaking (for the CFSP measures) and of its implementation, though in the case of CFSP with the Commission associated.

## **Recommendation**

**Systematic analysis and evaluation of all CFSP measures having a financial impact should be carried out regularly, every half year, and should be reported not only to the PSC and other bodies within the Council, but also to the European Parliament.**

Such reporting to the Parliament would underline the democratic legitimacy of the CFSP and ESDP, would be in line with the 2006 IIA on budgetary discipline and sound financial management and is necessary for the following reasons:

- by strengthening the evaluation function it would contribute to a better quality of the output of the CFSP measures;
- CFSP costs money; therefore the established procedures designed to keep cost under control should apply also here, and this means fully involving the European Parliament;
- the Europeanisation of defence policy tends to undermine national parliaments' ability to exercise effective control<sup>\*</sup>; therefore the European Parliament needs to be able to exercise full parliamentary control;
- respect for and compliance with international law<sup>\*</sup>; it has been shown that military operations mounted without a United Nations Security Council mandate lack legitimacy. Involving European Parliament better in the decision making process for CFSP actions would help to ensure that these will comply fully with international law;
- coherence with other EU policies; involvement of European Parliament in the decision making process for CFSP actions would improve the political and democratic control of the **coherence of the measure with the other EU policies**;
- better evaluation and reporting would increase visibility and acceptance of this policy area in the public, thus valorising the added value of the EU "communitarisation" process in the eyes of the citizen.

---

<sup>\*</sup> Wolfgang Wagner: The democratic legitimacy of European Security and Defence Policy, EU Institute for Security Studies, April 2005

## 1. Context

*The European Parliament in its resolution of 18 May 2006 on "the 2007 budget: the Commission's Annual Policy Strategy report (APS)" (2006/2020(BUD)) considered the Common Foreign and Security Policy (CFSP) as one of a limited number of policy priorities and declared:*

"18. Is determined to develop the established political dialogue on the CFSP in a constructive manner and urges the Council to use this context to practise a more open, transparent and accountable CFSP; in particular insists on being fully involved and consulted annually 'ex-ante' on forthcoming actions and choices; reiterates its preparedness to review the CFSP nomenclature in order to adjust it to the political needs and the Union's role; asks the Court of Auditors to provide a special report on the cost-effectiveness of CFSP joint actions;"

*The European Parliament's Committee on Budgets, in its 11.7.2006 mandate paper for the 2007 draft budget conciliation procedure before the Council's first reading (Rapporteur: James Elles):*

"6. Stresses that the 2007 budget should focus on external and internal policies in such a way that they can provide *better value for money* and respond to the challenges facing the European Union; *notes that the European Parliament will conduct cost-benefit analyses on specific areas of the budget and stresses the contribution that such analysis can make to reallocation of funds towards present and future priorities*; notes that it intends to clarify the description of programmes and consolidate overlapping programmes; welcomes the Commission's intention to operate a twice-yearly "early warning system" on certain programme spending; also welcomes the Council's wish to co-operate closely on financial discipline and providing better value for money; intends to pursue discussions with the two Institutions to provide a co-ordinated approach on these issues;

"19. *Notes that the PDB 2007 allocates EUR 159 million to the CFSP budget, relative to EUR 102 million in 2006; considers that the established political dialogue on the CFSP should be reinforced and conducted on the basis of a more open, transparent and accountable CFSP with the EP being consulted 'ex-ante' on forthcoming actions and choices as agreed in the negotiations on the IIA of 17 May 2006; notes that an internal cost-benefit study on CFSP spending is foreseen;*"

## 2. Background of the Common Foreign & Security Policy

### CFSP in the Treaty of the European Union

The Common Foreign and Security Policy has got its legal basis in Title V of the **Treaty on European Union** (TEU; Maastricht Treaty 1992, entered into force 1993, amended by the Amsterdam Treaty in 1997, and by the Nice Treaty in 2001 which entered into force on 1 Feb 2003). It is the "second pillar" of the European Union and is more of an intergovernmental nature where unanimity decision making prevails, as is the third pillar of Justice and Home Affairs (Title VI on Police and Judicial Cooperation in Criminal Matters of the TEU). The first pillar, i.e. the European Community with its classic integrated policy areas has a supranational character, and is based on a mature institutional framework which however is only partially used by the second and third pillar. The draft Constitution was supposed to integrate the three pillars into one institutional structure and to unify the methods of decision making and the structures for the operations, but the Constitution's entry into force is currently not in sight. This is a worth noting as there are factually close relationships of mutual impact between the second pillar on external security and the third pillar on internal security, and between the latter ones and many policy areas of the first pillar. The study will expand on that later.

### CFSP objectives and instruments

The **objectives of the CFSP** are (article 11 TEU):

- to safeguard the common values and fundamental interests of the Union, in conformity with the UN Charter;
- to strengthen the security of the Union "in all ways";
- to preserve peace and strengthen international security;
- to promote international cooperation;
- to develop democracy and the rule of law, including human rights and fundamental freedoms.

**CFSP instruments** are (article 12 TEU):

- defining the principles of and general guidelines for the common foreign and security policy,
- deciding on common strategies,
- adopting joint actions,
- adopting common positions,

- strengthening systematic cooperation between Member States in the conduct of policy,

the most important of which are the joint actions and the common positions:

Joint actions (article 14 TEU) are operational actions by the Member States under the auspices of the CFSP. One example was the support for the Palestinian Authority in its efforts to counter terrorist activities emanating from its territories (Council Joint Action 2000/298/CFSP).

Common positions (article 15 TEU) require the Member States to implement national policies that comply with the position defined by the Union on a particular issue. One example of coordination can be found in the fight against the illicit traffic in diamonds, as a contribution to prevention and settlement of conflicts (2001/758/CFSP).

### 3. The rules governing the financing of CFSP and ESDP

According to article 28 TUE, administrative expenditure which the CFSP entails for the institutions is to be charged to the budget of the European Communities and this holds also for operating expenditure of CFSP **except expenditure arising from operations having military or defence implications** and cases where the Council acting unanimously decides otherwise<sup>1</sup>.

In cases where expenditure is not charged to the budget of the European Communities, it is to be charged to the Member States in accordance with the GNP scale, and unless the Council acting unanimously decides otherwise. Member States whose representatives in the Council have made a formal declaration are not obliged to contribute to the financing of expenditure arising from operations having military or defence implications.

COM(2001)647 on "Financing of Civilian Crisis Management Operations" compares the financing of first pillar measures, of non-military CFSP measures and of ESDP measures:

*In budgetary terms, there are three possible categories of crisis management operations:*

*a) operations under a Community instrument, which are financed under the appropriate Community budget line;*

*b) CFSP operations not having military or defence implications, which are financed under the CFSP budget line;*

*c) ESDP operations, i.e. CFSP operations having military or defence implications, which fall outside the Community budget.*

---

<sup>1</sup> TEU article 28(3), to be seen together with article 17 which addresses the common defence policy within CFSP, i.e. the European Security and Defence Policy ESDP that is the military branch of the CFSP

In the first category (a) fall civilian operations like humanitarian aid, food aid, securing the livelihoods and safety of refugees, civilian emergency assistance, rehabilitation, reconstruction, infrastructure development, de-mining, economic aid, consolidation of democracy and the rule of law, institution building, human rights (see annex II of COM(2001)647).

The second type of operations comprise non-military CFSP measures like non-proliferation, disarmament, security monitoring, certain executive police missions, including assignments to substitute for local police, and fact-finding missions preceding an envisaged operation related thereto.

The third one are operations having military or defence implications and comprise the so-called military Petersberg tasks i.e. peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking.

Annex II of COM(2001)647, attached here as annex1, compares in table form the differences of these three types of measures in respect to such criteria like

- legal base,
- decision making procedure,
- applicable budget,
- provisions for administrative and operational expenditure,
- responsible managing authority,
- applicable budgetary rules,
- control by the Court of Auditors.

By comparing in that table the properties of first pillar actions (1st column) to those of the 2nd pillar, and within the 2nd pillar from non-military CFSP actions (2nd column) to military CFSP actions (last column) a **decrease of institutional control** can be observed.

However, some statements (like "TEU foresees no provisions on managing authority/on budgetary rules, which still need to be devised") in the document from 2001 reproduced in Annex1 may today give a wrong impression as in the meantime the Council has created institutional rules and bodies proper to ESDP:

#### **4. ESDP structures and mechanism (ATHENA)**

Council Decisions 2001/78/CFSP, 2001/79/CFSP and 2001/80/CFSP of 22 January 2001 set up the **Political and Security Committee (PSC)**, stipulated by article 25 TEU), the **Military Committee of the European Union (EUMC)**, and the **Military Staff of**

**the European Union (EUMS;** amended by Council Decision 2005/395/CFSP of 10 May 2005)<sup>1</sup>:

The **PSC** meets at the ambassadorial level as a preparatory body for the Council of the EU. Its main functions are keeping track of the international situation, and helping to define policies within the Common Foreign and Security Policy (CFSP) including the ESDP. *It prepares a coherent EU response to a crisis and exercises its political control and strategic direction. It coordinates, supervises and monitors discussion of CFSP issues in various Working Parties. In crisis situations the PSC exercises 'political control and strategic direction' of the the EU's military response.*

The **EUMC** is the highest military body set up within the Council. It is composed of the Chiefs of Defence of the Member States, who are regularly represented by their permanent military representatives. The EUMC provides the PSC with advice and recommendations on all military matters within the EU. *During an operation the EUMC monitors the proper execution of military operations conducted under the responsibility of the Operation Commander.*

In parallel with the EUMC, the PSC is advised by a Committee for Civilian Aspects of Crisis Management (CIVCOM). This committee provides information, drafts recommendations, and gives its opinion to the PSC on civilian aspects of crisis management.

The **EUMS** is composed of military and civilian experts seconded to the Council Secretariat by the Member States. It provides military expertise to the SG/High Representative and "to EU bodies"; it coordinates procedures with national and multinational headquarters including NATO headquarters, it programmes, plans, conducts and evaluates the military aspects of the EU's crisis managements procedures including the exercising of EU/NATO procedures, and has additional tasks in crisis management situations and during operations.

Concerning financing rules for the common costs of EU operations having military or defence implications Council Decision 2004/197/CFSP (amended by Council Decision 2005/68/CFSP) created the so-called **ATHENA** mechanism. It creates a "Special Committee" under whose authority ATHENA is managed by an "administrator", the "commander of each operation" and an "accounting officer". It establishes rules for these bodies and in relation to other ESDP bodies, "participating Member States", "contributing states". The decision also provides rules for establishing the Athena budget and its implementation, and concerning accounting and audit, without any reference to the Financial Regulation.

*Although "Athena shall use existing administrative structures of the European Union to the greatest possible extent. Athena shall resort to staff made available as necessary by the EU institutions or seconded by Member States."* (article 5(2) of this Council Decision) the Athena rules do not provide for any consultation, association or implication of the Court of Auditors, the Court of Justice or even the European Parliament.

---

<sup>1</sup> <http://www.consilium.europa.eu/showPage.asp?id=279&lang=en&mode=g> (4/9/2006)

Athena is a sort of parallel structure to these EC Institutions and "escapes" from the established control mechanisms. Therefore, financing through the Athena mechanism even non-military CFSP actions or actions that are in a grey zone of where it is questionable whether the action is of a rather military or non-military nature (as could be the case with police missions) could -although complying with the rules- be seen as to circumvent parliamentary control and transparency rules.

ESDP is not just the military arm of the CFSP; in fact there are those "civilian ESDP" missions like the EUPOL-COPPS, i.e. the EU Police Mission for the Palestinian Territories, to support the Palestinian Authority in establishing sustainable and effective policing arrangements. Defining this as an ESDP mission allows the Council for applying the ESDP specific structures and mechanisms mentioned before.

This gives way to question the legitimacy of the Council legislation creating such parallel structures and new financial rules specific for the ATHENA mechanism, or for the CFSP agencies. In fact, such type of legislation can be seen as jeopardising the Interinstitutional Agreement of the European Parliament, the Council and the Commission of 16.12.2003 on better law-making (OJ C 321 of 31.12.2003) which stipulates: (highlighting by author)

*"2. In exercising the powers and in compliance with the procedures laid down in the Treaty, and recalling the importance which they attach to the Community method, the three Institutions agree to observe general principles such as democratic legitimacy, subsidiarity and proportionality, and legal certainty. They further agree to promote simplicity, clarity and consistency in the drafting of laws and the **utmost transparency of the legislative process.***

...

*10. The three Institutions confirm the importance which they attach to greater transparency and to the increased provision of information to the public at every stage of their legislative work, whilst taking into account their respective rules of procedure.*

...

*16. The three Institutions recall the Community's obligation to **legislate only where it is necessary**, in accordance with the Protocol on the application of the principles of subsidiarity and proportionality."*

**Therefore it must be questioned whether the creation of such mechanisms like the ATHENA one and rules that duplicate with existing rules like the Financial Regulation comply with the IIA of 2003 on better law-making.**

## **5. CFSP specific rules in the Interinstitutional Agreements of 1999 and 2006**

The Interinstitutional Agreement of 1999<sup>1</sup> (paragraphs 39 and 40) and the new Interinstitutional Agreement<sup>2</sup> (paragraphs 42 and 43) both provide a chapter on "Financing of CFSP" with CFSP-specific rules concerning the budgetary procedure, implementation and reporting. Both IIAs provide the total amount of operating CFSP

---

<sup>1</sup> Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure (OJ C172 of 18.6.1999)

<sup>2</sup> Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (OJ C139 of 16.6.2006)

expenditure to be entered entirely in one budget chapter (as from 2004 it is 19 03) but the headings of its budget lines have partially changed:

The previous CFSP budget line "observation and organisation of elections/participation in democratic transition processes" has been "communitarised" as from year 2000 (i.e. it is now managed under the "first pillar"), and other budget lines have been slightly renamed (e.g. former "urgent actions" are now "emergency measures", or the former "special envoys" are now "EU Special Representatives". However, it is still a point of discussion whether it is wise to have one budget line that would cover half of the whole chapter, as could be the case with the a single line for "crisis management operations, conflict prevention, resolution and stabilisation, monitoring and implementation of peace and security processes" as suggested but not stipulated by the new IIA.

Instead, the Commission suggested a more prudent approach in the PDB 2007 where this item appeared under three lines:

- 19 03 01 Monitoring and verification of conflicts and peace processes (21 million)
- 19 03 03 Conflict resolution and other stabilisation measures (15.9 million ) and
- 19 03 07 Police missions (55.7 million).

This would provide for more transparency about the purposes the budget is used for, and it should be remembered that the Commission has the flexibility for transfers between these budget lines, as expressively stated by the IIA with reference to the Financial Regulation.

The Commission would need authorisation from the Budget Authority for transfers from a reserve, but the IIAs have excluded that a part of the CFSP budget be put in a reserve.

However, this new IIA provides that if necessary (as a matter of urgency) EP and Council may agree, upon a proposal from the Commission, to use the new "Emergency Aid Reserve" to increase the amount dedicated to CFSP.

The new IIA provides for "at least EUR 1740 million will be available for the CFSP over the period 2007-2013" (i.e. an average of EUR 248.57 million per year).

Both IIAs require the Council to send the European Parliament an estimate of the cost envisaged ("financial statement") for each decision in the field of CFSP entailing expenditure, and detailing at least the following categories:

- time frame
- staff employed
- use of premises and other infrastructure
- transport facilities
- training requirements

- security arrangements.

As mentioned above, the Financial Regulation requires an ex-ante evaluation and statements about the approach for the ex-post evaluation to be included.

The IIA of 2006 stipulates the transmission of the information to the Parliament to be done within five working days following the final decision.

Both IIAs require the Council to transmit to the Parliament an annual report on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the European Union, but the new IIA

- sets a *date*, the transmission to be done by mid June,
- requires the document to be "*forward-looking*" (thus implying also ex-ante information),
- stipulates the report containing an *evaluation* of the measures in the previous year.

Whereas the old IIA asked the Presidency to inform "regularly" the EP about development and implementation of CFSP actions, the new one requires joint consultation meetings to be held "at least five times a year", in the framework of the regular political dialogue on the CFSP; to the joint consultation meetings participate:

- the bureaux of the two concerned EP committees (i.e. AFET and COBU)
- for the Council the chairman of the Political and Security Committee,
- the Commission (as "associated" participant).

## **6. Parliament's Rules of Procedure concerning CFSP**

EP's Rules of Procedure dedicates its chapter 13 to "External Representation of the Union and Common Foreign and Security Policy", rules 85 to 91. Rule 89 on "consultation of and provision of information to Parliament within the framework of the common foreign and security policy" stipulates in its 2nd paragraph:

*"The committees concerned shall seek to ensure that the High Representative for the common foreign and security policy, the Council and the Commission provide them with regular and timely information on the development and implementation of the Union's common foreign and security policy, on the costs envisaged each time that a decision entailing expenditure is adopted under that policy and on any other financial considerations relating to the implementation of actions under that policy. Exceptionally, at the request of the Commission, the Council or the High Representative, a committee may decide to hold its proceedings in camera."*

## **7. The cost of CFSP in the EU Budget**

At first we have a look at the **development of the title for operative CFSP appropriations in the General Budget as from 2000** (2 tables and 2 graphs).

The following two tables give an overview of the operative CFSP appropriations under the chapter B8-01 of the General Budget for the years 2000 to 2003 and (after the change of budget nomenclature) under the chapter 19 03 of the General Budget for the years 2004 to 2007. For 2007 the figures of the Preliminary Draft Budget and of the Draft Budget (as adopted by Council on 14.7.2006) are shown.

The following graphs give an idea of the increase of the appropriations under the CFSP chapter in the General Budget over the years from 2000 to 2007, in relation to the General Budget.

## Overview of the budget dedicated to CFSP 2000-2005

### Development of the title for operative CFSP appropriations in the General Budget as from year 2000

(the table is split according to the change of nomenclature of the budget lines by 2004)

Budget Line & Title		2000		2001		2002		2003	
		Budget	Implementation	Budget	Implementation	Budget	Implementation	Budget	Implementation
<b>B8-01 (19 03)</b>	<b>Common Foreign &amp; Security Policy</b>	<b>47.000.000</b>	<b>30.787.111</b>	<b>36.000.000</b>	<b>30.090.299</b>	<b>30.000.000</b>	<b>29.999.656</b>	<b>47.500.000</b>	<b>46.921.129</b>
B8-010 (19 03 01)	Conflict prevention and crisis management	15.250.000	11.000.000	10.600.000	9.217.510	8.000.000	5.182.563	7.500.000	451.266
B8-011 (19 03 02)	Non-proliferation and disarmament Conflict resolution, verification, support for the peace	2.250.000	3.678.299	9.000.000	2.774.982	8.000.000	5.062.792	8.500.000	8.804.184
B8-012 (19 03 03)	process and stabilisation	12.500.000	11.070.000	10.000.000	17.892.104	8.000.000	19.670.921	27.000.000	37.570.851
B8-014 (19 03 04)	Emergency measures	9.000.000	1.770.000	500.000	12.357	5.300.000	0	4.000.000	0
B8-015 (19 03 05)	Preparatory measures and joint strategies	1.500.000	3.268.812	500.000	193.346	700.000	83.380	500.000	94.828
B8-013 (19 03 06)	European Union special envoys	6.500.000		900.000					

\* as of 2004

Budget Line & Title		2004		2005		2006		2007	
		Budget	Implementation	Budget	Implementation	Budget	Implementation*	PDB	DB**
<b>(B8-01) 19 03</b>	<b>Common Foreign &amp; Security Policy</b>	<b>62.600.000</b>	<b>62.725.011</b>	<b>62.200.000</b>	<b>62.600.000</b>	<b>102.400.000</b>	<b>47.403.000</b>	<b>159.200.000</b>	<b>159.200.000</b>
(B8-010) 19 03 01	Conflict prevention and crisis management	7.500.000	4.186.481	5.420.000	2.000.000	3.500.000	1.720.000	21.000.000	92.600.000
(B8-011) 19 03 02	Non-proliferation and disarmament Conflict resolution, verification, support for the peace	9.000.000	14.845.347	7.200.000	4.720.000	13.000.000	4.670.000	25.500.000	25.500.000
(B8-012) 19 03 03	process and stabilisation	34.500.000	39.998.933	30.710.000	46.580.000	75.000.000	30.580.000	15.900.000	
(B8-014) 19 03 04	Emergency measures	8.000.000	0	12.070.000	0	3.000.000		23.900.000	23.900.000
(B8-015) 19 03 05	Preparatory measures and joint strategies	500.000	164.250	300.000	210.000	400.000	13.000	3.200.000	3.200.000
(B8-013) 19 03 06	European Union Special Representatives	3.100.000	3.530.000	6.500.000	9.090.000	7.500.000	10.420.000	14.000.000	14.000.000
19 03 07***	Police missions							55.700.000	***

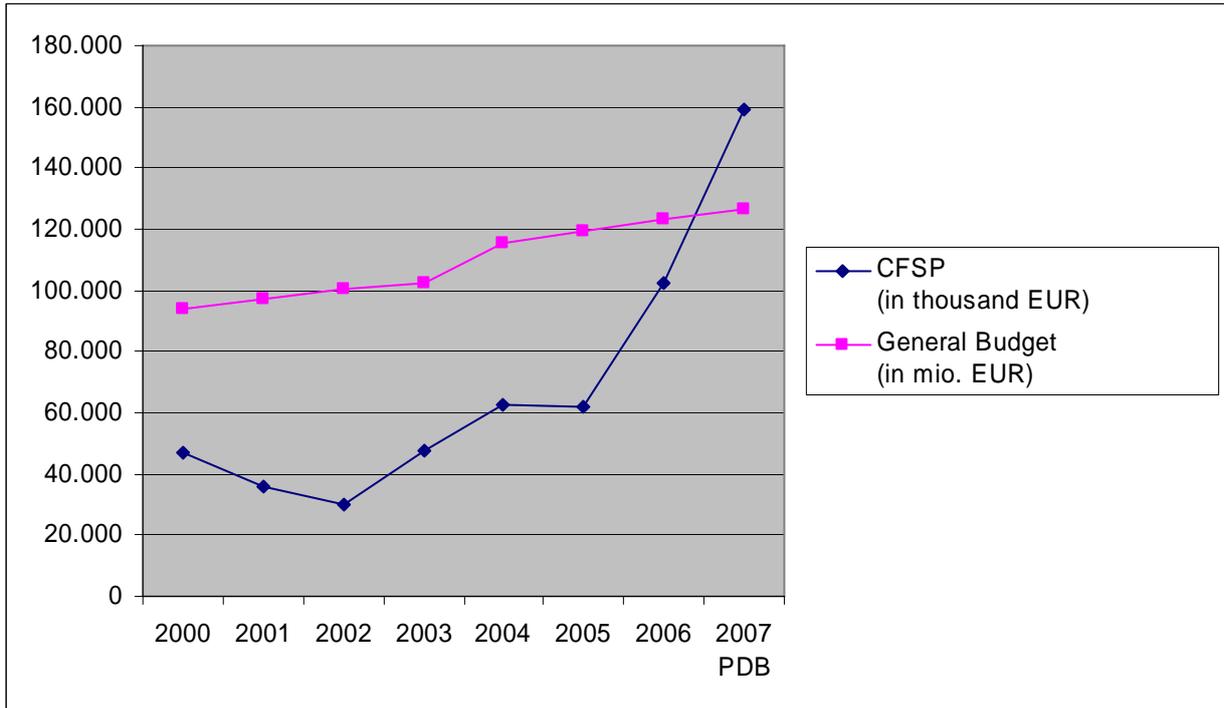
\* Implementation as at 15.7.2006

\*\* Draft Budget as adopted by Council 14.7.2006

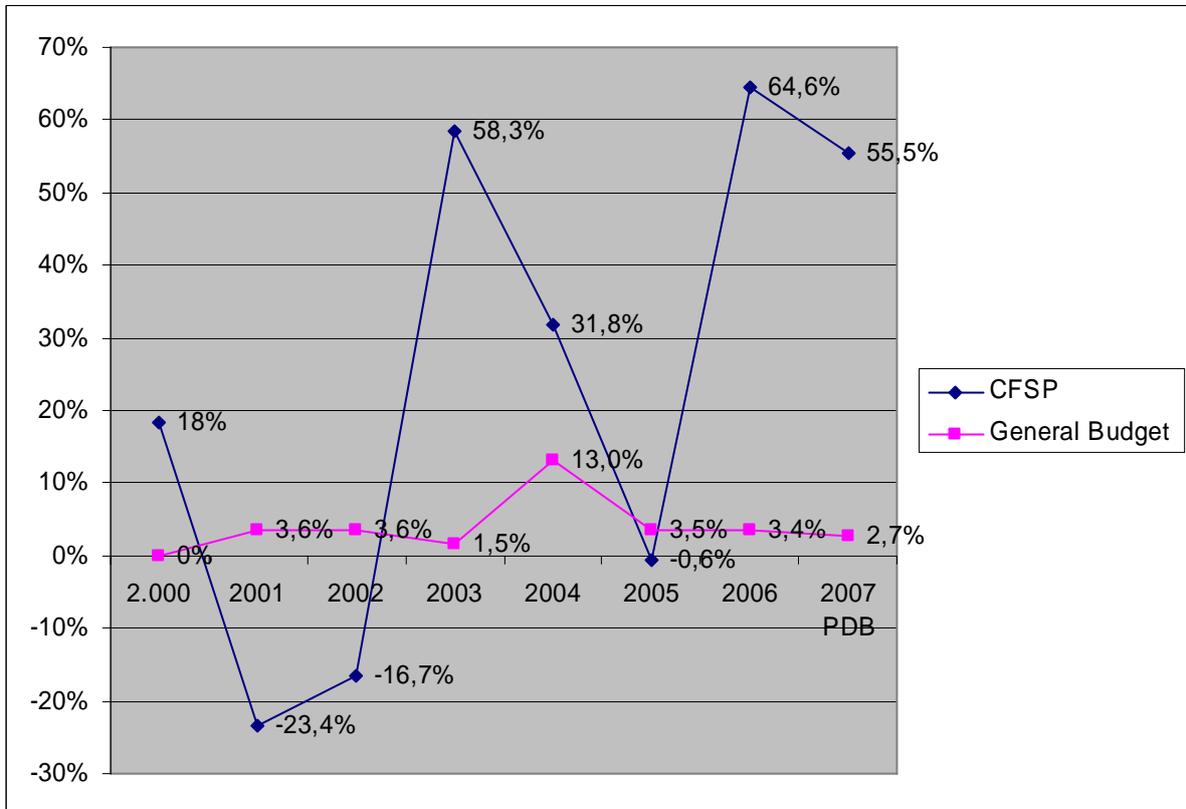
\*\*\* only in PDB 2007,

in DB 2007 the line 190307 merged with 190303 into 190301 which was renamed as follows:

19 03 01 Crisis management operations, conflict prevention, resolution and stabilisation, monitoring and implementation of peace and security processes



The **CFSP budget** is only in the magnitude of 1/1000 of the General Budget, but in full evolution (commitment appropriations)



The **increase relative to the previous year** is quite fluctuating for the new policy area of CFSP and currently at a high level of over 50 % (commitment appropriations)

## Administrative implications of CFSP

Information on the **administrative implications of CFSP at the Commission** is available as from 2003 when Activity Based Budgeting has been introduced:

Within the CFSP activity of DG RELEX the following are the staff numbers allocated CFSP matters in the Commission:

Year	2003	2004	2005	2006
Staff	58	57	61	63

In the General Budgets of 2005 and 2006 there has been a budget line

*19 01 04 14 — Common foreign and security policy — Expenditure on administrative management* with 2006 appropriations of 200 000 and 2005 appropriations of 400 000 whereas 2004 payments amounted to 270 000 € and 2003 payments to 304 000 €

However, the label of this line is misleading and the appropriation is in fact, according to the activity statement of this budget line, intended to pay for external experts linked to specific joint actions in the complex area of non-proliferation and disarmament of Weapons of Mass Destruction (WMD) and it complements the CFSP line 19 03 02 Non-proliferation and disarmament.

In the 2007 draft budget the former budget line 19 01 04 14 appears as line

*19 01 04 04 CFSP - expenditure on administrative management* with no amount but marked "p.m." which allows for being filled by way of transfers (article 25 Financial Regulation).

## The Council budget title 3

At the **Council**, the ESDP related common budget is covered by a proper title as of 2003, see the table below. However, all other CFSP related spending of the Council may be dispersed over the different other branches of its budget (such as meeting rooms, telecom, mission expenses and staff related cost).

As an "activity based budgeting" concept has not been implemented at the Council, it is not possible to identify the administrative cost of the CFSP at the Council in a straightforward manner.<sup>1</sup>

---

<sup>1</sup> explanation from the Council (26 September 2006):

a) the structure of title 3 of Council's budget presents the appropriations available to the Council for CFSP/ESDP classified by nature (staff, buildings, IT) .

b) the expenditure on other resources cannot be isolated from the main part of the budget: it is for instance impossible to define which part of the salary of SG/HR Solana should be allocated to CFSP/ESDP. And even if such an allocation would be possible, a split over different budget-lines of the appropriations needed to pay his salary would lead to considerable practical problems.

c) the issue has been discussed during a lunch-meeting between DSG and a delegation of the CoBu (present were amongst others MM Lewandowski and Grech) on 13/9 . It was then made clear that the Council is not able to provide the information requested.

## ESDP related budget of the Council 2003 - 2005

Title Chapter	Heading	Appropriations 2003	Appropriations 2004	Appropriations 2005
3	<b>EXPENDITURE ARISING OUT OF THE INSTITUTION'S PERFORMANCE OF MISSIONS</b>			
3.1	Emoluments of the European union military staff set up within the framework of the European Security and Defence Policy (ESPD) and of the seconded national experts and the special advisers in connection with related activities	5.827.000	6.727.000	9.327.000
3.2	Operating expenditure of the European union military staff within the framework of the European security and defence policy (ESDP)	1.137.000	833.000	974.000
3.3	Specific infrastructure expenditure arising in connection with the implementation of the European security and defence policy (ESDP)	9.862.000	21.728.000	39.065.000
3.4	Meeting and convening expenses	1.220.000	638.000	700.000
<b>Title 3 - TOTAL</b>		<b>18.046.000</b>	<b>29.926.000</b>	<b>50.066.000</b>

Title Chapter	Heading	Appropriations 2003	Appropriations 2004	Appropriations 2005
3 1 0	Allowances for seconded national military experts	4.982.000	5.235.000	7.052.000
3 1 1	Allowances of the national experts seconded in connection with the ESDP	665.000	1.352.000	2.084.000
3 1 2	Special advisers in the field of the European security and defence policy (ESDP)	180.000	140.000	191.000
<b>Title 3 1 - TOTAL</b>		<b>5.827.000</b>	<b>6.727.000</b>	<b>9.327.000</b>
3 2 0	National military experts' mission expenses	852.000	550.000	624.000
3 2 1	National experts' mission expenses within the framework of the ESDP	96.000	96.000	155.000
3 2 2	Administrative expenses incurred by national military experts of the European Union Military Staff when travelling	35.000	20.000	20.000
3 2 5	Expenses of attendance at courses, conferences and congresses under the European Union Military Staff's terms of reference	15.000	15.000	25.000
3 2 6	Study costs: acquisition of specialised expertise, documentation and data under the European Union Military Staff's terms of reference	103.000	128.000	135.000
3 2 7	Representation expenses	36.000	24.000	15.000
<b>Title 3 2 - TOTAL</b>		<b>1.137.000</b>	<b>833.000</b>	<b>974.000</b>
3 3 0	Rent	3.690.000	3.760.000	4.231.000
3 3 1	Buildings operating expenditure	2.330.000	2.035.000	9.613.000
3 3 2	Computer and telecommunications systems and technical installations for the European security and defence policy (ESDP)	3.081.000	15.178.000	24.751.000
3 3 3	Furniture and other miscellaneous operating expenses	273.000	165.000	470.000
3 3 4	Telecommunications expenses	488.000	590.000	
<b>Title 3 3 - TOTAL</b>		<b>9.862.000</b>	<b>21.728.000</b>	<b>39.065.000</b>
3 4 0	Meetings in general	1.220.000	638.000	700.000
<b>Title 3 4 - TOTAL</b>		<b>1.220.000</b>	<b>638.000</b>	<b>700.000</b>

The question could arise of whether the creation of TITLE 3 EXPENDITURE ARISING OUT OF THE INSTITUTION'S PERFORMANCE OF MISSIONS in the budget of the Council is in conformity with the sense and the spirit of the Treaty on European Union, the Treaty establishing the European Community and the Financial Regulation, especially article 28 TEU, article 268 TEC and the chapter on "Structure and presentation of the budget" of the Financial Regulation (article 41(2)2: "A title shall correspond to a policy area and a chapter shall, as a rule, correspond to an activity."), arguing that such expenses should appear in the same chapter 19 03 CFSP within title 19 External Relations in the General Budget of the EC, section III Commission.

In fact, the second paragraph of article 268 TEC stipulates: "Administrative expenditure occasioned for the institutions by the provisions of the Treaty on European Union relating to common foreign and security policy and to cooperation in the fields of justice and home affairs shall be charged to the budget. The operational expenditure occasioned by the implementation of the said provisions may, under the conditions referred to therein, be charged to the budget."

The rules mentioned above do not stipulate such expenditure to be charged to the budget of the Commission but, more generally, to the budget (of the European Community). So there seems to be no problem from this side for having developed title 3 of the Council's budget.

However, the IIAs of 1999 and 2006 on budgetary discipline stipulate: "*The total amount of operating CFSP expenditure will be entered in **one** budget chapter (CFSP)*". This is of course chapter 19 03 of the General Budget, Commission section. And Council's budget title V "Expenditure arising out of the Institution's performance of missions" covers also expenditure that could be considered as operational<sup>1</sup>. The biggest item in its 2005 budget are Eur 24.75 million for "Computer and telecommunications systems and technical installations for the ESDP".

**Therefore, it appears that title 3 of the Council's budget is in contradiction to the Interinstitutional Agreements on budgetary discipline.**

The question of the legality and opportunity of Title V of the Council's budget should also be considered with the constitutional idea behind the rules for establishing the budget and the discharge procedure, i.e. the idea that implementation of EU policies should be subject to the scrutiny of the budgetary authority.

This gives rise to the question whether title 3 of the Council budget can be covered rightly by the "*gentlemen's agreement*" between the two arms of the budgetary authority, the Parliament and the Council, not to touch each other's budget neither in the annual budgetary procedure nor in the discharge procedure: In the case of title 3 of the Council not mere administrative cost but also operative cost is concerned.

In European Parliament's debate of 12 April 2005 on the discharge of the budget 2003, Alexander Stubb, rapporteur for the discharge of "the other institutions" (i.e. sections II (Council!), IV, V, VI, VII and VIII) phrased it diplomatically:

*"For the first time, we had a structured dialogue with the Council in an informal setting and it worked out quite well. We obtained the information we needed and we can be thankful for that. However, I have a slight word of warning for the future: we are getting to a stage in European integration where external relations, especially the common foreign and security policy, are getting more important. This means that, in future, the CFSP budget of the Council will not only be administrative but also executive. It will be particularly important for us to have a very close look at that when we start building the external relations service, to see how we can control it a little bit better."*

and the European Parliament adopted (12 April 2005) the resolution containing the comments which form part of the decision on the discharge for implementing the general budget of the European Union for the financial year 2003, Section II - Council<sup>2</sup> :

*"5. Finds that greater clarity with regard to spending on and the management of the Common Foreign and Security Policy (CFSP) within the Council would enhance transparency; urges the Council separately to identify CFSP preparatory costs within its budget, as recommended by the Court of Auditors in its Special Report No 13/2001; stresses the need for clarification of the Commission's role in the implementation of CFSP, as recommended by the Court of Auditors in its Special Report No 13/2001; recommends that clear operational principles and arrangements*

---

<sup>1</sup> such: logistic support for missions

<sup>2</sup> P6\_TA(2005)0094

*with regard to the Commission's role in implementation of the CFSP be included in the new interinstitutional agreement on the budget;"*

And on 27 April 2006 European Parliament adopted the resolution with comments forming an integral part of the decision on the discharge for implementation of the European Union general budget for the financial year 2004, Section II - Council<sup>1</sup> (rapporteur Nils Lundgren):

*"7. Notes a 225 % increase in the initial appropriation for special advisers in the field of European security and defence policy (budget article 3 1 3);*

*8. Recalls the remark made in its resolution of 27 October 2005 on the draft general budget for 2006<sup>2</sup> that the other institutions' budgets should cover administrative expenditure;*

*9. Finds that greater clarity with regard to spending on and by the EU Counter-terrorism Coordinator would enhance transparency; recalls that as a matter of principle operational expenditure should only be incurred by the Commission;*

*10. Urges the Council to improve its reporting capacity by making available at an early stage to the discharge authority, as all other institutions have done, including Parliament, the annual activity report referred to in Article 60(7) of the Financial Regulation, thereby contributing to the greater transparency of the institutions;*

...

*12. Recalls that in a letter dated 18 November 2004 concerning the 2003 discharge procedure, the Council declined an invitation to attend a meeting of the Committee on Budgetary Control, citing the Gentlemen's Agreement of 22 April 1970; recalls further the Council's reluctance in previous years to give more than cursory answers to the questionnaire sent by the Committee on Budgetary Control to the other institutions by way of preparation of the discharge decision; believes that, in the context of the current compromise consisting in an informal dialogue between the Council and the competent committee's chairman and rapporteur, the competent committee should broaden the scope of its participation to include other Members wishing to contribute to this informal dialogue."*

## **The CFSP agencies**

The Council has established by CFSP instruments three Agencies the budgets of which are fuelled by contributions from Member States:

the **European Union Institute for Security Studies**<sup>3</sup>, Paris; budget in 2003 Eur 3,3 million including some 20 staff; the budget is financed by the Member States pro rata of their GNP;

the **European Union Satellite Centre**<sup>4</sup>, Torrejón near Madrid; budget ± Eur 10 million/year including 70 staff;

---

<sup>1</sup> P6\_TA-PROV(2006)0159

<sup>2</sup> Texts Adopted, P6\_TA(2005)0410.

<sup>3</sup> by Council Joint Action 2001/554/CFSP of 20 July 2001, OJ L 200, 25.7.2001, p. 1.; <http://www.iss.europa.eu>

<sup>4</sup> by Council Joint Action 2001/555/CFSP of 20 July 2001, OJ L 200, 25.7.2001, p. 5.; <http://www.eusc.europa.eu>

the **European Defence Agency**<sup>1</sup>, Brussels; in 2005 the contributions of the participating 24 EU Member States (i.e. without Denmark) amounted to Eur 20 million; taking into account surplus reimbursement, the actual cost to pMS was Eur 15,5 million (including ± 80 staff).

However, the **European Security and Defence College (ESDC)**, established by Council Joint Action 2005/575/CFSP of 18 July 2005<sup>2</sup> is organised as a network between national institutes, colleges, academies and institutions within the EU dealing with security and defence policy issues and the aforementioned European Union Institute for Security Studies. Its mission is providing training in the field of ESDP. The Secretariat of the ESDC is by the General Secretariat of the Council.

The following table shows the initial reference amounts of military CFSP Joint Actions (not charged to the EU budget). As from 2004 they have been provided through the ATHENA mechanism.

### ESDP actions with their initial reference amounts (contributed by MS)<sup>3</sup>

Joint Action / OJ reference	article	Name	reference amount €	staff from MS / third states
2003/92/CFSP L34, 11-02-2003	9.3	Concordia fYROM	4 700 000 +1 500 000	308 49
2003/423/CFSP L143, 11-06-2003	11	Artemis DR Congo	7 000 000	?
2004/570/CFSP L252, 28-07-2004	12.4	Althea Bosnia Herzegovina	71 700 000	6200
2005/557/CFSP L188, 20-07-2005	11.3	AMIS II Sudan Darfur	1 970 000 + 212 M€fromEU African Peace Facility +115 M€of MS	150
2006/319/CFSP L116, 29-04-2006	13.3	EUFOR MONUC DR Congo	16 700 000	?

Annexes 2 and 3 give a picture on the non-military measures for which the CFSP budget lines have been used in 2004 and 2005, indicating also contributions from Member States and third parties, where available.

<sup>1</sup> by Council Joint Action 2004/551/CFSP of 12 July 2004, OJ L 245, 17.7.2004, p. 17; <http://www.eda.europa.eu>

<sup>2</sup> OJ L 194 of 26 July 2005, p.15

<sup>3</sup> normally the really attributed amounts are higher than the initial reference amounts, e.g. for Concordia about 1.5 M€ more than the initial 4.7 M€ (information from the ISS agency). It was not possible to get exact figures. Communication from the Council (27 September 2006): "... The budgets of military operations are confidential and we therefore cannot offer more information ...".

## 8. Items for determining the total cost of CFSP

The total cost of CFSP can be estimated as the total of the following:

1. From the budget of the European Community Section III (Commission):
  - 1.1 budget lines 19 03
  - 1.2 Commission staff allocated to CFSP matters
  - 1.3 "in-kind" contributions from Commission to CFSP measures
2. From the budget of the European Community Section II (Council):
  - 2.1 title 3 of Council budget
  - 2.2 Council staff allocated to CFSP
  - 2.3 "in-kind" contributions from Council to CFSP measures
3. Contributions from Member States:
  - 3.1 budget of the CFSP agencies (from MS)
  - 3.2 financial contributions from MS to CFSP measures (other than agencies)
  - 3.3 staff contributions from MS to CFSP measures \*
  - 3.4 in-kind contributions from MS to CFSP measures \*
4. Contributions from beneficiary countries: are not counted as "cost of CFSP"
5. Contributions from third countries and other bodies: not counted as "cost of CFSP"

For the year **2005** this would add up as follows:

- |  |         |
|--|---------|
| 1.1  | 62.6 M€ |
| 1.2 staff at least 60:   | 6 M€    |
| 1.3 (unknown)  |         |
| 2.1  | 50 M€   |
| 2.2 staff at least 80:   | 8 M€    |
| 2.3 cannot be identified in Council's budget, see footnote 1 on page 21. |         |
| 3.1  | 33.3 M€ |

**this adds up to at least 160 M €for the cost items that are the core of CFSP.**

- |                               |         |
|-------------------------------|---------|
| 3.2 at least                  | 190 M€  |
| 3.3 at least 7000 staff $\pm$ | 500 M€* |
| 3.4 much more than            | 2 M€*   |

**this adds up to far beyond 850 M€from EU budget and MS.**

The cost is further increased by the "cost lie where they fall" rule.

The above items 1.1 to 3.1 can be considered as the core of CFSP, being of a coordinating nature.

---

\* the financial statements of the actions in question are regularly transmitted from the Council to the Parliament and contain estimates of the contributions in kind by the Council and by the MS. However, the real cost of the non-financial contributions by the MS (salaries, equipment, other) are not known to the Council, neither for civilian nor for military CFSP operations. The MS' cost is further increased by the "cost lie where they fall" rule.

## 9. Monitoring and evaluation requirements stemming from the Financial Regulation

Article 27 of the Financial Regulation<sup>1</sup> stipulates: (highlighting by author)

*"3. **Specific, measurable, achievable, relevant and timed objectives** shall be set for all sectors of activity covered by the budget. Achievement of those objectives shall be **monitored by performance indicators** for each activity and information shall be provided by the spending authorities to the budgetary authority. Such information, as referred to in Article 33(2)(d), shall be provided annually and at the latest in the documents accompanying the preliminary draft budget.*

*4. In order to improve decision-making, institutions shall undertake **both ex ante and ex post evaluations** in line with guidance provided by the Commission. Such evaluations shall be applied to all programmes and activities which entail significant spending and evaluation results disseminated to spending, legislative and budgetary authorities."*

and article 28:

*"1. Any proposal submitted to the legislative authority which may have an impact on the budget, including changes in the number of posts, must be accompanied by a **financial statement and the evaluation** provided for in Article 27(4).*

*2. During the budgetary procedure, the Commission shall provide the necessary information for a comparison between changes in the appropriations required and the initial forecasts made in the financial statements. This information shall include progress made and the stage reached by the legislative authority in its consideration of proposals presented. The appropriations required shall, where appropriate, be revised in the light of the progress of deliberations on the basic act.*

*3. In order to prevent risk of fraud or irregularity, the Commission shall record in the financial statement any information regarding existing and planned fraud prevention and protection measures."*

While financial statements on most of the non-military CFSP measures having a budgetary impact are supplied to EP (and are publicly available on the Council's register), the **evaluation aspects of these are largely under-developed**, and for many ESDP measures financial statements are not provided at all to the European Parliament.

---

<sup>1</sup> COUNCIL REGULATION (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, OJ L 248 of 16.9.2002

## 10. Reporting

The CFSP actions provide for reporting rules along the following lines: The head of Mission reports to the SG/HR through the Special Representative (EUSR). The EUSR reports to the HR and to the PSC and may report to the relevant Working Group. Regular written reports will be circulated to the HR, Council and Commission. The EUSR may report to the GAERC on the recommendation of the HR and the PSC.

Further, the EUSR shall present a comprehensive written report on the implementation of the mandate to the HR, Council and Commission before the mandate expires, which shall form a basis for evaluation of the Joint Action in the relevant working groups and by the PSC.

However, this information flow does not include the Parliament or its competent committee. Therefore the question may be asked of what is the democratic control of the use of the funds (underlying the CFSP actions) from the Member States and from the EU General Budget or is it escaping national and EU parliamentary control ?

The competent committees should get regularly non-delayed access to these reports.

However, the annual reports from the Council to the European Parliament on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the European Communities (point H, paragraph 40, of the Interinstitutional Agreement of 6 May 1999), are transmitted regularly to EP's AFET committee,

and the Quarterly Reports to the Budgetary Authority on the implementation of CFSP actions are sent regularly to EP's Committee on Budgets and are then available publicly [http://ec.europa.eu/comm/external\\_relations/cfsp/fin/monthly/index.htm](http://ec.europa.eu/comm/external_relations/cfsp/fin/monthly/index.htm) .

Parliament regularly takes position in form of a resolution, upon an AFET own-initiative report, in response to the Council's annual report on the EU's common foreign and security policy. In the most recent one (on Council's 2004 annual report on CFSP) Parliament criticized that the Council continued to maintain the an '*ex-post*' approach of merely submitting a descriptive list of Common Foreign and Security Policy (CFSP) activities carried out in the previous year, instead of consulting Parliament beforehand. Parliament had repeatedly asked the Council to replace this practice with a genuine consultation of Parliament in order to ensure that Parliament's views have a real impact on the choices made for the following year. It reiterated its right to be consulted annually '*ex ante*' on forthcoming aspects as provided for in the existing treaties. Parliament felt that it must be properly consulted at the beginning of each year on the main aspects and basic choices to be made for that year. The Council should subsequently report to Parliament whether – and, if so, how – Parliament's contribution has been taken into account as provided for in Article 21 of the EU Treaty and in the Interinstitutional Agreement of 6 May 1999. Maybe due to this criticism the Council's annual report on CFSP for 2005 includes a chapter PERSPECTIVES FOR FUTURE ACTION IN 2006 that is better elaborated than the perspectives in the previous annual reports. Proper *ex-ante* consultation of the Parliament will encourage Council to have a good forward-looking, coherent and co-ordinated approach to CFSP/ESDP actions, and to identify strategic priorities and translate such priorities in action proposals to be discussed with the Parliament.

COBU gets from the Council regularly the financial statements of the individual CFSP actions and from the Commission the quarterly CFSP reports. The financial statements contain chapters on budget figures and characteristics, description of the action and its objectives, the financial impact including time-frame, staff employed, use of premises and other infrastructure, transport

facilities, training requirements, security arrangements, and it lists the financial precedents. The impact on staff and administrative expenditure is often indicated with "p.m." only. The chapter of the financial statement on "follow-up and evaluation" is normally more explicit sometimes even listing performance indicators and setting dates or time frames for audit and evaluation. **However, there is no trace for the Parliament whether the audit and evaluation measures as "promised" in the financial statement have been conducted as foreseen, and the evaluation reports are not transmitted to the Parliament.**

Finally, virtually every CFSP financial statement contains in its last chapter "anti-fraud measures" a standard phrase like "Controls may be undertaken by the Commission services, including OLAF, as well as by the European Court of Auditors". It is not known whether this possibility has materialised.

The national financial contribution (EU Member States, third countries e.g. Norway) are appreciated by the heads of mission, not only for the value they represent, but also as they give heads of mission additional flexibility because the EU Financial Regulation - often considered as bureaucratic and time consuming - does not apply for spending the contributions from third countries.

The Financial Statements drawn up by the Council for the CFSP actions implying contributions by the EU budget are generally diligently drawn up and documented, most of them are publicly available on the Council's public register. However, the Financial Statements for extended actions do not always show all precedents of financial allocations to the "predecessors" of these actions.<sup>1</sup> Financial Statements should also contain information on evaluation reports concerning these precedents.

### **The interim and ex-post evaluation and audit functions must be strengthened**

Progress and evaluation reports should be established regularly, at least every 6 months and at end of a measure/of an action. Such reports should be transmitted to the European Parliament. Only in justifiable exceptional cases such reports should not be public. Publicity of such reports could contribute to a greater visibility of the EU actions. Visibility both to the taxpayer and to the public in beneficiary countries are values in itself.

### **Minimum Evaluation criteria to be checked at least every six months of ongoing actions and at completion of each CFSP action**

- Was the action conducted/completed successfully?
- Was the action conducted consistently and complementarily to the other EU actions?
- Which external elements contributed to impede the action?
- Which elements internal to Commission, HR, special representatives or contributions by Member States gave room for improvement?
- Which additional resources (e.g. staff, equipment, services) could have contributed to a more successful action ? which resources have proved to be of lesser value, e.g. due to external circumstances impeding their timely and adequate use?

---

<sup>1</sup> but e.g. the financial statement of 31 Jan 2006 associated with Council Joint Action extending and amending the mandate of the EUSR in FYROM does indicate the precedents. Its chapter 6.4. Financial Precedents shows that the EUSR in 2001, 2002 and 2003 was allocated appropriations from the **administrative budget of the Council**. Full transparency by indicating the allocated amounts would however be appropriate.

- Have there been difficulties in applying rules (e.g. Financial Regulation and its Implementing Rules)?

## 11. Evaluation of the benefit

The traditional cost-benefit analysis cannot easily be applied to CFSP as most of the elements have a political impact that is difficult to quantify. The items below give an overview of elements to be taken into consideration when assessing CFSP.

### A. Assessing the **CFSP budget in relation to the total of financial, in-kind and staff deployment by MS** in the field of foreign and security policy:

Whereas MS would deploy resources for specific foreign and security measures also in the absence of a CFSP, but separately and in an un-coordinated and un-concerted manner, the activities of the core of CFSP allow the **coordination of all contributions**, thus **reducing cost**, and leading to **concertation of measures** at strategic and tactical level, thus **increasing impact**. Therefore, the 160 M€ in 2005 for the core of CFSP mentioned above have a tremendous inherent potential of being **beneficial** to the whole of EU and Member States' actions in the field of the common foreign and security policy which amounted to far more than 850 M€ in 2005. The probable benefit of the coordinating and concerting function of CFSP is to be appreciated in proportion to the value of the contributions the MS deploy.

Further to the benefit deriving from coordination and concertation, CFSP measures can have a **leverage effect** by instigating and guiding MS to contribute resources within the CFSP framework, which they may not allocate if there were no such instrument as CFSP. **However, the MS contributions to CFSP are still lacking of transparency** which should be remediated for reasons of both democratic control of the tax-payers' moneys and for the sake of the quality and coherence of the actions which increased accountability to the European Parliament would entail.

### B. CFSP in relation to all external actions of EU policies:

Another level of assessment of the benefit of CFSP is in relation to the whole of external actions of the different policies of the European Union. E.g. for **2005 the general Commission budget for External Assistance amounted to €7853 million** in commitments and €8159 million in payments, of which €3997 million commitments and €3693 million payments were managed by DG AidCo, and €3856 million commitments and €4466 million payments by other DGs including: ECFIN, AGRI, ENER, ENV, RTD, FISH, REGIO, TAXUD, EAC, JAI, RELEX, TRADE, DEV, ELARG, ECHO, see annex 2; to this **adds the EDF €3511 million** for commitments and €2544 million for payments, in 2005. In relation to this, the CFSP budget lines of the Commission amounted to relatively modest €62 million in 2005 (€63 million in payments) but which is intended to triple from 2006 to 2013 according to the multiannual financial framework of 2007-2013 (IIA of 2006).

A drastic example of interrelationship of different policy areas is that of Justice and Home Affairs (third pillar of EU) and of Foreign and Security Policy (second EU pillar) if one

considers the migration flows from developing countries to the EU. The Commission in COM(2005)491final of 12.10.2005 on A STRATEGY ON THE EXTERNAL DIMENSION OF THE AREA OF FREEDOM, SECURITY AND JUSTICE: *"Promoting the rule of law outside the EU is essential to underpin domestic and international security, stability and development. The external dimension of the area of justice, freedom and security cannot be seen as an independent policy area but must be part of the EU's external policy activities."*

This is elucidated in a recent briefing paper<sup>1</sup> prepared for the European Parliament's Committee on Foreign Affairs. It suggests that *"the EU has failed to understand all the relevant factors in the region that cause people to emigrate away from Africa. Furthermore, we argue that the EU's institutions and Member Governments need to have a wide-ranging debate about the utility and desirability of immigration in the EU and the role development policy plays in exacerbating the 'push' factors that spur emigration from Africa."* It also suggests that there needs to be a more effective dialogue between parliamentary committees who are working on complementary issues.

Therefore a Common Foreign Security Policy designed and implemented in a way **coherent** with the other policies is clearly **beneficial**, in proportion to the benefit of the other policies to which security the CFSP contributes. Evidently, the European Parliament can largely make sure that such coherence of policies happens, if it is duly involved in the decision making process for the CFSP measures. This holds also for the following:

### C. Thirdly we should see the issue of **CFSP in relation to United Nations actions:**

"The UN peacekeeping budget pays for military operations enacted by the Security Council. As of mid-2006, the UN had more than 70,000 soldiers, police and military observers conducting missions in 15 nations, including Haiti, Liberia, the Democratic Republic of Congo and Sudan."<sup>2</sup>

If we have a look at the top ten contributors to United Nations budgets, funds, programmes and agencies including the standing Peacebuilding Fund (see annex) we see that several EU MS are major contributors. In addition to direct contributions from its MS the European Community provided US\$ million 457 in 2002, 572 in 2003 and 822 in 2004. The table summarises contributions to 22 UN entities including: UN budget, UN General Funds, FAO, ILO, WHO, UNESCO, UNDP, UN-HABITAT, UNHCR, WFP, UNFPA, UNRWA, UNAIDS, IFAD, UNODC, IAEA, UNIDO and WMO. It reflects virtually all significant financial contributions to the UN, amounting to more than US\$ 33000 million for the ten top contributors over the 3 year period of 2002 to 2004.

Although most of these activities do not fall in the field of CFSP, some of them do, and many of them are closely related to other EU external actions. The Commission has addressed this issue by COM(2003)526 of 10.9.2003 on "The European Union and the United Nations: The choice of multilateralism" with an approach "towards greater efficiency and impact by working

---

<sup>1</sup>Robert Dover, European Strategic Consulting LLP, Bristol: The external dimension of the EU's area of freedom, security and justice in relation to Sub-Saharan Africa; 21 September 2006; briefing paper requested by the European Parliament's Committee on Foreign Affairs

<sup>2</sup> United Nations Association of the United States of America: Fact Sheet, All about the United Nations Budget, June 2006 <http://www.unausa.org/site/pp.asp?c=fvKRI8MPJpF&b=1813833>

together". On 24 September 2003 EU and UN agreed on a "Joint Declaration on UN-EU Co-operation in Crisis Management", and the European Council of 17-18 June 2004 adopted its position on "EU-UN co-operation in Military Crisis Management Operations - Elements of Implementation of the EU-UN Joint Declaration".

Considering this scenario it is clear that **coordination, concertation and coherence** must be assured by the European Union and that its CFSP must be conducted accordingly so as to be **beneficial** to the whole.

**D.** Yet another approach to assessment is **analysis of the individual CFSP measures**.

At this "micro-level" (as opposed to the three previous "macro-level" considerations) benefit can be assessed much more concretely and tangibly. Such exercise is shown below for the AMM, the Aceh Monitoring Mission, and for EU BAM Rafah, the EU Border Assistance Mission for the Rafah Crossing Point. The **benefit** of these two actions could clearly be demonstrated.

## **Case Studies**

### Preliminary remarks:

- It is not possible to evaluate the benefit of external policy on an accounting basis.  
However, it is generally recognised that such operations can have a huge impact in enhancing the EU's leverage and influence in many areas of the world, e.g. in Indonesia, Middle East and Congo;
- Quite often such great beneficiary impact can be gained for relatively small amounts of money;
- CFSP is the structured means to coordinate the MS's approaches to external policy and by unified common action increasing impact, guaranteeing success, and making results visible;
- A benefit analysis of an action should consider what would have had to be expected if the action had not taken place (conflicts, war, epidemics, destruction, hunger etc).

The output will now be demonstrated below on behalf of two examples of CFSP joint actions. They illustrate how CFSP actions with relatively small financial endowments can produce outstanding value for money, and that the impact for the local populations can be considerable, thus underpinning EU policies to promote the development of democratic and stable societies in the regions in question as well as for the role on the world scene and as demonstrations of EU engagement.

**Example 1: AMM - Aceh Monitoring Mission (JA 2005/642/CFSP)** from 9 Sept 2005 to 15 Mar 2006 (extended to 15 Sep 2006 with minor financial implications)

- **financial reference amount:** EUR 9 Mio for 2005 CFSP budget
- Contributions by MS (M€): SE 4.159, LX 0.044, FI 0.3, UK 0.15, BE 0.15, NL 0.275, IR 0.025;

- Contribution by participating third states: Norway, Switzerland, Thailand, Brunei, Malaysia, Singapore, Philippines (total 0.9 M€)

Total EU+MS+third states: 15.022 M€                      +seconded staff (some 80)

This amount should be compared to other EU policies spending on Aceh in 2005/2006 in magnitude of billions of €

- **Impact:** AMM is an essential and central part to the peace process that is bringing to an end the world's longest ongoing conflict (over 12 000 dead over 30 years) in the largest Muslim state in the world. This peace process is essential for a stable, well governed Indonesia and has also a wider regional impact (i.e. piracy has dropped in the Malacca straits as a result of the peace process. For the peace agreement reached signed on 15 August 2005, AMM was essential. The operation won the confidence of the Indonesian people, the Government of Indonesia (GoI) and the rebel "Free Aceh Movement" GAM. AMM has enabled a closer and fuller relationship between the EU and the GoI as well as between the EU and ASEAN partners.

It should however not remain unmentioned that some MEPs have criticised a lack of human rights monitoring by this ESDP mission in Aceh, e.g. Richard Howitt, rapporteur for the Annual Report on Human Rights in the World 2005 and the EU's Policy on 17 May 2006 in Plenary.

#### **Example 2 EU BAM Rafah (JA 2005/889/CFSP) 25/12/05-24/11/06**

- **financial reference amount:** M€ 1.697 for 2005 commitment and M€ 5.903 for 2006 commitment, total 7.6 M€ from CFSP budget
- Contributions by MS 3.875 M€, and 70 staff mainly seconded from MS

Total EU+MS: 11.475 M€

- **Impact:** The EU Border Assistance Mission for the Rafah Crossing Point has enabled Israel to allow the opening of this single border crossing point between Gaza and Egypt, under the authority of the Palestinians; without this, all entry to and exit movements from Gaza would be controlled by Israel, which can be both politically and psychologically difficult for the population in Gaza and for the Palestinian authority. EU policy has always aimed at a two-state solution, and at facilitating border management in a way that builds confidence in the Palestinian administration.

- Due to the current situation in the region, the Rafah Crossing Point is currently open only when conditions permit, but the Mission is trying to broker a regular reopening in view to alleviating the serious humanitarian situation that the Gaza Strip is facing.

- e.g. a two-day opening was achieved on 18 and 19 July, allowing more than 5000 persons to cross into the Gaza Strip from Egypt.

- solutions like the Rafah border crossing represent one of the building blocks of a solution of the Israeli - Palestinian conflict.

- remarkably, the Rafah Border Crossing Point is possibly the only place where Palestinians and Israelis actually work together on a daily basis on security issues.

## Discussion of a further example: EUMM in the Western Balkans

The data for the two afore-mentioned examples and their assessment have been supplied by the Council, and confidence is assumed that the picture given is complete and possible negative aspects aren't concealed. AMM has been presented and discussed extensively in the CFSP annual report 2005. However, another Monitoring Mission, the EU Monitoring Mission EUMM in the Western Balkans is covered by only scarce indications in the same annual CFSP report. It is in fact difficult to evaluate individual CFSP measures if there isn't any reporting available. Therefore increased transparency would dissipate any doubts. This Monitoring Mission started already in 1991 as "ECMM European Community Monitoring Mission" in order to keep European governments informed about developments in the troubled Balkan region. It was incorporated into EU structures in Dec 2000, following which the Mission reported directly to the HR and was mostly funded from the EU Budget (and Norway and the then non-MS Slovakia).<sup>1</sup>

The about 120 staff of the EUMM, the so-called "monitors", are responsible for "monitoring developments of the political situation and security", "paying special attention to border surveillance, inter-ethnic issues and the return of refugees", "drawing up reports" and "contributing to the Council's early warning system, and restoring trust".<sup>2</sup> The monitors are seconded from the MS and Norway, and rely also on local staff (e.g. interpreters). They are based not only in Serbia and Montenegro but also in Albania, BiH, FYROM, following agreements between the European Union and the respective governments. Unfortunately several casualties amongst them are to deplore.

The yearly budget of EUMM was about 4.2 € million until 2005. For 2006 € 3 788 000 are foreseen, of which € 3 724 000 from the Community Budget, the difference from Norway (financial statement annexed to the Draft Council Joint Action "extending and amending the mandate of the European Union Monitoring Mission", Council document 13876/05 of 10 Nov 2005). The main cost item is € 1 301 400 for 76 local staff (6 less than 2005), followed by € 756 840 for rent of buildings, € 469 450 for transport, and € 386 950 for the Head of Mission and 2 international staff.

Council Joint Action 2005/807/CFSP of 21 Nov 2005 amends article 3(3) of the original Joint Action 2002/921/CFSP as follows:

*'3. The Secretary-General/High Representative shall ensure that the EUMM functions flexibly and in a streamlined manner. In that context, he shall regularly reexamine the functions and the geographical territory covered by the EUMM so as to continue to adapt the internal organisation of the EUMM to the priorities of the Union in the Western Balkans. He shall report to the Council at the beginning of 2006 as to whether the conditions for ending monitoring activities in Albania are in place; he shall review early in 2006 the EUMM's presence in Bosnia and Herzegovina and shall put forward recommendations. The Commission shall be fully associated.'*

However, it is difficult to appreciate the output of this Mission if it is only reported to the HR and MS governments, and information on the Mission is scarce. It is understandable that MEPs doubt the usefulness of this CFSP action if the MEP is refused meeting EUMM monitors or the Head of Mission to discuss the situation in Montenegro, arguing that they referred exclusively to

---

<sup>1</sup> European Report of 13 June 2001;

[http://www.consilium.europa.eu/cms3\\_fo/showpage.asp?id=622&lang=en&mode=g](http://www.consilium.europa.eu/cms3_fo/showpage.asp?id=622&lang=en&mode=g)

<sup>2</sup> Agence Europe 12 Mar 2001

the HR! Therefore again, greater transparency towards MEPs would contribute to more confidence and better appreciation of the CFSP measure.

## **EUSRs and other Representatives**

EU Special Representatives (EUSRs) play an important role in the CFSP. They are foreseen by article 18(5) TEU, to be appointed "with a mandate in relation to particular policy issues".

According to the EUSR fact sheet on the Council website:<sup>1</sup>

*"The aim of the EUSRs is to represent the EU in troubled regions and countries and to play an active part in promoting the interests and the policies of the EU. The EUSRs support the work of High Representative Solana in the concerned regions. They are appointed to regions where they are most needed and their mandates reflect accurately the Union's objectives.*

*EU Special Representatives (EUSRs) play an important role in the development of a stronger and more effective EU Common Foreign and Security Policy (CFSP). EUSRs provide the EU with a visible and practical presence in critical countries and regions. To a considerable degree they are a "voice" and a "face" of the EU and its policies on the ground. Characteristics of the position are a high degree of availability, creating a considerable momentum of EU impact."*

EUSRs are appointed/extended by a legal act of the Council (a CFSP Joint Action) the draft of which is associated with a financial statement offering a calculation of the cost and which is transmitted to the Parliament. The AFET committee has seen EUSRs coming and being available for questions in its meetings. Nevertheless, the cost for EUSRs has strongly increased from 2004 to 2006 (three-fold!) and implementation was always higher than the initial commitment allocation, see in the table on page 17 budget line 19 03 06. Therefore it is worth while considering alternatives. E.g. Commission delegations. Here the Council argues that they obey a different line of command (i.e. to the PSC and SG/HR of the Council, whereas delegations have their hierarchy in the Commission). But this argument did not prevent the Council appointing as EUSR in FYROM the head of the Commission delegation in FYROM. It appears that both functions are compatible, and apparently a head of Commission delegation can report both to the Commission and to the SG/HR!

The (currently 9) EU Special Representatives should not be confused with EU Representatives<sup>2</sup>, Special Coordinators<sup>3</sup> and the HR's Personal Representatives<sup>4</sup> although they can enjoy considerable visibility and are often de facto treated as EUSR's. Heads of Mission have a lesser degree of visibility and report to the "local" EUSR, to the PSC and/or to the HR.

---

<sup>1</sup> [http://www.consilium.europa.eu/cms3\\_fo/showPage.asp?id=263&lang=en&mode=g](http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=263&lang=en&mode=g)

<sup>2</sup> EU Representative to the Kosovo future status process Stefan Lehne (appointment endorsed by the GAERC of 7 Nov 2005);

<sup>3</sup> Special Coordinator of the Stability Pact for South-Eastern Europe Erhard Busek appointed through COUNCIL DECISION of 12 December 2005

<sup>4</sup> currently three Personal Representatives, all appointed by the SG/HR Javier Solana  
[http://www.consilium.europa.eu/cms3\\_fo/showPage.asp?id=942&lang=en&mode=g](http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=942&lang=en&mode=g)

## E. Evaluation following up on CFSP objectives

Objectives are formulated at several levels:

- by the **Treaty on European Union**, article 11(1) setting the general objectives of CFSP; the objectives of this level have to prevail over objectives at the other levels;

- by the **Activity and Financial Statements of the General Budget**

"Specific objectives, Indicators and Output" at the level of chapter 19 03 CFSP are given in the PDB (for the year n with output concerning year n-2);

- by the **legislative act** (e.g. Council Joint Action) on any individual CFSP measure which defines its mission and objectives;

- associated with the draft legislative act of the individual CFSP measure having financial impact is, or should be, a **Financial Statement**, containing a description of the objectives pursued, and indications about the evaluation envisaged and its reporting; these financial statements are regularly transmitted by the Council to the European Parliament.

However,

- the "output" indications in the PDB and in the annual activity report of DG RELEX are very general and cannot replace an evaluation;
- ex-post evaluations of the policy area are absent;
- evaluations of individual CFSP actions are not reported to European Parliament.

Therefore, the issue of reporting of CFSP matters to European Parliament needs to be addressed seriously. The approach of reporting evaluation only within the institutions in charge of implementing the policy is questionable and in fact contrary to evaluation principles. Doing evaluation regularly and reporting such evaluation outside the bodies responsible for implementation relates to good governance. This is all the more necessary as long as one and the same institution is responsible of both the lawmaking (for the CFSP measures) and of its implementation, though in the case of CFSP jointly with the Commission.

## 12. Conclusion

Although many cost items of CFSP could be identified in this study quantifying the benefit of CFSP actions is not possible for their political dimensions.

Generally, most CFSP actions, besides achieving most or all of their mission goals, have a potential for showing also the following beneficiary impacts:

- strengthening cooperation with the actors in the target regions,
- intensified cooperation with the states participating in the action,
- development of skills of EU staff for similar actions,
- visibility of EU beneficiary action in the world.

However, systematic evaluation of CFSP actions does not exist and/or is not transmitted to Parliament. In absence of such information it is difficult to appreciate the beneficiary impacts and to react. Further to this ex-post evaluation, there is a need for proper ex-ante appreciation by the Parliament: relevant information about new CFSP actions should be provided to EP committees AFET and COBU before the decisions are taken.

A better motivation and participation of the stake holders involved in the actions could be achieved by issuing appropriate press releases and publications in the local and EU media: the local population should be motivated to cooperate and to appreciate the action of the European Union; the EU citizen has a right to know about success or failure of actions financed by the tax payer. If there are good reasons not to transmit to Parliament such information the High Representative or the chair of the PSC should inform the competent committee of the European Parliament about these reasons.

## **Recommendation**

**Systematic analysis and evaluation of all CFSP measures having a financial impact should be carried out regularly, every half year, and should be reported not only to the PSC and other bodies within the Council, but also to the European Parliament.**

Such reporting to the Parliament would underline the democratic legitimacy of the CFSP and ESDP, would be in line with the 2006 IIA on budgetary discipline and sound financial management and is necessary for the following reasons:

- by strengthening the evaluation function it would contribute to a better quality of the output of the CFSP measures;
- CFSP costs money; therefore the established procedures designed to keep cost under control should apply also here, and this means fully involving the European Parliament;
- the Europeanisation of defence policy tends to undermine national parliaments' ability to exercise effective control<sup>\*</sup>; therefore the European Parliament needs to be able to exercise full parliamentary control;
- respect for and compliance with international law<sup>\*</sup>; it has been shown that military operations mounted without a United Nations Security Council mandate lack legitimacy. Involving European Parliament better in the decision making process for CFSP actions would help to ensure that these will comply fully with international law;
- coherence with other EU policies; involvement of European Parliament in the decision making process for CFSP actions would improve the political and democratic control of the **coherence of the measure with the other EU policies**;
- better evaluation and reporting would increase visibility and acceptance of this policy area in the public, thus valorising the added value of the EU "communitarisation" process in the eyes of the citizen.

---

<sup>\*</sup> Wolfgang Wagner: The democratic legitimacy of European Security and Defence Policy, EU Institute for Security Studies, April 2005

## Sources

---

Treaty on European Union

Treaty establishing the European Community

The Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure (OJ C172 of 18.6.1999) and the new Interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (OJ C139 of 16.6.2006)

Financial Regulation: COUNCIL REGULATION (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L248/1 of 16.9.2002)

European Parliament's Rules of Procedure

Activity Statements of the CFSP Budget lines 19 03 xx, especially those of 2005

Council's financial statements concerning CFSP measures with budgetary impact

Council document 8070/06 of 4 April 2006, European Union Satellite Centre  
- Accounts of all income and expenditure from the financial year 2005

Council document 11154/1/03, The Foreign Relations Counsellors to COREPER/COUNCIL, on Military operations - financial issues - Lessons learnt from the first EU military operation (Concordia)

Council document 7203/1/03 Rev 1, report from Foreign Relations Counsellors Working Group to Political and Security Committee, on CFSP Budget: improving its effectiveness

Annual reports from the Council to the European Parliament on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the European Communities (point H, paragraph 40, of the Interinstitutional Agreement of 6 May 1999), for the years 2000 to 2005

Commission's quarterly reports on "Implementation of the EU's CFSP Actions

Annual Activity reports of Commission's Relex DG

Court of Auditor's special report N° 13/2001 on the management of the CFSP, together with the Council's replies and the Commission's replies, OJ C 338 of 30 Nov 2001

AFET's annual reports on CFSP (of 1 Dec 2005 for 2004 and of 21 Mar 2005 for 2003, rapporteur Elmar Brok)

European Parliament resolutions concerning CFSP, in particular those of 2 Feb 2006 on the year 2004 and of 14 Apr 2005 on the year 2003;

European Parliament resolution of 17 November 2004 on the ALTHEA mission in Bosnia and Herzegovina

House of Commons, EU police, rule of law and civilian administration mission to Iraq

Draft Joint Action on the European Union integrated police, rule of law and civilian administration mission for Iraq (EUJUST LEX), 17 May 2006

<http://www.publications.parliament.uk/pa/cm200506/cmselect/cmeuleg/34-xxix/3411.htm>

CFSP Forum, CFSP Watch on <http://www.fornet.info>

Charles Grant, Mark Leonard: How to strengthen EU foreign policy, Centre for European Reform policy brief, July 2006

EU Crisis Response Capability Revisited,  
Crisis Group Europe Report N°160, 17 January 2005

Annegret Bendiek, Hannah Whitney-Steele: Wein predigen und Wasser ausschenken, Die Finanzierung der EU-Außenpolitik, SWP-Aktuell 2006/31, Juli 2006  
[http://www.swp-berlin.org/de/common/get\\_document.php?id=1741](http://www.swp-berlin.org/de/common/get_document.php?id=1741)

Wolfgang Wagner: The democratic legitimacy of European Security and Defence Policy, EU Institute for Security Studies, April 2005

Giovanni Grevi, Dov Lynch, Antonio Missiroli: ESDP operations; EU Institute for Security Studies, 2006

UN Secretary General's Note of 1 February 2006 on Top Ten Providers of Assessed Contributions to United Nations Budgets and of Voluntary Contributions to United Nations Funds, Programmes and Agencies including the standing Peacebuilding Fund

<http://www.globalpolicy.org/finance/tables/system/topten.htm>

[www.reformtheun.org/index.php?module=uploads&func=download&fileId=1251](http://www.reformtheun.org/index.php?module=uploads&func=download&fileId=1251)

[www.reformtheun.org](http://www.reformtheun.org)

<http://www.google syndicatedsearch.com/u/reformtheun?hl=en&lr=&ie=ISO-8859-1&q=financial&btnG=Search>

United Nations Peace Keeping Operations Expenditure, 1947-2005

Table Compiled by Michael Renner (Senior Researcher, Worldwatch Institute) and Global Policy Forum

<http://www.globalpolicy.org/finance/tables/pko/pend.htm>

United Nations Association of the United States of America: Fact Sheet, All about the United Nations Budget, June 2006 <http://www.unausa.org/site/pp.asp?c=fvKRI8MPJpF&b=1813833>

Robert Dover, European Strategic Consulting LLP, Bristol: The external dimension of the EU's area of freedom, security and justice in relation to Sub-Saharan Africa; 21 September 2006; briefing paper requested by the European Parliament's Committee on Foreign Affairs

COM(2005)491 final of 12.10.2005 on A STRATEGY ON THE EXTERNAL DIMENSION OF THE AREA OF FREEDOM, SECURITY AND JUSTICE

Written question E-2938/04 by Robert Kilroy-Silk to the Council, on EU Rapid Reaction Force and an EU Army, reply by Council, Council document 5848/05, 31 January 2005

<http://register.consilium.europa.eu/pdf/en/05/st05/st05848.en05.pdf>

Council of the EU: Presidency Report on ESDP as approved by the Council on 12 June 2006; Council document 10418/06

Commission COM(2003)526 of 10.9.2003 on "The European Union and the United Nations: The choice of multilateralism"

United Nations and European Union "Joint Declaration on UN-EU Co-operation in Crisis Management" of 24 September 2003

European Council of 17-18 June 2004: "EU-UN co-operation in Military Crisis Management Operations - Elements of Implementation of the EU-UN Joint Declaration".

EU High Representative Solana's intervention of 22 September 2004 at the UN Security Council Debate on 'Civilian Crisis Management'

ESDP operations' fact-sheets: [http://www.consilium.europa.eu/cms3\\_fo/showPage.asp?id=1057&lang=en](http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=1057&lang=en)

EUPM (March 2006) [http://www.consilium.europa.eu/uedocs/cmsUpload/Factsheet\\_060312.pdf](http://www.consilium.europa.eu/uedocs/cmsUpload/Factsheet_060312.pdf)

EUFOR ALTHEA (Dec 2005) <http://www.consilium.europa.eu/uedocs/cmsUpload/051210Althea7.pdf>

EUSR (June 2005) <http://www.consilium.europa.eu/uedocs/cmsUpload/EUSRs.pdf>

## Glossary

---

AFET Committee on Foreign Affairs of the European Parliament  
AMM Aceh Monitoring Mission (CFSP action)  
ATHENA mechanism to administer the financing of the common cost of EU operations having military or defence implications; Council decision 2004/197/CFSP of 23 Feb 2004 (amended by 2005/68/CFSP)  
BiH Bosnia and Herzegovina  
BSU Budgetary Support Unit, Directorate Budgetary Affairs, GD Internal Policies, European Parliament  
CESDP Common European Security and Defence Policy  
COBU Committee on Budgets of the European Parliament  
CWC Chemical Weapons Convention  
DGEUMS Director General of the European Union Military Staff (Council)  
DRC Democratic Republic of Congo  
EDA European Defence Agency (CFSP agency)  
EDF European Development Fund  
ESDC European Security and Defence College (Council)  
ESDP European Security and Defence Policy  
EU BAM EU Border Assistance Mission for the Rafah Crossing Point (Gaza-Egypt) (CFSP action)  
EU COPPS EU Co-ordinating Office for Palestinian Police Support (CFSP action)  
EUISS European Union Institute for Security Studies (CFSP agency)  
EUMM European Union Monitoring Mission ("Western Balkans Region") (CFSP action)  
EUMC European Union Military Committee (Council)  
EUMS European Union Military Staff (Council)  
EUPAT EU Police Advisory Team (FYROM) (CFSP action)  
EUPM European Union Police Mission (CFSP action in BiH)  
EUPOL European Union Police Mission (CFSP action in Kinshasa, DRC)  
EUPOL-COPPS EU Police Mission for the Palestinian Territories, to support the Palestinian Authority in establishing sustainable and effective policing arrangements; it is a "civilian ESDP mission", building up on the previous EU COPPS, as from 1 Jan 2006  
EUSC European Union Satellite Center (CFSP agency)  
EUSR European Union Special Representative (article 18(5) TEU)  
FYROM former Yugoslav Republic of Macedonia  
GAERC General Affairs and External Relations Council)  
GAM Free Aceh Movement (Gerakan Aceh Merdeka; Separatist movement with the aim of total independence for the province of Aceh in North Sumatra)  
HOM Head of Mission  
HR, SG/HR the Secretary General of the Council and High Representative for the CFSP, art. 18(3) TEU  
IAEA International Atomic Energy Agency  
IPU Integrated Police Unit (in DRC)  
JA Joint Action  
JCC Joint Control Commission (Georgia/South Ossetia)  
KPCS Kimberley Process Certification Scheme<sup>1</sup>  
OHR Office of the High Representative

---

<sup>1</sup> <http://www.kimberleyprocess.com:8080/site/?name=kpcs&PHPSESSID=003009183e182bb75f9f3df9bec41276>  
<http://www.kimberleyprocess.com:8080/site/>

The Kimberley Process is a joint government, international diamond industry and civil society initiative to stem the flow of conflict diamonds - rough diamonds that are used by rebel movements to finance wars against legitimate governments. The trade in these illicit stones has contributed to devastating conflicts in countries such as Angola, Cote d'Ivoire, the Democratic Republic of Congo and Sierra Leone. The Kimberley Process Certification Scheme is an innovative, voluntary system that imposes extensive requirements on Participants to certify that shipments of rough diamonds are free from conflict diamonds. The Kimberley Process is composed of 45 Participants, including the European Community. Kimberley Process Participants account for approximately 99.8% of the global production of rough diamonds.

OPCW Organisation for the Prohibition of Chemical Weapons  
pMS participating Member State(s)  
PSC Political and Security Committee (Council)  
RRM Rapid Reaction Mechanism (Council)  
RRF Rapid Reaction Force  
SALW Small Arms and Light Weapons  
SCR Common Service for External Relations (Council)  
SEESAC South Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons  
TEU Treaty on European Union  
UN MLO United Nations Military Liaison Officer (Council)  
€M Eur million

„costs lie where they fall“ i.e. the principle that any contributing party (e.g. Member State) has to bear also all cost associated with delivery and application of its contribution.

## ANNEXES

### Annex 1: Financing of Crisis Management Operations<sup>1</sup>

	TYPE OF ACTION		
<b>Crisis Management Operations<sup>2</sup></b>	<p><b>Civilian Operations:</b></p> <p><i>E.g. as humanitarian aid, food aid, securing the livelihoods and safety of refugees, civilian emergency assistance, rehabilitation, reconstruction, infrastructure development, demining, economic aid, consolidation of democracy and the rule of law , institution building, human rights</i></p> <p>↓</p>	<p><b>Civilian Petersberg tasks, which are not covered by Community Competence<sup>3</sup>:</b></p> <p><i>E.g. non-proliferation, disarmament, security monitoring, certain executive police missions, including assignments to substitute for local police, and fact-finding missions preceding an envisaged operation related thereto</i></p> <p>↓</p>	<p><b>Military Operations:</b></p> <p><i>military Petersberg tasks i.e. peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking</i></p> <p>↓</p>
<b>Legal Base</b>	<p><u>1<sup>st</sup> pillar: Treaty establishing the European Community (TEC)</u></p> <p>See relevant Regulations such as Regulation No 1257/96 (ECHO); Regulation No 2666/2000 (CARDS); Regulation No 1080/2000 (UNMIK and OHR), Regulation No 381/2001 creating the RRM, in particular its annex enlisting "Geographical" Regulations/Decisions and "Sectoral" Regulations and Decisions (food aid, reconstruction, NGOs, etc).</p>	<p><u>2<sup>nd</sup> pillar: Title V (CFSP) of the Treaty on European Union (TEU)</u></p> <p>Specific joint action adopted under Article 14 TEU coupled with corresponding financing decision of the Commission.</p>	<p><u>2<sup>nd</sup> pillar: Title V (ESDP within CFSP) of the Treaty on European Union (TEU)</u></p> <p>Specific joint action adopted under Article 14 TEU on basis of Article 17 TEU.</p>
<b>Decision Making Procedure</b>	<p>Depending on relevant Regulation, if based on Article 179 (ex-Article 130w) TEC qualified majority; if based on Article 308 (ex-Article 235) TEC unanimity; implementation usually conferred on the Commission in accordance with so-called "comitology"-procedures as set up by Decision 1999/468/EC.</p>	<p>Depending on Joint Action, generally unanimity following Article 23 (1) TEU, unless taken on basis of a common strategy, then qualified majority following Article 23 (2) first indent TEU; implementing decision adopted by qualified majority following Article 23 (2) first indent TEU.</p>	<p>Joint Action and implementing decision always adopted by unanimity following Article 23 (1) and (2).</p>

<sup>1</sup> Annex II of COM(2001)647 on "Financing of Civilian Crisis Management Operations"

<sup>2</sup> P.M.: Title VI TEU (JAI) not applicable as only related to police, rule of law etc. action inside Union, no external crisis management , even if executed by Member State police forces.

<sup>3</sup> According to Articles 3 and 47 TEU the financing of civilian crisis management operations through the Community and through CFSP financing are complementary, but they are not substituting each other nor are they interchangeable.

	<b>1<sup>st</sup> Pillar actions (Community framework)</b> ↓	<b>2<sup>nd</sup> Pillar Actions (CFSP)</b> ↓	<b>2<sup>nd</sup> Pillar Actions (ESDP)</b> ↓
<b>Applicable Budget</b>	Budget of European Communities.	Budget of European Communities, or, exceptionally, operational expenditure may be charged Member States.	Outside Budget of European Communities: Operational expenditure and administrative expenditure, which is <b>not</b> attributable to the European Institutions is charged to the Member States (Article 28 (2) TEU). Administrative expenditure stemming from military operations but attributable to European Institutions to be charged to the Council's section of the budget (The Commission is not involved in military operations).
<b>Administrative Expenditure</b>	Part A of the Commission's section of the budget or specific BA-lines under the relevant budget lines attributed to applicable legal base (regulation or decision).	<i>If</i> expenditure entailed for European Institutions: either charged to the Council's section of the budget (e.g.. EU special representatives) or, as concerns Commission administrative expenditure, to Part A of the Commission, both following Article 28(2) TEU.	<i>If</i> expenditure entailed for European Institutions (e.g. operating costs – logistics, facilities, travel, meetings – of military or ESDP related staff at Council): charged only to the Council's section of the budget, when related to the proper administrative functioning of Council following Article 28(2) TEU. If not attributable to proper functioning of Council, all administrative expenditure linked to military or defence operations fall outside the budget in analogy to Art 28 (3) TEU charged to Member States.
<b>Operational Expenditure</b>	Operational expenditure is charged to Part B of the Commission's section of the budget, mainly Budget-Subsection B7, according to relevant budget title or budget line corresponding to applicable legal base (regulation or decision) , e.g. notably B7-210 (ECHO) and B7-671 (RRM).	<u>As a general rule:</u> Operational expenditure are charged to Budget-Subsection B8 following Article 28(3) first subparagraph TEU. <u>As an exception:</u> Unanimous Council decision to do otherwise following Article 28(3) first subparagraph TEU. Normally charged to Member States on GNP scale basis except if unanimously Council decision to do otherwise (e.g. fund) following Article 28(3) second subparagraph TEU.	Following Article 28(3) first subparagraph TEU always charged to Member States on GNP scale basis except if unanimously Council decision to do otherwise (e.g. fund) following Article 28(3) second subparagraph TEU.
<b>Responsible Managing Authority</b>	Commission according to Article 274 (ex-Article 205) TEC.	<u>For the budget:</u> Commission for operational expenditure, Council for administrative expenditure. <u>For exceptionally charging expenditure to the Member States:</u> TEU foresees no provisions on managing authority.	TEU foresees no provisions on managing authority.

	<b>1<sup>st</sup> Pillar actions (Community framework)</b> ↓	<b>2<sup>nd</sup> Pillar Actions (CFSP)</b> ↓	<b>2<sup>nd</sup> Pillar Actions (ESDP)</b> ↓
<b>Applicable budgetary rules</b>	Application of financial provisions of Articles 268 to 280 (ex-Articles 199 to 209a) and corresponding secondary Community law such as Financial Regulation of 21.12.1977 applicable to the general budget of the European Communities.	<u>For the budget:</u> Article 28(4) TEU refers to application of financial provisions of TEC, among which Articles 268 to 280 (ex-Articles 199 to 209a) and corresponding secondary Community law such as Financial Regulation of 21.12.1977 applicable to the general budget of the European Communities, regardless whether the Commission or the Council is the responsible managing authority. This includes the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure with the possibility to draw on the emergency reserve and to have recourse to a new flexibility instrument. <u>For exceptionally charging expenditure to the Member States:</u> TEU foresees no provisions on budgetary rules, which still need to be devised.	TEU foresees no provisions on budgetary rules, which still need to be devised.
<b>Control by Court of Auditors</b>	Based on Article 238 (ex-Article 188c) TEC.	<u>For the budget:</u> Based on Article 238 (ex-Article 188c) TEC, regardless whether the Commission or the Council is the responsible managing authority. <u>For exceptionally charging expenditure to the Member States:</u> Not foreseen.	Not foreseen.
<b>Jurisdiction of the European Court of Justice</b>	Following Article 220 (ex-Article 164) TEC, jurisdiction on the substance of the applicable legal base (regulation or decision) and the related financing, notably on claims based on Articles 230 and 232 (ex-Articles 173 and 175) TEC.	Due to Article 46 TEU, no jurisdiction on substance, except on verifying that measures which fall within the scope of the CFSP do not encroach the powers conferred by the TEC on the Community. <u>For the budget:</u> Additional jurisdiction on financial decision, regardless whether the Commission or the Council is the responsible managing authority, by reference of Article 28(4) TEU to financial provisions of TEC, comprising related jurisdiction notably on claims based on Articles 230 and 232 (ex-Articles 173 and 175) TEC. <u>For exceptionally charging expenditure to the Member States:</u> Not foreseen.	Not foreseen.

## Annex 2: General Commission Budget for External Assistance in 2005

Fig.7.3. General Commission Budget for External Assistance in 2005.

Policy Area	Description	Total		Managed by EuropeAid		Managed by other DG's	
		Commit.	Payments	Commit.	Payments	Commit.	Payments
01 - ECFIN	Macroeconomic assistance + EBRD	16,88	67,35			16,88	67,35
05 - AGRI	Pre-Adhesion - SAPARD	251,80	811,91			251,80	811,91
06 - ENER	Intelligent energy for Europe programme	7,60	1,09			7,60	1,09
07 - ENV	LIFE (European Financial Instrument for the Environment)	15,36	11,11			15,36	11,11
08 - RTD	Combating major diseases + Specific measures in support of international	80,70	30,05			80,70	30,05
11 - FISH	International fisheries agreements	176,39	172,78			176,39	172,78
13 - REGIO	Pre-Adhesion - ISPA	525,20	751,21			525,20	751,21
14 - TAXUD	Customs cooperation and international assistance	0,82	0,43			0,82	0,43
15 - EAC	Education	19,76	17,76			19,76	17,76
18 - JAI	Refugee / Migration	76,39	13,19			76,39	13,19
19 - RELEX	Anti-personnel mines	15,54	13,51	15,54	13,51		
	Rapid reaction mechanism	28,69	26,00			28,69	26,00
	ECIP		0,64		0,64		
	Human Right	134,69	121,45	134,69	121,45		
	New Independent States	514,58	431,79	514,58	431,79		
	Mediterranean	1.074,59	1.122,23	1.074,59	1.122,23		
	Latin America	328,54	376,07	328,54	376,07		
	Asia	834,42	681,48	834,42	681,48		
	Evaluation/coordination/anti-fraud	16,09	12,57	16,09	12,57		
	RELEX - Other specific actions	166,55	109,39	55,50	13,71	111,05	95,68
20 - TRADE	External trade relations	17,31	15,86			17,31	15,86
21- DEV	Food Aid	405,57	494,20	405,57	494,20		
	Co financing NGO's	207,45	120,62	207,45	120,62		
	Environment	59,44	46,71	59,44	46,71		
	Integrating gender issues in development cooperation	2,83	2,02	2,83	2,02		
	Social infrastructure and services	131,09	90,64	131,09	90,64		
	Capacity-building for information and communication technologies and sustainable energy		1,06		1,06		
	South Africa	155,21	137,98	155,21	137,98		
	Bananas ACP	34,52	10,12	34,52	10,12		
	Evaluation of the results of Community aid, follow-up and audit measures	12,24	7,24	12,24	7,24		
	Coordination and promotion of awareness on development issues	7,99	3,89			7,99	3,89
	DEV - Other specific actions	20,94	15,28	14,72	9,03	6,22	6,25
22 - ELARG	Pre-Adhesion - PHARE	970,54	1.228,45			970,54	1.228,45
	Pre-Adhesion - Turkey	286,24	243,88			286,24	243,88
	Pre-Adhesion - Malta & Cyprus	2,34	13,07			2,34	13,07
	Pre-Adhesion - Other specific actions	19,33	25,38			19,33	25,38
	Pre-Adhesion - multi-country horizontal programmes	83,46	4,70			83,46	4,70
	Western Balkan	519,20	345,32			519,20	345,32
23 - ECHO	Humanitarian Aid	632,59	580,17			632,59	580,17
	<b>TOTAL</b>	<b>7.852,86</b>	<b>8.158,58</b>	<b>3.997,01</b>	<b>3.693,08</b>	<b>3.855,84</b>	<b>4.465,50</b>
Breakdown by budget line of external aid financed on the General Commission Budget in 2005. (Amount in €Million)							
After DAC Analysis the amounts considers ODA + OA are 7.478 M€Commitments and 7.886 M€Payments.							
The remaining of the amount are considered as not ODA nor OA.							

## Annex 3: United Nations: three tables

### Top Ten Providers to the UN Budgets

Top Ten Providers of Assessed Contributions to United Nations Budgets and of Voluntary Contributions to United Nations Funds, Programmes and Agencies, Including the Standing Peacebuilding Fund<sup>1</sup>

		3 year total	average	2004	2003	2002
1	US	11,398,068,755	3,799,356,252	4,227,135,223	3,955,255,610	3,215,677,922
2	Japan	5,446,093,994	1,815,364,665	1,853,003,700	1,897,577,533	1,695,512,762
3	UK	3,438,243,909	1,146,081,303	1,432,995,162	1,165,535,746	839,713,001
4	Germany	2,385,870,903	795,290,301	921,302,377	742,676,715	721,891,811
5	Netherlands	2,238,024,996	746,008,332	888,452,772	708,329,199	641,243,025
6	Italy	1,839,285,165	613,095,055	694,425,775	634,591,700	510,267,690
7	Norway	1,775,543,922	591,847,974	659,404,140	630,764,396	485,375,386
8	France	1,698,551,891	566,183,964	644,471,409	477,039,715	577,040,768
9	Sweden	1,648,155,264	549,385,088	692,951,315	571,305,208	383,898,741
10	Canada	1,609,678,170	536,559,390	688,419,581	562,344,746	358,913,843

United Nations Peace Keeping Operations Expenditure 2000-2005 is as follows<sup>2</sup>

year	2000	2001	2002	2003	2004	2005
approved budgets, US\$ million	2139	2700	2702	2727	3645	4737

Top Ten Contributors of Military Troops and Police Personnel to UN operations (in man-months!) based on monthly averages over the three year period of 2003 to 2005<sup>3</sup>

rank	country	total	monthly	2005	2004	2003
1	Pakistan	264,236	7,340	114,235	94,344	55,657
2	Bangladesh	233,393	6,483	103,007	87,344	43,042
3	India	146,539	4,071	75,708	36,902	33,929
4	Nigeria	111,886	3,108	36,068	41,485	34,333
5	Ghana	98,577	2,738	36,799	36,350	25,428
6	Nepal	84,537	2,348	41,551	28,501	14,485
7	Jordan	79,648	2,212	36,180	24,507	18,961
8	Uruguay	76,476	2,124	29,644	25,743	21,089
9	Ethiopia	72,439	2,012	41,041	30,315	1,083
10	Kenya	62,244	1,729	17,914	22,834	21,496

<sup>1</sup> Source: UN Secretary General's Note of 1 February 2006 on Top Ten Providers of Assessed Contributions to United Nations Budgets and of Voluntary Contributions to United Nations Funds, Programmes and Agencies including the standing Peacebuilding Fund

[www.reformtheun.org/index.php?module=uploads&func=download&fileId=1251](http://www.reformtheun.org/index.php?module=uploads&func=download&fileId=1251)

<sup>2</sup> United Nations Peace Keeping Operations Expenditure, 1947-2005

Table Compiled by Michael Renner (Senior Researcher, Worldwatch Institute) and Global Policy Forum <http://www.globalpolicy.org/finance/tables/pko/expend.htm>

<sup>3</sup> UN Secretary General's Note of 1 February 2006 on Top Ten Contributors of Military Troops and Police Personnel to UN operations based on monthly averages over a three year period

[www.reformtheun.org/index.php?module=uploads&func=download&fileId=1251](http://www.reformtheun.org/index.php?module=uploads&func=download&fileId=1251)

## Annex 4: CFSP Joint Actions in 2004 and 2005

### List of CFSP Joint Actions with their associated credits and attributed staff (Commission, (Council), Member States, other)

#### 2004 budget

2004		EU budget	National budgets		
Line / Action	Scope / Content	Amount EU budget (commitment appropriations)	In-kind and financial contribution by MS	In-kind contribution 3rd countries	Comment
<b>190301</b>	<b>Conflict prevention and crisis management</b>	<b>7 500 000</b>			
2004/794/CFSP	EUMM prolongation 2005 Monitoring Mission Western Balkans	4186482 + 78 international and local staff	p.m. +100 seconded staff	72 000	totals 4 258 482
<b>190302</b>	<b>Non Proliferation and Disarmament</b>	<b>9 000 000</b>			
2004/495/CFSP	for IAEA Nuclear Security Programme, EU strategy against Proliferation of Weapons of Mass Destruction South-Eastern Europe, Central Asia	3 329 000	0	0	totals 3 329 000
2004/790/CFSP	SALW ammunition destruction in Albania, extension	500 000	1 893 000	1 347 000 +beneficiary country 220 000	
2004/791/CFSP	SALW South East Europe 2005 SEESAC	330 000			
2004/792/CFSP	SALW Cambodia	1 375 565			
2003/472/CFSP	Nuclear protection Russia	362 102			
2004/796/CFSP	Physical protection at Bochvar Institute Moscow Russian Federal Agency for Atomic Energy	7 937 000			
2004/797/CFSP	support for activities of OPCW	1 841 000			no financial statement !
<b>19 03 03</b>	<b>Conflict Resolution, Verification, Support for the Peace Process and Stabilisation 34 500 000</b>				

<b>2004</b>		<b>EU budget</b>	<b>National budgets</b>		
<b>Line / Action</b>	<b>Scope / Content</b>	<b>Amount EU budget (commitment appropriations)</b>	<b>In-kind and financial contribution by MS</b>	<b>In-kind contribution 3rd countries</b>	<b>Comment</b>
2004/87/CFSP	Per diems EUPOL PROXIMA 2004 FYROM	6 555 000			
2004/494/CFSP	DRC Arms, Equipment Integrated Police Unit	585 000	1 135 000		totals 1 720 000
2004/523/CFSP	Georgia EUJUST THEMIS Rule of Law mission	2 050 000 + 15 international and local staff	9 seconded staff		
2004/638/CFSP	Georgia EUJUST THEMIS Rule of Law mission, per diem	257 873			
2004/789/CFSP	FYROM, Proxima extension to 14/12/2005 (+10 950 000 budget 2005)	5 000 000			
2003/856/CFSP	EUPM 2004 budget (+2 922 860 budget 2003)	14 577 140	500 police officers from more than 30 countries		
2004/837/CFSP	EUPM 2005 in BiH from 2004 budget (+11 864 000 budget 2005)	5 545 920	"		
2004/847/CFSP	EUPOL Kinshasa DRC	4 370 000 of which 3 540 000 for 2005	+ EDF credits; +18 staff from MS and 3rd countries		
2004/909/CFSP	Iraq expert team +2 staff (Council, Commission)	1 058 000 international and local staff in Amman	+ 12 seconded staff		
<b>19 03 04</b>	<b>Emergency measures<sup>1</sup></b>	<b>8 000 000</b>			

<sup>1</sup> This appropriation is intended to cover the financing for any unforeseen measures under Articles 19 03 01, 19 03 02 and 19 03 03 decided on in the course of the financial year which have to be implemented urgently.

This article is also intended as an element of flexibility in the CFSP budget, as described in the Interinstitutional Agreement of 6 May 1999.

<b>2004</b>		<b>EU budget</b>	<b>National budgets</b>		
<b>Line / Action</b>	<b>Scope / Content</b>	<b>Amount EU budget (commitment appropriations)</b>	<b>In-kind and financial contribution by MS</b>	<b>In-kind contribution 3rd countries</b>	<b>Comment</b>
<b>19 03 05</b>	<b>Preparatory and follow-up measures</b>	<b>500 000</b>			
	Audit Eriksson	22 008			
	Audit EUPM	102 384			
	Audits OSCE	39 858			
<b>19 03 06</b>	<b>EU Special Representatives</b>	<b>3 100 000</b>			
2004/530/CFSP	EUSR Great Lakes prolongation 8 months	580 000			
2004/532/CFSP	EUSR South Caucasus prolongation 8 months	396 000			
2004/533/CFSP	EUSR Afghanistan prolongation 8 months	794 000			
2004/534/CFSP	EUSR Middle East prolongation 8 months	1 030 000			
2004/565/CFSP	EUSR FYROM prolongation 7 months	530 000			
2004/569/CFSP	team of EUSR Bosnia	200 000			

## 2005 budget

2005		EU budget	National budgets		Comment
Line / Action	Scope / Content	Amount EU budget (commitment appropriations)	In-kind and financial contribution by MS	In-kind contribution 3rd countries	
<b>19 03 01</b>	<b>Conflict prevention and crisis management</b>	<b>5 420 000</b>			
2005/807/CFSP	EUMM prolongation 2006 Monitoring Mission Western Balkans (+ 1 723 983 budget 2006)	2 000 000	p.m. + 95 seconded staff	64 000	
<b>19 03 02</b>	<b>Non Proliferation and Disarmament</b>	<b>7 200 000</b>			
2004/833/CFSP	ECOWAS, moratorium SALW	515000			
2005/574/CFSP	for IAEA Nuclear Security Programme, EU strategy against Proliferation of Weapons of Mass Destruction Algeria, Libya, Egypt, Lebanon, Syria, Israel, Jordan	3 914 000 IAEA staff and IAEA-MS' selected experts or contractors			
2004/792/CFSP	SALW Cambodia	600000			
<b>19 03 03</b>	<b>Conflict Resolution, Verification, Support for the Peace Process and Stabilisation 30 710 000</b>				
2004/847/CFSP	EUPOL Kinshasa DRC  (+ 830 000 for 2004)	3 540 000 for 2005	+ EDF credits; +18 staff from MS and 3rd countries		
2004/789/CFSP	FYROM, Proxima extension to 14/12/2005 (+5 000 000 budget 2004)	10 950 000			
2004/837/CFSP	EUPM 2005 in BiH (+5 545 920 budget 2004)	11 864 000	200 staff	200 BiH staff	
2005/824/CFSP	EUPM II 2005 BiH (+9 000 000 for 2006)	3 000 000	200 staff	200 BiH staff	
2005/190/CFSP	EUJUST LEX Iraq	10 000 000			no financial statement !
2005/355/CFSP	EUSEC Congo	1 600 000			
2005/557/CFSP	Police Mission Sudan AMIS II 6 months	2 120 000			no financial

2005		EU budget	National budgets		
Line / Action	Scope / Content	Amount EU budget (commitment appropriations)	In-kind and financial contribution by MS	In-kind contribution 3rd countries	Comment
					statement; for military component +1 970 000 via ATHENA
2005/806/CFSP	Police Mission Sudan AMIS II prolongation 29/1/2006-28/7/2006	2 200 000 + 52 + 1 international and local staff			
2005/561/CFSP	JCCJoint Control Commission Georgia/South Ossetia	133 000			
2005/643/CFSP	Aceh Monitoring Mission	9 000 000	40		
2005/797/CFSP	EU COPPS Palestine (+3 600 000 for 2006)	2 500 000	33		
2005/826/CFSP	EUPAT, in FYROM	1 500 000	30		
2005/889/CFSP	EU BAM Rafah (+5 903 341 for 2006)	1 696 659 + 13 + 18 international and local staff	2 066 000 +1 711 000 + 70 seconded staff		
<b>19 03 04</b>	<b>Emergency measures<sup>1</sup></b>	<b>12 070 000</b>			
<b>19 03 05</b>	<b>Preparatory and follow-up measures</b>	<b>300 000</b>			
CFSP/2005/009	Audit EUMM	61 764			
CFSP/2005/010	Audit EUJUST Themis	26 946			
CFSP/2005/011	Audit Russia Plutonium	46 502			
CFSP/2005/026	Audit Proxima	77 204			
<b>19 03 06</b>	<b>EU Special Representatives</b>	<b>6 500 000</b>			
2005/95/CFSP	EUSR Afghanistan	635 000			

<sup>1</sup> This appropriation is intended to cover the financing for any unforeseen measures under Articles 19 03 01, 19 03 02, 19 03 03 and 19 03 06 decided on in the course of the financial year which have to be implemented urgently.

This article is also intended as an element of flexibility in the CFSP budget, as described in the Interinstitutional Agreement of 6 May 1999.

2005		EU budget	National budgets		Comment
Line / Action	Scope / Content	Amount EU budget (commitment appropriations)	In-kind and financial contribution by MS	In-kind contribution 3rd countries	
	prolongation 6 months				
2005/585/CFSP	EUSR Afghanistan prolongation 6 months	620 000			
2005/96/CFSP	EUSR Great Lakes prolongation 6 months	440 000			
2005/586/CFSP	EUSR Great Lakes prolongation 6 months	460 000			
2005/97/CFSP	EUSR BiH prolongation 6 months	0			
2005/583/CFSP	EUSR BiH prolongation 6 months	270 000			
2005/825/CFSP	EUSR BiH extension mandate	160 000			
2005/98/CFSP	EUSR FYROM prolongation 6months	500 000			
2005/589/CFSP	EUSR FYROM prolongation 2.5 months	195 000			
2005/724/CFSP	EUSR FYROM prolongation 4 months	215 000			
2005/99/CFSP	EUSR Middle East prolongation 6 months	560 000			
2005/587/CFSP	EUSR Middle East prolongation 6 months	560 000			
2005/100/CFSP	EUSR South Caucasus prolongation 6 months	370 000			
2005/582/CFSP	EUSR South Caucasus prolongation 6 months	1 930 000			
2005/265/CFSP	EUSR Moldova	278 000			
2005/584/CFSP	EUSR Moldova prolongation 6 months	300 000			
2005/776/CFSP	EUSR Team border monitoring	130 000	69 staff	50 local staff	
2005/556/CFSP	EUSR Sudan	675 000			
2005/805/CFSP	EUSR Sudan prolongation 6 months	600 000			
2005/588/CFSP	EUSR Central Asia	470 000			

## Annex 5: EU Special Representatives in 2005 and 2006

### EUSRs 2005

#### Article 19 03 06 — European Union Special Representatives

Title	Committed Amount	Letter to Parliament (Financial Statement)	Official Journal
Council Joint Action 2005/97/CFSP of 2 February 2005 extending the mandate of the Special Representative of the European Union in the <b>Bosnia and Herzegovina</b>	0,00 €	SGS5/01004 02.02.2005	<a href="#">L 31/71 04.02.2005</a>
Council Joint Action 2005/583/CFSP of 28 July 2005 extending the mandate of the European Union Special Representative in <b>Bosnia and Herzegovina</b>	270.000,00 €	SGS5/09751 29.07.2005	<a href="#">L 199/94 29.07.2005</a>
Council Joint Action 2005/825/CFSP amending the mandate of the European Union Special Representative (EUSR) in <b>Bosnia and Herzegovina</b>	160.000,00 €	SGS5/14064 25.11.2005	<a href="#">L 307/59 25.11.2005</a>
Council Joint Action 2005/98/CFSP of 2 February 2005 extending the mandate of the Special Representative of the European Union in the <b>former Yugoslav Republic of Macedonia</b>	500.000,00 €	SGS5/01004 02.02.2005	<a href="#">L 31/72 04.02.2005</a>
Council Joint Action 2005/589/CFSP of 28 July 2005 extending the mandate of the European Union Special Representative in the <b>former Yugoslav Republic of Macedonia</b>	195.000,00 €	SGS5/09751 29.07.2005	<a href="#">L 199/103 29.07.2005</a>
Council Joint Action 2005/724/CFSP of 17 October 2005 appointing the European Union Special Representative in the <b>former Yugoslav Republic of Macedonia</b> and repealing Joint Action 2005/589/CFSP	215.000,00 €	SGS5/12367 18.10.2005	<a href="#">L 272/26 18.10.2005</a>
Council Joint Action 2005/265/CFSP of 23 March 2005 appointing a Special Representative of the European Union for <b>Moldova</b>	278.000,00 €	SGS5/04288 13.04.2005	<a href="#">L 81/50 30.03.2005</a>
Council Joint Action 2005/584/CFSP of 28 July 2005 extending the mandate of the European Union Special Representative for <b>Moldova</b>	300.000,00 €	SGS5/09751 29.07.2005	<a href="#">L 199/95 29.07.2005</a>
Council Joint Action 2005/776/CFSP of 7 November 2005 amending the mandate of the European Union Special Representative for <b>Moldova</b>	130.000,00 €	SGS5/13053 08.11.2005	<a href="#">L 292/13 08.11.2005</a>
Council Joint Action 2005/100/CFSP of 2 February 2005 extending the mandate of the Special Representative of the European Union for the <b>South Caucasus</b>	370.000,00 €	SGS5/01004 02.02.2005	<a href="#">L 31/74 04.02.2005</a>
Council Joint Action 2005/582/CFSP of 28 July 2005 amending and extending the mandate of the European Union Special Representative for the <b>South Caucasus</b>	1.930.000,00 €	SGS5/09751 29.07.2005	<a href="#">L 199/92 29.07.2005</a>

Council Joint Action 2005/330/CFSP of 26 April 2005 amending the mandate of the Special Representative of the European Union for the <b>South Caucasus</b>	<b>0,00 €</b>	SGS5/05079 28.04.2005	<a href="#">L 106/36 27.04.2005</a>
Council Joint Action 2005/99/CFSP of 2 February 2005 extending the mandate of the Special Representative of the European Union for the <b>Middle East</b> peace process	<b>560.000,00 €</b>	SGS5/01004 02.02.2005	<a href="#">L 31/73 04.02.2005</a>
Council Joint Action 2005/587/CFSP of 28 July 2005 extending the mandate of the European Union Special Representative for the <b>Middle East</b> peace process	<b>560.000,00 €</b>	SGS5/09751 29.07.2005	<a href="#">L 199/99 29.07.2005</a>
Council Joint Action 2005/588/CFSP of 28 July 2005 appointing a Special Representative of the European Union for <b>Central Asia</b>	<b>470.000,00 €</b>	SGS5/09751 29.07.2005	<a href="#">L 199/100 29.07.2005</a>
Council Joint Action 2005/95/CFSP of 2 February 2005 extending the mandate of the Special Representative of the European Union for <b>Afghanistan</b>	<b>635.000,00 €</b>	SGS5/01004 02.02.2005	<a href="#">L 31/69 04.02.2005</a>
Council Joint Action 2005/585/CFSP of 28 July 2005 extending the mandate of the European Union Special Representative for <b>Afghanistan</b>	<b>620.000,00 €</b>	SGS5/09751 29.07.2005	<a href="#">L 199/96 29.07.2005</a>
Council Joint Action 2005/96/CFSP of 2 February 2005 amending and extending the mandate of the Special Representative of the European Union for the <b>African Great Lakes</b> Region	<b>440.000,00 €</b>	SGS5/01004 02.02.2005	<a href="#">L 31/70 04.02.2005</a>
Council Joint Action 2005/586/CFSP of 28 July 2005 extending and amending the mandate of the European Union Special Representative for the <b>African Great Lakes Region</b>	<b>460.000,00 €</b>	SGS5/09751 29.07.2005	<a href="#">L 199/97 29.07.2005</a>
Council Joint Action 2005/556/CFSP of 18 July 2005 appointing a Special Representative of the European Union for <b>Sudan</b>	<b>675.000,00 €</b>	SGS5/09058 20.07.2005	<a href="#">L 188/43 20.07.2005</a>
Draft Council Decision 2005/805/CFSP implementing Council Joint Action 2005/556/CFSP appointing a Special Representative of the European Union for <b>Sudan</b>	<b>600.000,00 €</b>	SGS5/13870 23.11.2005	<a href="#">L 303/59 22.11.2005</a>
	<b>9.368.000,00 €</b>		-

<b>Budget appropriations 2005</b>	<b>6.500.000 €</b>
	commitments
	<b>6.000.000 €</b>
	payments

**EUSRs 2006**  
(state as of end September 2006)  
**Article 19 03 06 — European Union Special Representatives**

Title	Name of appointed / from...to	Committed Amount	Letter to Parliament (Financial Statement)	Official Journal
Council Joint Action 2006/49/CFSP of 30 January 2006 appointing the EU Special Representative in <b>Bosnia and Herzegovina</b>	Christian <b>Schwarz-Schilling</b> , extended from <b>1/2/06 to 28/2/07</b>	<b>770.000 €</b>	SGS6/03849 30.03.2006	<a href="#">L 26/21</a> <a href="#">31.01.2006</a>
Council Joint Action 2006/523/CFSP of 25 July 2006 amending the mandate of the European Union Special Representative in <b>Bosnia and Herzegovina</b>	see above	<b>320.000 €</b>	SGS6/09631 26.07.2006	<a href="#">L 205/30</a> <a href="#">27.07.2006</a>
Council Joint Action 2006/123/CFSP of 20 February 2006 extending and amending the mandate of the EU Special Representative in the <b>former Yugoslav Republic of Macedonia</b>	Erwan <b>Fouéré</b> , extended from <b>1/3/06 to 28/2/07</b>	<b>675.000 €</b>	SGS6/02174 21.02.2006	<a href="#">L 49/20</a> <a href="#">21.02.2006</a>
Council Joint Action 2006/120/CFSP of 20 February 2006 extending the mandate of the EU Special Representative for <b>Moldova</b>	Adriaan <b>Jacobovitis de Szeged</b> , extended from <b>1/3/06 to 28/2/07</b>	<b>1.030.000 €</b>	SGS6/02174 21.02.2006	<a href="#">L 49/11</a> <a href="#">21.02.2006</a>
Council Joint Action 2006/121/CFSP of 20 February 2006 appointing the EU Special Representative for the <b>South Caucasus</b>	Peter <b>Semneby</b> , extended from <b>1/3/06 to 28/2/07</b>	<b>2.960.000 €</b>	SGS6/02174 21.02.2006	<a href="#">L 49/14</a> <a href="#">21.02.2006</a>
Council Joint Action 2006/119/CFSP of 20 February 2006 extending the mandate of the EU Special Representative for the <b>Middle East peace process</b>	Marc <b>Otte</b> , extended from <b>1/3/06 to 28/2/07</b>	<b>1.200.000 €</b>	SGS6/02174 21.02.2006	<a href="#">L 49/8</a> <a href="#">21.02.2006</a>
Council Joint Action 2006/118/CFSP of 20 February 2006 extending the mandate of the EU Special Representative for <b>Central Asia</b> and amending Joint Action 2005/588/CFSP	Ján <b>Kubiš</b> , extended from <b>1/3/06 to 28/2/07</b>	<b>925.000 €</b>	SGS6/02174 21.02.2006	<a href="#">L 49/7</a> <a href="#">21.02.2006</a>
Council Joint Action 2006/124/CFSP of 20 February 2006 extending the mandate of the Special Representative of the EU for <b>Afghanistan</b>	Francesc <b>Vendrell</b> , extended from <b>1/3/06 to 28/2/07</b>	<b>1.330.000 €</b>	SGS6/02174 21.02.2006	<a href="#">L 49/21</a> <a href="#">21.02.2006</a>
Council Joint Action 2006/122/CFSP of 20 February 2006 extending the mandate of the Special Representative of the EU for the <b>African Great Lakes Region</b>	Aldo <b>Ajello</b> , extended from <b>1/3/06 to 28/2/07</b>	<b>820.000 €</b>	SGS6/02174 21.02.2006	<a href="#">L 49/17</a> <a href="#">21.02.2006</a>
Council Joint Action 2006/468/CFSP of 5 July 2006 renewing and revising the mandate of the Special Representative of the European Union for <b>Sudan</b>	Pekka <b>Haavisto</b> , extended from <b>18/7/06 to 28/2/07</b>	<b>1.030.000 €</b>	SGS6/08468 06.07.2006	<a href="#">L 184/38</a> <a href="#">06.07.2006</a>
		<b>11.060.000 €</b>		-

<b>Budget appropriations 2006</b>	<b>7.500.000 €</b>
	commitments
	<b>7.000.000 €</b>
	payments