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REPORT

on the Commission communication on the development of the external service
(COM(2000) 456 – C5-0629/2000 – 2000/2292(COS))

Committee on Foreign Affairs, Human Rights, Common Security and Defence
Policy

Rapporteur: Gerardo Galeote Quecedo

Draftsmen*: - Jean-Louis Bourlanges, Committee on Budgets

- Freddy Blak, Committee on Budgetary Control

(* Hughes procedure)

CONTENTS

	Page
PROCEDURAL PAGE	4
MOTION FOR A RESOLUTION.....	5
EXPLANATORY STATEMENT	9
OPINION OF THE COMMITTEE ON BUDGETS*	23
OPINION OF THE COMMITTEE ON BUDGETARY CONTROL*	32
OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION	36

(*Hughes procedure)

PROCEDURAL PAGE

By letter of 18 July 2000, the Commission forwarded to Parliament a communication to the Council and the European Parliament on the development of the external sector (COM(2000) 456 – 2000/2292(COS)).

At the sitting of 29 November 2000 the President of Parliament announced that she had referred the communication to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible and the Committee on Budgets, the Committee on Budgetary Control and the Committee on Development and Cooperation for their opinions (C5-0629/2000).

At the sitting of 15 December 2000 the President of Parliament announced that the ‘Hughes’ procedure should be followed in the case of the opinion of the Committee on Budgets and the opinion of the Committee on Budgetary Control.

At its meeting of 6 November 2000, the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed Gerardo Galeote Quecedo rapporteur.

It considered the Commission communication and the draft report at its meetings of 19 March, 10 April and 28-29 May 2001.

At the last meeting it adopted the motion for a resolution by 39 votes to 1, with 1 abstention.

The following were present for the vote: Elmar Brok, chairman; Baroness Nicholson of Winterbourne, first vice-chairman; William Francis Newton Dunn, second vice-chairman; Catherine Lalumière, third vice-chairman; Gerardo Galeote Quecedo, rapporteur; Alexandros Baltas, Bastiaan Belder, Andre Brie, Pere Esteve, Michael Gahler, Per Gahrton, Jas Gawronski, Alfred Gomolka, Bertel Haarder, Magdalene Hoff, Efstratios Korakas, Jan Joost Lagendijk, Alain Lamassoure, Pedro Marset Campos, Hugues Martin, Raimon Obiols i Germa, Arie M. Oostlander, Jacques F. Poos, Jannis Sakellariou, José Ignacio Salafranca Sánchez-Neyra, Jacques Santer, Elisabeth Schroedter, Ioannis Souladakakis, Francesco Enrico Speroni, Johan Van Hecke, Jan Marinus Wiersma, Christos Zacharakis, Vasco Graça Moura (for Silvio Berlusconi), Georg Jarzembowski (for The Lord Bethell), Doris Pack (for Gunilla Carlsson), Cecilia Malmström (for Francesco Rutelli), Maria Carrilho (for Rosa M. Díez González), Giorgos Katiforis (for Klaus Hänsch), Monica Frassoni (for Daniel Marc Cohn-Bendit), Olivier Dupuis (for Emma Bonino) and Karin Junker (for Linda McAvan, pursuant to Rule 153(2)).

The opinions of the Committee on Budgets, the Committee on Budgetary Control and the Committee on Development and Cooperation are attached.

The report was tabled on 30 May 2001.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

MOTION FOR A RESOLUTION

European Parliament resolution on the Commission communication on the development of the external service (COM(2000) 456 – C5-0629/2000 – 2000/2292(COS))

The European Parliament,

- having regard to the Commission communication of 18 July 2000 on the development of the external service (COM (2000) 456 – C5-0629/2000),
- having regard to the Commission's *Williamson* report of 27 March 1996 on the longer-term requirements of the external service (SEC (1996) 554),
- having regard to the Commission communication of 27 March 1996 on staff redeployment and rationalisation of the network (SEC (1996) 554/2),
- having regard to the Commission communication of 8 April 1997 on the development of the external service of the Commission (SEC (1997) 605),
- having regard to the Commission communication of 8 April 1998 on the multiannual plan to allocate external service resources (SEC (1998) 1261),
- having regard to the Commission communication of 22 July 1998 on the Commission's external service (SEC (1998) 1261),
- having regard to the Commission communication of 21 April 1999 on the development of the external service (COM (1999) 180)
- having regard to the Commission communication on the reform of the management of external assistance established in the communication (SEC (2000) 814),
- having regard to the Commission communication of 11 April 2001 on conflict prevention (COM (2001) 211),
- having regard to the setting up of the Europe Aid Agency on 1 January 2001 which is responsible for implementing the Commission's external aid policy,
- having regard to its Resolution¹ of 5 September 2000 on a common European diplomacy,
- having regard to Rule 47(1) of its Rules of Procedure,
- having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the opinions of the Committee on Budgets, the Committee on Budgetary Control and the Committee on Development and Cooperation (A5-0199/2001),

A. whereas the objective, which is shared by the Commission and Parliament, that the

¹ OJ C 135, 7.5.2001, p. 35

common foreign and security policy should be suitably developed in such a way as to ensure that the Union takes on a firm political role at international level requires not only political will but also the adoption of the appropriate decisions which will allow that goal to be achieved in practice,

- B. having regard to the desire expressed by the Commission in its communication on conflict prevention for the Union to assert itself as a credible actor on the international stage and, with this in view, to provide itself with the means to take common decisions based on a detailed and in-depth analysis of each situation,
- C. stressing, however, that the main problem regarding the implementation of the common foreign policy is the democratic deficit affecting decision-making within the EU, which remains completely outside the scope of Community procedures, and that a clear, coherent and resolutely Community definition of the Union's external action will help future Union delegations genuinely to play a role in representing the policy and interests of the Union,
- D. whereas it is vital, to that end, to overcome the considerable shortcomings which still affect the external service and provide it with an overall design, given that, up to now, it has been built up in response to specific needs which have emerged over time,
- E. whereas, as part of its activities, EuropeAid is working together with the directorates-general for external relations and development to decentralise to the Commission delegations responsibility for all operations which can be more effectively managed in the field and, with this in view, is undertaking to transfer some of its officials to each Commission delegation by 2003,
- F. whereas it is vital for the external service to ensure a coordinated EU presence within international organisations such as the United Nations, IMF, World Bank, WTO and other similar bodies, as well as in regions such as South America, Central America, Africa, etc.,
- G. whereas Parliament has expressed its concern at the continuing existence of this situation on many occasions, highlighting in its resolution¹ on the establishment of a common diplomacy, adopted on 5 September 2000 and aimed at improving the quality of the external service, the need for progress to be made in three directions: 1. Specialist training of officials to be assigned to the external service; 2. Development of a legal framework governing the status of the Commission delegations and their relations with Parliament and the Council, without questioning their position as part of the Commission's establishment plan; and 3. The need for coordination between these delegations and the Member States' diplomatic representations,
- H. pointing out, nevertheless, that the question of improved training for future Union diplomats is by no means the only problem to be tackled and that, in particular, a clearer definition is needed of the Union's external activity, together with a rationalisation of the bodies responsible for these activities so as to ensure greater integration,
- I. whereas the Commissioners responsible for external relations agreed in June 2000 to undertake an overall review with the aim of creating an integrated external service, and Commissioner Patten gave an undertaking to Parliament's plenary sitting of 5 September

¹ OJ C 135, 7.5.2001, p. 35.

2000 that the Commission would publish a communication on the external service in the first half of 2001, taking particular account of Parliament's above-mentioned report,

- J. whereas, pending this more ambitious initiative announced by the Commission, Parliament should now adopt a position on the communication of 18 July 2000 concerning the development of the external service (COM(2000) 456), whose subject matter is restricted to the network of delegations and their staff,
- K. whereas in the fifty or so countries of the international community where hardly any of the Member States have representation, the Union could establish Union embassies representing both the interests of the Union and those of all the Member States,

Budgetary aspects

- L. whereas, owing to a special reserve entered in the budget since 1997, Parliament has given itself the means to guide how the external delegations operate according to a comprehensive plan involving vertical and horizontal redeployment of manpower on the basis of political and budgetary priorities, enhancing their role and effectiveness through staff training and reconfiguration,
 - M. whereas the Union must equip itself with an ambitious, high-achieving external service to perform the priority tasks conferred on it by virtue of the subsidiarity principle, in particular provision of aid to third countries,
 - N. whereas the delegations must ensure that Community aid to third countries is visible, their role and make-up differing according to whether aid is provided by way of political representation, economic assistance or economic intermediation,
 - O. whereas the Commission communication with a view to developing and strengthening the Union's external service is an important aspect of the reform in that it seeks to improve external-policy implementation performance, as called for by Parliament during the 2001 budgetary procedure,
 - P. whereas reform of the external service must be carried out at constant staffing levels, but, in view of the expenditure to which redeployment measures give rise, cannot take place at the same cost,
1. Insists that the overriding priority for the external service of the Commission must be the efficient organisation and management of EU external assistance programmes, including humanitarian aid, development aid, technical and financial assistance programmes, and pre-accession funds;
 2. Agrees that progress needs to be made in the deconcentration and decentralisation of the Commission's external assistance, an objective already set out in its communication on the management of external assistance (SEC (2000) 814), and reiterated in the present communication (COM (2000) 456), which should not imply an increase in superfluous bureaucracy;
 3. Recognises that the process of deconcentration will require more human resources for the delegations, not all of which can be supplied from the posts made available as part of the

proposals for reorganisation and regionalisation, but points out that the political decision to strengthen the EU's political presence, as called for by Parliament, requires commitments to secure the necessary resources;

4. Points out that the difficulties encountered in making progress in the process of deconcentration do not stem solely from the lack of human resources and that it is also necessary to improve computer equipment and adopt the necessary ancillary measures, such as policies on contracts, training plans, the review of procedures and provisions on verification and audit;
5. Recognises also that deconcentration requires adequate budgetary resources to ensure that local agents can be employed on contracts of a reasonable length;
6. Proposes that more attention be paid to the definition of officials' responsibilities, the match between the profiles of delegation staff and the tasks to be carried out, the monitoring and control of work, the support system for services provided by headquarters to the delegations, the drawing-up of guides and standardised procedures and the external visibility of the delegations' activity;
7. Urges the Commission to propose, in agreement with Parliament, a suitable legal framework to regulate relations between Parliament and the delegations, including:
 - (a) The establishment of regular channels of information between the delegations and Parliament, which might take the form of regular reports to be supplied by the delegations through the President of Parliament or the Foreign Affairs Committee, which will be responsible for forwarding the information to the appropriate interparliamentary delegations;
 - (b) Practical action to ensure that heads of delegation appear before the corresponding parliamentary bodies whenever political circumstances make this advisable, and provision for heads of delegation to appear before Parliament's Committee on Foreign Affairs as a matter of course before taking up their duties, in order to outline their objectives and debate them with Members;
 - (c) Steps to ensure that the EU delegation be systematically jointly responsible for visits by official EP missions, with a commitment to provide assistance during visits and missions by MEPs in the course of their parliamentary work;
 - (d) The submission to Parliament and the Council of an annual report by the Commission on the functioning of the delegations;
8. Calls on the Commission to include in its forthcoming communication a detailed plan for reforming the training of officials assigned to the external service, in accordance with the guidelines which Parliament set out in its report A5-0210/2000;
9. Hopes, in this context, that a meeting will be convened in the coming months between European diplomatic colleges and institutes and the competent Commission bodies in order to consider draft training programmes for officials, the creation of a College of European Diplomacy and the development of a bridging system between the external

services of the Community and of the Member States;

10. Considers that both the external service and its constituent delegations should play an active role in ensuring that the European Union enjoys a more coordinated presence on the international stage and within international organisations;
11. Urges, in this respect, the Presidency-in-office to include this matter in one of the next General Affairs Council meetings so as to verify the willingness of the Member States to make efforts to strengthen EU visibility and effectiveness with a view, in particular, to coordinating better the work of the various embassies with the EU delegations and outlining proposals to encourage joint representations where possible;
12. Urges the Commission to put forward more specific proposals, involving either the redeployment of existing posts or the creation of additional posts, and to establish a better balance between statutory officials and local agents;
13. Calls on the Council and Commission to examine the different procedures that would make it possible to introduce an effective system for incorporating national external services into the Community's external service, including the gradual integration of Member States' diplomats into the Community's external service;
14. Supports the establishment of regional delegations whose duties would extend to various neighbouring states; points out, however, that this can only be done if these delegations include staff with specialised knowledge of Community interests in the area, particularly as regards support for democratisation and respect for human rights;
15. Considers it necessary, nevertheless, to maintain delegations in those countries which play a positive role in encouraging democracy and respect for human rights in the regional context concerned;
16. Calls for consideration to be given to setting up Commission delegations in third countries where fewer than four Member States are represented by diplomatic missions;
17. Agrees that the possibility should be considered of opening delegations or information offices in various states, strengthening the presence in areas such as :

- (1) South-East Asia, where analysis should focus in particular on Singapore, which is the European Union's fifteenth largest trading partner, and Taiwan (as already envisaged in the 1998 list of priorities), the Union's fourteenth largest trading partner, countries where the European Parliament has repeatedly called for a delegation to be opened, most recently in its resolution of 30 November 2000;
 - (2) The countries of the Arab and Islamic world, since the Commission has no representation in the Gulf area, which is why it would be useful to open a delegation in Saudi Arabia (as already envisaged in the 1998 list of priorities) and in Iran, which could facilitate the dialogue between producers and consumers regarding oil and gas and encourage democratic reform;
 - (3) Latin America, where delegations should be opened (as already envisaged in the 1998 list of priorities) in Paraguay and, in particular, Ecuador, bearing in mind the strong migratory flow from this country to the European Union;
18. Takes the view that there can be no dispute as to the need to open a delegation in Switzerland, the EU's second largest trade partner in 1999;
19. Urges the Commission to fulfil its commitment to approve, in the first half of 2001, a communication on the overall development of the external service, taking account of Parliament's resolution on the establishment of a common diplomacy (A5-0210/2000), as well as the present resolution;

Budgetary aspects

20. Notes that the policy guidance proposed by the Commission is a step towards what Parliament has repeatedly called for over the last few years; stresses that as they stand, however, the proposals are characterised by a lack of ambition, precision and budgetary rigour;
21. Cautions the Commission against any footdragging in adopting specific and ambitious flanking measures for large-scale vertical redeployment from headquarters to delegations, and horizontal deployment between delegations, on the basis of the Union's political and budgetary priorities, which might jeopardise the policy guidance proposed in the communication;
22. Notes that the declared goal of programme management devolution seems hard to reconcile with the way in which project cycles currently proceed, which is very much based on implementation outsourcing by central Commission departments to legal persons governed by private law; expects the Commission to make proposals promptly to clarify what respectively, within cycles, its central departments, its devolved services and private actors are responsible for;
23. Will scrupulously make sure that reform of the external service incorporates the performance targets laid down by the budgetary authority in 2001 by improving the project cycle, eliminating cumbersome red tape, making the chain of delegation

transparent, keeping political oversight within the Commission, and restricting tasks involving the Commission's discretionary powers to regular staff;

24. Calls on the Commission to examine how to grant recipient states Community aid from a revolving fund equivalent to a limited percentage (5-10%) of total programmed aid, so as to allow the states concerned to lose no time in embarking on programme implementation;
25. Looks to the Commission for a proposal for a precise timetable for implementing the measures to be taken with regard to redeployment and harmonisation of the ratio between regular and local staff on the basis of a clear definition of the role of delegations and the volume of aid they implement;
26. Points out that the fact that relatively few Commission staff are assigned to development aid is virtually meaningless, since the ways in which the Commission intervenes differ profoundly from those of the Member States in that they are based on the use of outsourcing on a massive scale;
27. Is aware of the additional cost of expatriation and mobility of staff to be redeployed, but takes the view that cost must not be an obstacle to this action;
28. Takes the view, then, that any requests for additional staff could not be justified unless they were part of an overall reform of the project cycle which called for more direct involvement of Commission departments in programme management;
29. Will assess during the 2002 budgetary procedure, and as the 2001 budget is implemented, the progress made by the Commission; proposes to make use of the tools provided by the budgetary authority in order to guarantee a substantial improvement in the Union's external assistance.

Concerning the action plan proposed by the European Commission:

30. Calls on the Commission, having conducted a bench-mark exercise with external services of Member States, to submit an Action Plan by 15 October 2001 with a clear timetable on measures taken and planned, to make a progress report to Parliament every year and to take account of the following ten points in its Action Plan:
31. Declaration of Assurance: welcomes that under deconcentration, Delegations will bear greater responsibility for implementation and financial management of projects; recalls paragraph 10(II) of its discharge resolution of 4 April 2001 whereby each Head of Delegation is asked to sign
 - (a) for the first time by 1 June 2001, a declaration of assurance that adequate internal controls have been put in place;
 - (b) for the first time by 1 March 2002, an annual statement that all funds for which s/he is responsible have, as far as s/he is aware, been spent in accordance with the principles of sound and efficient management;

32. Mission statement and job descriptions: regrets that, in the past, an unclear definition of responsibilities has hindered the management of the entire aid effort; calls for the establishment of a mission statement for each delegation and a clear definition of the duties for all categories of staff both in headquarters and the field involved in the project cycle;
33. Redeployment between existing delegations: points out the need to review resources allocated to delegations; recalls paragraph 9(vii) of its discharge resolution of 4 April 2001 in which Parliament encourages the Commission to continue the redeployment programme launched in 1996¹; welcomes that 31, or nearly a quarter of delegations, now have regional responsibilities;
34. Need for new delegations: recalls that the Commission agreed in 1998 on a list of political priorities for the opening of new Delegations²; notes the lack of representation in some key regions including South East Asia, Central Asia and the Gulf States; notes that, in its amending letter to the 2001 budget, the Commission requested a total of 261 new grade A posts, of which 40 will be used to strengthen existing Delegations; calls for the establishment of Delegations in regions with political and economic importance for the Union;
35. Over-centralisation: contrasts the heavily centralised decision-making ethos in the Commission with that of other countries including Sweden, the United Kingdom, the Netherlands and the United States (USAID), where staff in the field are given greater responsibility³; notes that in 1998 the Ting report⁴ recommended an increase in staff responsibilities; welcomes that, in the first wave of deconcentration, a further 23 delegations have been selected to take on direct financial responsibilities, including the delegation in Jerusalem; asks the Commission to bring forward plans for subsequent phases of de-centralisation for all its remaining Delegations;
36. In-house expertise: observes that, according to the Court of Auditors, Delegations in Asia, Latin America and the Mediterranean countries lack staff with expertise in financial management in general, and tendering and contracting in particular; notes that Technical Assistance Offices, such as the MEDA teams, both in headquarters and in the field, have been characterised by a high turn-over of staff and a loss of in-house knowledge and expertise; calls for appropriate and continued training of officials and locally recruited staff;
37. Quality-control: notes that the Commission has acknowledged the need to improve the quality of country programming by the establishment of the interservice quality support group (IQSG) under the Directorate-General for Development; expects that the IQSG will ensure that country strategy papers and national indicative programmes are of consistently high quality; points out the need for explicit quantified targets and performance indicators to facilitate monitoring and *ex post* evaluation;

¹ under which 70 statutory posts have been deployed between Delegations and 50 posts have been moved from headquarters to Delegations

² "Multi annual allocation of resources of the External Service" SEC(98) 1261 of 8.4.1998 (Countries mentioned included Croatia, Macedonia, Saudi Arabia, Malaysia, Uzbekistan, Switzerland, Taiwan, Paraguay and Ecuador)

³ Identified by the Court of Auditors in special report 21/2000, OJ C57, 22.2.2001

⁴ Report by the analysis group on relations between Brussels and the Delegations

38. Monitoring and evaluation:

- (a) regrets that, under the current input-oriented system, form, administrative issues and quantitative factors take precedence over substance, impact analysis and qualitative indicators; observes that a lack of clear responsibilities and the use of outdated transmission methods results in the loss of time while documents are sent to and fro between the various actors; calls for Delegations, based on best practice, to monitor the implementation of actions and measures taken by recipient governments and to make the best use of information technology and telecommunications;
- (b) welcomes the quality of financial controls carried out by the Delegation in Sarajevo; recalls problems identified, in its discharge resolution of 4 April 2001, in the Commission's Representation in Stockholm¹ and Delegation in Washington²; asks that preventative controls be made regarding possible fictitious contracts and refurbishment of residences in other Delegations;
- (c) notes that controls were carried out by the inspectorate-general which recently examined delegations in Angola, Bolivia, Bosnia, Gambia, Lesotho, Malawi, Nicaragua, Pakistan, Romania, Senegal, Swaziland, Switzerland and Tanzania; calls for executive summaries of past investigations and plans for future controls to be submitted to the Committee on Budgetary Control;

39. Management tools: notes that the ACP Delegations employ a basic procedures manual dating from 1978; regrets that no procedures manual exists for Asian and Mediterranean Delegations; asks the Commission to update and consolidate manuals and publish them on its web-site; notes that for the vast majority of Delegations accounting information is transmitted manually as most cannot access the Commission's central accounting system SINCOM II; encourages the Commission to introduce a reliable and comprehensive management information tool;

40. Visibility: notes that a number of delegations have taken the initiative to publish their activities on their own web-sites; encourages the Commission at headquarters to facilitate this activity for those delegations that do not have sufficient resources;

41. Instructs its President to forward this resolution to the Commission and Council.

¹ Paragraph 9(x)

² Paragraph 9 (xi)

EXPLANATORY STATEMENT

I. INTRODUCTION

1. Since 1996, the Commission has approved a series of communications aimed at gradually strengthening the development of the external service. This is vital, given that, over the years, the expansion in the Community's external powers and the development of the CFSP have been placing ever more heavy demands on the delegations. Their activities are now far from being restricted to trade policy and development assistance, and increasingly encompass political and diplomatic activities.
2. Despite the crucial and growing powers exercised by it, the external service has many shortcomings arising from the fact that it was built up in response to specific needs which have emerged at various times. The external service has improved considerably since the report on the longer-term requirements of the external service, better known as the Williamson report, was adopted in 1996 (SEC(1996) 554 of 27 March 1996). The Commission has approved a number of communications on the external service: staff redeployment and rationalisation of the network (SEC(1996) 554/2 of 27 March 1996), development of the external service of the Commission (SEC(1997) 605 of 8 April 1997), multiannual plan to allocate external service resources (SEC(1998) 1261 of 22 July 1998), development of the external service (COM(1999) 180 of 21 April 1999), and finally, the communication now under review on the development of the external service (COM(2000) 456 of 18 July 2000). In spite of the series of improvements made, various aspects are still in need of reform.
3. Consequently, the Commissioners responsible for external relations agreed in June 2000 to undertake an overall review with the aim of creating an integrated external service comprising the staff in the delegations and all the RELEX Directorates-General and services, which will imply the introduction of a collegial management structure for headquarters and delegation personnel, thus improving the possibilities for proper career planning within the external service. The Commission states in its communication (paragraph 1.4) that detailed proposals to this effect are now in preparation.
4. Parliament has also expressed its concern at the shortcomings affecting the external service. In its resolution on a common European diplomacy, adopted on 5 September 2000 (A5-0210/2000), it took the view that, in order to improve the quality of the external service, progress needed to be made in three areas: specialist training for officials posted to the external service; clarification and development of the legal framework governing the functioning of the Commission delegations and their relations with the European Parliament and the Council; and closer collaboration between these delegations and the Member States' embassies. Speaking in plenary on 5 September 2000, Commissioner Patten gave an undertaking that the Commission would publish a communication on the external service, taking particular account of Parliament's report, in the first half of 2001.

5. Pending these more ambitious initiatives announced by the Commission, Parliament should now adopt a position on the communication concerning the development of the external service of 18 July 2000 (COM(2000) 456), which chiefly focuses on the network of delegations and their staff.
6. This is a welcome initiative since it provides an opportunity to open a debate on the matter, which requires detailed analysis. Parliament believes that the network of delegations needs to be adapted and therefore proposed in its resolution on a common Community diplomacy (A5-0210/2000) that the Commission submit to it for debate a redrawn map of its delegations (paragraph 11).
7. The present communication argues in favour of two objectives:
 - (a) The strengthening of delegations to achieve priority objectives, in particular the objective of the reform of external assistance management as set out in the communication SEC(2000) 814; and
 - (b) the adjustment of the network of delegations, including the possibility of opening certain new delegations.

II. DECONCENTRATION AND DECENTRALISATION

8. In May 2000 the Commission approved a communication on the management of external assistance (SEC(2000) 814) in which it affirmed that it faces a critical situation because the exponential growth in the volume of aid has not been matched by appropriate changes in human resources, structures and management tools. As the Commission itself recognised, the Community's external assistance programmes have a reputation for being slow, of poor quality, excessively centralised and subject to rigid procedures. The Commission therefore proposed a reform with the aim of making radical improvements in the speed, quality and profile of European Union external assistance.
9. The reform programme proposed further steps towards the deconcentration and decentralisation of external assistance. Deconcentration means passing responsibility for development aid from headquarters to delegations, while decentralisation means passing responsibility from the Commission to the beneficiary country. The Commission has stated that anything that can be better managed or decided on the spot, close to what is happening on the ground, should not be managed or decided in Brussels. This would make it far easier to ensure effectiveness and ownership of aid management.
10. The communication under review confirms once again the objective of further deconcentration. To quote the Commission, this will require:
 - (a) human resources for the delegations;
 - (b) computer equipment and systems;
 - (c) ancillary measures: appointments policy, training plan, revision of financial

procedures, checking and auditing arrangements.

11. The Commission places particular emphasis on the need for more human resources and states that it will draw up a multiannual programme of delegations to which the deconcentration process will be extended and that it will analyse the need for additional posts.
12. In our opinion, Parliament cannot but agree with the objective of making further progress in the deconcentration process. The current level of deconcentration varies widely, with a degree of deconcentration having been reached already in the ACP countries, the applicant countries and Bosnia, whereas considerable efforts still need to be made in other countries.
13. There is no doubt that the process of deconcentration will require more human resources for the delegations, as the Commission states. Some of these resources may be supplied from the posts made available under the proposals for reorganisation and regionalisation analysed below. It is clear, however, that it will not be possible to meet all the needs in this way. We believe that the process of deconcentration should be pursued further, in spite of the costs involved. The necessary resources will therefore have to be made available as and when a detailed and effective deconcentration plan takes shape which responds to the needs of the external service and represents the result of an open and fruitful debate in which Parliament must play a part.
14. It should also be stressed that difficulties in making progress in the process of deconcentration do not stem solely from the lack of human resources. Computer equipment also needs to be improved, and the necessary ancillary measures must be adopted. The questionnaire on deconcentration and decentralisation sent out in 1999 with a view to ascertaining the opinion of the delegations on this matter revealed the lack of appropriate training of staff and the mismatch between the organisation of headquarters and the objective of decentralised management. Of the 53 delegations which replied to the questionnaire, 16 pointed to a lack of appropriate training of delegation staff; 14 delegations complained at the mismatch between the profiles of delegation staff and the tasks to be carried out; 10 delegations underlined the centralising mindset of the Commission and the lack of real will to devolve responsibilities. The support system for services given by headquarters to the delegations appears inadequate; reference is made to the fragmented and cumbersome management procedures, the absence of guides and standardised procedures, the lack of coordination and of clear distribution of responsibilities and inadequate information, monitoring and control of delegations. It must therefore be acknowledged that, even though there is indeed an evident shortage of staff in the delegations (33 delegations took the view that insufficient staff in delegations hindered the deconcentration policy), the difficulties do not all stem from these limitations and the new resources assigned here must be matched by reforms in training for officials, the organisation of headquarters and its relationship with the delegations.
15. The communication devotes less attention to the process of decentralisation, merely pointing out that it is a desirable objective, though it is not appropriate in every partner country. In fact, decentralisation poses many difficulties, chiefly stemming from the

inadequacy of financial, human and technical resources in the administrations of beneficiary countries and the organisational difficulties encountered by their public authorities.

16. In our view, the difficulties should not detract from the fundamental objective of further decentralisation but they should give rise to the adoption of ancillary measures which will guarantee that the partner countries manage the funds correctly. We therefore believe that the Commission should place greater stress on the decentralisation process, which might also help to lighten the workload involved in managing external assistance.

III. ROLE OF THE DELEGATIONS

17. The Commission delegations carry out fundamental tasks in the field of development aid and trade policy. Over the years, they have acquired other responsibilities in addition to their economic tasks. They now play a fundamental role as regards information and representation, making the European Union known in non-member countries. The development of the common foreign and security policy has also enhanced the political role of the delegations, which play a part in the CFSP even though EU representation in third countries in this regard falls to the Embassy of the Member State holding the Council Presidency.
18. The delegations thus hold significant and growing powers which are no longer restricted to the economic field but increasingly embrace the political and diplomatic fields as well. It is therefore important to improve training for their staff, clarify and develop their legal framework and their relations with the European Parliament and the Council and ensure that they cooperate more closely with the Member States' Embassies, as noted by Parliament in its resolution on a common Community diplomacy (A5-0210/2000). However, the Commission communication tends to overlook these aspects and makes little headway in this area.
19. The communication points out that the delegations are available to help the European Parliament or any of the other EU institutions (paragraph 3.9). In our view, much closer relations need to be established between the delegations and Parliament. Even though it is the Commission which is formally responsible for the delegations, in practice they perform a much wider task of representation involving the Community as a whole, and it would therefore be advisable to underpin this fact in legal terms by transforming the Commission delegations into Community delegations (as proposed in paragraph 5 of Parliament's resolution A5-0210/2000).
20. Parliament's resolution A5-0210/2000 also put forward a number of other initiatives designed to build up closer ties between Parliament and the delegations:
 - (1) Relations between the delegations and the parliamentary committees and interparliamentary delegations should be regulated in such a way as to promote a better flow of information and improved political control and ensure that the heads of delegations actually appear before parliamentary bodies when political circumstances so require (paragraph 6);

- (2) Provision should be made for heads of delegations to appear before the European Parliament's Committee on Foreign Affairs as a matter of course before taking up their duties, in order to outline and discuss their work programme (paragraph 7);
 - (3) The EU delegation should be systematically jointly responsible for visits of official EP missions and be required to provide assistance in connection with official visits/missions of individual MEPs (paragraph 8);
 - (4) The Commission should submit an annual report to Parliament and the Council on the functioning of the delegations (paragraph 9).
21. It would also be desirable for a permanent channel of information to be established between the delegations and Parliament, which might take the form of reports to be addressed by the delegations to the President of the European Parliament, or the competent committees or interparliamentary delegations.
22. A further aspect which tends to be overlooked in the communication is the issue of training for officials. The Commission refers briefly to the implementation of the training plans which have been drawn up and stresses that pre-posting courses are held for officials assigned to the delegations. We consider these initiatives to be completely inadequate.
23. External relations require specialised staff with a solid technical and diplomatic training. Officials dealing with external relations are technical specialists but do not in general have the diplomatic training which this increasing external activity demands.
24. Parliament's resolution A5-0210/2000 called for the establishment of a professional and permanent Community diplomatic service and proposed that a College of European Diplomacy be set up (paragraph 1). Until such time, Parliament proposed that Community officials and Member States' diplomats who so wish should be able to extend their training by means of programmes and seminars in cooperation with European university bodies of recognised standing, particularly those funded by the Community and diplomatic colleges in the Member States (paragraph 2).
25. Moreover, the delegation officials themselves are aware of the need to improve their training. When the delegations were asked in the 1999 survey which functions should be created or developed by headquarters, 18 delegations called for the definition and implementation of a programme of staff training.
26. A further issue which the communication does little to address concerns cooperation with the Member States' diplomatic services. The Commission does not appear to be aware that current cooperation is totally inadequate. Despite the partnership programme created in order to enable Member State diplomats and officials to serve in the delegations, there are currently only seven such officials in the delegations. Furthermore, even though the Commission offered to receive Member State diplomats into its delegations in cases where Member States wished to be represented in a third country but did not wish to incur the expenses of maintaining an embassy, only two Member States have so far established such a presence.

27. In our view, it is vital to involve national officials and diplomats more closely with the Commission's external service. To that end, Parliament proposed in its resolution A5-0210/2000 that Member State diplomats be linked to the emerging Community diplomatic service through a bridging system allowing for the temporary placement of Member State diplomats in the Community's external service.
28. To sum up, the Commission communication on the development of the external service focuses on the staffing and network of delegations but makes few new contributions as regards fundamental aspects of the development of the external service such as relations between the delegations and Parliament, staff training and relations with the diplomatic services of the Member States.

IV. STAFFING OF DELEGATIONS AND DEPLOYMENT

29. In its communication, the Commission itself acknowledges the current imbalances in the staffing of delegations. When the first delegations were opened in the 1960s and 1970s, relatively greater resources were available than when delegations were opened in other parts of the world. As a consequence, there are many expatriate officials in most ACP delegations and few or no university-level local agents, whilst the situation is the reverse in the delegations that were opened in the 1990s in central and eastern Europe and the former Soviet Union, with relatively few officials and many local agents at university level.
30. We believe that this situation must be overcome. We therefore welcome the Commission's initiative to establish a better balance between statutory officials and local agents at university level.
31. The Commission intends that, once the balance has been defined on the basis of clear criteria for measuring workload and other factors affecting the delegations, fresh proposals will be put forward for the redeployment of staff so that the statutory posts made available will be used to strengthen the staff of existing delegations and, if resources permit, to open new delegations. The statutory posts to be redeployed could be replaced by local agents.
32. The Commission has proposed a first list of posts to be redeployed in Annex II to its communication, comprising 25 A posts, three B posts and two C posts.
33. This is a positive step because it will lead to a better balance and make it possible to save some costs while freeing up statutory posts. Nevertheless, the Commission should state exactly which clear criteria it intends to use to define a proper balance in the delegations.

V. REGIONALISATION OF DELEGATIONS

34. There are currently 31 delegations with regional responsibilities. In its communication, the Commission proposes to extend the regionalisation of the network, and more specifically it intends to transform two of the current delegations, Cape Verde and Togo, into offices and attach them to the delegations in Senegal and

Benin respectively, which would take on regional responsibilities. This would permit the redeployment of two additional A posts.

35. This is a positive step and will make some savings possible.
36. Parliament has already come out in favour of regionalisation in its resolution A5-0210/2000, in which it considered that 'it would be appropriate to set up regional delegations whose duties would extend to various neighbouring states, where circumstances so require'. It should be pointed out, however, that Parliament warned that 'this can only be done if these delegations include staff with specialised knowledge of Community interests in the area, particularly as regards support for democratisation and respect for human rights, which needs to be stepped up' (recital K).

VI. THE NETWORK OF DELEGATIONS

37. The Commission takes the view that there are strong arguments for extending the network of delegations, even though it suggests that there may also be cases in which the network can be rationalised through the re-sizing or even closure of some delegations.
38. Two criteria are laid down for new openings:
 - (1) The importance of the host country for the EU in political, economic or trade-policy terms;
 - (2) The need to ensure on-the-spot management of the Commission's cooperation programmes.
39. With regard to the states in which a new delegation might be opened, it should be recalled that in 1998 the Commission adopted a list of political priorities for the opening of new delegations and offices (multiannual plan to allocate external service resources). The objective was established that delegations were to be opened in Croatia, the former Yugoslav Republic of Macedonia (FYROM), Saudi Arabia, Malaysia, Uzbekistan and Switzerland, as well as offices in Taiwan, Paraguay and Ecuador.
40. However, the Commission acknowledges in its communication that the absence of the necessary resources and changing political circumstances have made it impossible to achieve those objectives. The scant resources available have been used to consolidate the Commission's representation in FYROM and Albania following the Kosovo crisis. The special envoy's offices in Croatia and FYROM were transformed into delegations and an agency for Kosovo was opened, with the result that the Commission is now adequately represented in the Balkans. The delegations and offices in Saudi Arabia, Malaysia, Uzbekistan, Switzerland, Taiwan, Paraguay and Ecuador were never opened.

41. There are a number of other countries in which it might also be proposed to open delegations. The Commission plans to include countries in South-East Asia, together with countries of Central Asia and of the Arabic and Islamic world (the Commission has no representation in the Gulf area).
42. In our view, it would be appropriate to open a delegation in Saudi Arabia as already envisaged in the 1998 list of priorities. That delegation might facilitate the dialogue between producers and consumers regarding oil and gas.
43. It would also be appropriate to open offices in Ecuador and Paraguay, as also envisaged in the 1998 list.
44. It would likewise be desirable to open new delegations in Switzerland, which also figured on the 1998 list and was the EU's second largest trade partner in 1999, absorbing 8.621% of total EU exports, and in Singapore, which was the EU's sixteenth largest trade partner in 1999, absorbing 1.634% of EU exports (these figures can be consulted in the export statistics supplied by the Comext database, CD-ROM No 11/2000, Eurostat).

VII. SUPPORT STAFF

45. The Commission takes the view that delegations with more than 15 staff should have a B-grade official as administrative assistant. Delegations which have regional responsibility for the administration of the imprest accounts of dependent offices should also have an official as administrative assistant.
46. The Commission further considers it desirable that each head of delegation should have an official as secretary or at least an ALAT.

VIII. CONCLUSIONS

47. A reform of the external service is indeed necessary. The objectives of strengthening existing delegations, particularly with a view to achieving the objectives of the reform of the management of external assistance and adapting the network of delegations, are to be welcomed.
48. Parliament supports the deconcentration process, even though it will require more human resources, the initiative aimed at establishing a better balance between statutory officials and local agents, the regionalisation of certain delegations and also the possibility of opening some new delegations.
49. Nevertheless, it should be stressed that not all the shortcomings affecting the management of external assistance nor those affecting the general functioning of the external service stem from poor distribution of staff among the delegations, nor from the shortage of staff. These reforms need to be matched by others in the area of training for officials, the organisation of headquarters and the delegations and their

relations with the remaining institutions and with the Member States' diplomatic services.

50. We would therefore hope that the Commission will launch more ambitious initiatives in these areas as part of the communication on the external service which is due to be approved in the coming months.

26 April 2001

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on the communication from the Commission to the Council and the European Parliament concerning the development of the external service
(COM(2000) 456 – C5-0629/2000 – 2000/2292 (COS))

Draftsman: Jean-Louis Bourlanges

PROCEDURE

The Committee on Budgets appointed Jean-Louis Bourlanges draftsman at its meeting of 24 January 2001.

It considered the draft opinion at its meeting of 24/25 April 2001.

At that meeting it adopted the following conclusions unanimously.

The following were present for the vote: Terence Wynn, chairman; Bárbara Dührkop Dührkop, vice-chairman; Jean-Louis Bourlanges, draftsman; Carlos Carnero González (for Wilfried Kuckelkorn), Joan Colom i Naval, Carlos Costa Neves, Den Dover, Göran Färm, Salvador Garriga Polledo, Catherine Guy-Quint, Jutta D. Haug, Anne Elisabet Jensen, John Joseph McCartin, Juan Andrés Naranjo Escobar, Heide Rühle, Kyösti Tapio Virrankoski, Ralf Walter and Brigitte Wenzel-Perillo.

SHORT JUSTIFICATION

Reform of the Commission forms the overall context for this communication; but it also comes under the initiatives developed by Parliament in recent years.

In 1996, the budgetary authority created a special reserve for delegations (A-650) within the nomenclature of the general budget. It has regularly entered a large appropriation, which has been released during the financial year, as soon as the relevant conditions have been met by the Commission.

What the budgetary authority has been calling for since then is based on seven principles:

- Need for a global approach (a comprehensive vision);
- Functional breakdown of manpower: ratio of regular to local staff in line with needs;
- Capping the number of delegations;
- Mobility plan promoting rotation between headquarters and delegations, with a view to achieving a 35% staff transfer rate;
- Better balance in the posting of manpower between headquarters and delegations, on which the Union's financial efforts are concentrated;
- Greater programme implementing authority for delegations;
- Setting up of a training programme and partnership arrangements between Member State representations and delegations.

The draftsman believes that the policy guidance developed by the Commission in its communication is a step in the direction sought by the Committee on Budgets. However - as he had an opportunity to state in the presence of Commissioner Patten - the policy guidance lacks ambition, clarity and rigour:

- *A lack of ambition:*

The Commission has the responsibility of modernising EU representation in the world. Responsible reform must entail large-scale vertical redeployment with significant staff movements from central departments to delegations. In its communication on reform of external assistance, the Commission stressed that 'anything that can be better managed and decided on the spot, close to what is happening on the ground, should not be managed or decided in Brussels'. However, it is putting this principle into practice for effect only: 1000 extra posts have been allocated to the new EuropeAid Office responsible for the implementation of external programmes, the management of which is scheduled to be decentralised to the delegations, with no plans for any vertical redeployment away from headquarters.

The Commission indicates that it will analyse the need for additional posts 'at the appropriate moment', which is unacceptable from a budgetary point of view and dangerous from an operational point of view: an ambitious reform must have quantified targets in terms of resources and manpower and must not allow the risk of new links being

added to the chain of go-betweens.

Responsible reform must start by striking a fresh balance between representations on the basis of precise and updated criteria, such as the volume and type of aid to third countries. It must be tailored to new Union priorities while taking account of the burden of the past. Above all, it must venture to carry out horizontal redeployment of resources on the basis of new needs.

These proposals should in particular involve a change in the present ratio of officials to local staff on the basis of the public authority tasks incumbent on delegations in the context of programme management. For this revision, there should be a precise timetable setting out the goals to be realised.

- *A lack of clarity:*

The way in which the concepts of decentralisation and devolution are being put into practice is fuzzy. With uncontrolled decentralisation there is a risk of losing control, while with systematic devolution (60 % of appropriations) there is a risk of duplication and too much red tape with no proof that it will impact on the effectiveness of programme management. The Commission must spell out the delegated implementing and control powers it intends to confer on central and local bodies with regard to project cycle management. Devolution and decentralisation are acceptable only if they enhance performance in terms of Community programme implementation. There is no trace of these essential elements – analyse and compare – in the communication. Lastly, it would be helpful to have a clear overview of interlinking between Commission departments, Member State services (embassies) and services of recipient states in order to assess levels of responsibility, specific circumstances and possible economies of scale.

The draftsman also believes that Union delegations have three roles:

- political representation,
- provision of economic assistance (management of Community programmes),
- acting as economic intermediaries (commercial aspects),

roles which must be reflected in the make-up and size of delegations. The Commission must classify delegations clearly and make proposals for redeployment accordingly.

- *A lack of budgetary rigour:*

The draftsman realises that vertical redeployment (from headquarters to delegations) cannot be carried out at the same cost, the cost of a delegation post being higher than that of a headquarters post. However, he considers that the budgetary authority must make sure that staffing levels remain constant. Initially, the Commission ought to make precise proposals based on the resources at its disposal, which have been significantly augmented under the 2001 budget. Those proposals should in particular involve a change in the present ratio of officials to local staff on the basis of the public authority tasks incumbent on delegations in the context of programme management. For this revision, there should be a precise timetable setting out the goals to be realised. It should subsequently carry out a review, possibly involving requests for additional manpower. The budgetary authority

will then assess whether such requests are realistic in the light of the resources deployed and results achieved.

CONCLUSIONS

The Committee on Budgets calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for resolution:

Budgetary aspects

- A. whereas, owing to a special reserve entered in the budget since 1997, Parliament has given itself the means to guide how the external delegations operate according to a comprehensive plan involving vertical and horizontal redeployment of manpower on the basis of political and budgetary priorities, enhancing their role and effectiveness through staff training and reconfiguration,
 - B. whereas the Union must equip itself with an ambitious, high-achieving external service to perform the priority tasks conferred on it by virtue of the subsidiarity principle, in particular provision of aid to third countries,
 - C. whereas the delegations must ensure that Community aid to third countries is visible, their role and make-up differing according to whether aid is provided by way of political representation, economic assistance or economic intermediation,
 - D. whereas the Commission communication with a view to developing and strengthening the Union's external service is an important aspect of the reform in that it seeks to improve external-policy implementation performance, as called for by Parliament during the 2001 budgetary procedure,
 - E. whereas reform of the external service must be carried out at constant staffing levels, but, in view of the expenditure to which redeployment measures give rise, cannot take place at the same cost,
- 1. Notes that the policy guidance proposed by the Commission is a step towards what Parliament has repeatedly called for over the last few years; stresses that as they stand, however, the proposals are characterised by a lack of ambition, precision and budgetary rigour;
 - 2. Cautions the Commission against any footdragging in adopting specific and ambitious flanking measures for large-scale vertical redeployment from headquarters to delegations, and horizontal deployment between delegations, on the basis of the Union's political and budgetary priorities, which might jeopardise the policy guidance proposed in the communication;
 - 3. Notes that the declared goal of programme management devolution seems hard to reconcile with the way in which project cycles currently proceed, which is very much based on implementation outsourcing by central Commission departments to legal persons

governed by private law; expects the Commission to make proposals promptly to clarify what respectively, within cycles, its central departments, its devolved services and private actors are responsible for;

4. Will scrupulously make sure that reform of the external service incorporates the performance targets laid down by the budgetary authority in 2001 by improving the project cycle, eliminating cumbersome red tape, making the chain of delegation transparent, keeping political oversight within the Commission, and restricting tasks involving the Commission's discretionary powers to regular staff;
5. Calls on the Commission to examine how to grant recipient states Community aid from a revolving fund equivalent to a limited percentage (5-10%) of total programmed aid, so as to allow the states concerned to lose no time in embarking on programme implementation;
6. Looks to the Commission for a proposal for a precise timetable for implementing the measures to be taken with regard to redeployment and harmonisation of the ratio between regular and local staff on the basis of a clear definition of the role of delegations and the volume of aid they implement;
7. Points out that the fact that relatively few Commission staff are assigned to development aid is virtually meaningless, since the ways in which the Commission intervenes differ profoundly from those of the Member States in that they are based on the use of outsourcing on a massive scale;
8. Is aware of the additional cost of expatriation and mobility of staff to be redeployed, but takes the view that cost must not be an obstacle to this action;
9. Takes the view, then, that any requests for additional staff could not be justified unless they were part of an overall reform of the project cycle which called for more direct involvement of Commission departments in programme management;
10. Will assess during the 2002 budgetary procedure, and as the 2001 budget is implemented, the progress made by the Commission; proposes to make use of the tools provided by the budgetary authority in order to guarantee a substantial improvement in the Union's external assistance.

EFFECTIFS DU SERVICE EXTERIEUR

Situation au 01/03/2000

Secteur Géographique	Ville	Statutaires (1)	Autres* (2)	Total (3= 1+2)	Ratio (4=1/2)
Pacifique		27	85	112	32%
Australie	Canberra	4	15	19	27%
Fidji	Suva	4	9	13	44%
Indonésie	Jakarta	6	18	24	33%
Nouvelle-Calédonie	Noumea	1	2	3	50%
Papouasie-Nouv. Guinée, Port Moresby	Port Moresby	4	9	13	44%
Philippines	Manila	5	19	24	26%
Iles Salomon	Honiara	1	5	6	20%
Samoa	Apia		3	3	0%
Tonga	Nuku'Alofa	1	3	4	33%
Vanuatu	Port Vila	1	2	3	50%
OCDE		59	137	196	43%
Canada	Ottawa	5	13	18	38%
Japon	Tokyo	17	37	54	46%
Mexique	Mexico	5	13	18	38%
USA	New York	9	13	22	69%
USA	Washington	23	61	84	38%
Caraïbes		32	89	121	36%
Antigua et Barbuda	St John's		2	2	0%
Antilles Néerlandaises	Willemstad (Curaçao)	1	6	7	17%
Bahamas	Nassau		1	1	0%
Barbades	Bridgetown	6	11	17	55%
Belize	Belize City	1	3	4	33%
Costa Rica	San Jose	6	16	22	38%
Rép. Dominicaine	Santo Domingo	5	10	15	50%
Grenade	St George's		1	1	0%
Haïti	Port au Prince	5	11	16	45%
Honduras	Tegucigalpa		5	5	0%
Jamaïque	Kingston	4	14	18	29%
Trinité et Tobago	Port of Spain	4	9	13	44%
Afrique		232	655	887	35%
Afrique du Sud	Pretoria	9	27	36	33%
Afrique du Sud	Le Cap		3	3	0%
Angola	Luanda	6	17	23	35%
Bénin	Cotonou	6	15	21	40%
Botswana	Gaborone	5	10	15	50%

Secteur Géographique	Ville	Statutaires	Autres*	Total	Ratio
		(1)	(2)	(3= 1+2)	(4=1/2)
Burkina Faso	Ouagadougou	8	21	29	38%
Burundi	Bujumbura	2	12	14	17%
Cameroun	Yaoundé	7	17	24	41%
Cap-Vert	Praia	2	7	9	29%
Rép. Centrafricaine	Bangui	5	13	18	38%
Comores	Moroni	1	8	9	13%
Rép. Dém. du Congo	Kinshasa	6	14	20	43%
Rép. Du Congo	Brazzaville	3	14	17	21%
Côte d'Ivoire	Abidjan	8	18	26	44%
Djibouti	Djibouti	1	4	5	25%
Erythrée	Asmara	3	8	11	38%
Ethiopie	Addis Abeba	9	18	27	50%
Gabon	Libreville	4	9	13	44%
Gambie	Banjul	1	8	9	13%
Ghana	Accra	7	17	24	41%
Rép. Guinée	Conakry	6	20	26	30%
Guinée Equatoriale	Malabo	1	7	8	14%
Guinée-Bissau	Bissau	3	12	15	25%
Kenya	Nairobi	9	22	31	41%
Liberia	Monrovia		3	3	0%
Lesotho	Maseru	3	9	12	33%
Madagascar	Antananarivo	7	18	25	39%
Malawi	Lilongwe	6	15	21	40%
Mali	Bamako	7	16	23	44%
Maurice	Port-Louis	6	15	21	40%
Mauritanie	Nouakchott	6	16	22	38%
Mozambique	Maputo	7	16	23	44%
Namibie	Windhoek	5	12	17	42%
Niger	Niamey	5	16	21	31%
Nigéria	Lagos	1	9	10	11%
Nigéria	Abuja	6	18	24	33%
Ouganda	Kampala	7	19	26	37%
Rwanda	Kigali	5	9	14	56%
Sao Tomé et Príncipe	Sao Tome	1	4	5	25%
Sénégal	Dakar	7	20	27	35%
Seychelles	Victoria Mahe		0	0	0%
Sierra Léone	Freetown	4	14	18	29%
Somalie	Nairobi	3	8	11	38%
Soudan	Khartoum	3	11	14	27%
Swaziland	Mbabane	2	8	10	25%
Tanzanie	Dar es Salaam	8	17	25	47%

Secteur Géographique	Ville	Statutaires (1)	Autres* (2)	Total (3= 1+2)	Ratio (4=1/2)
Tchad	N'Djamena	5	15	20	33%
Togo	Lome	3	13	16	23%
Zambie	Lusaka	7	17	24	41%
Zimbabwe	Harare	6	16	22	38%
Amérique Sud/centre		48	142	190	34%
Argentine	Buenos Aires	5	15	20	33%
Bolivie	La Paz	3	8	11	38%
Brésil	Brasilia	6	12	18	50%
Chili	Santiago	4	16	20	25%
Colombie	Bogota	5	12	17	42%
Guatemala	Guatemala	3	7	10	43%
Guyane	Georgetown	4	13	17	31%
Nicaragua	Managua	5	8	13	63%
Pérou	Lima	3	12	15	25%
Suriname	Paramaribo	1	10	11	10%
Uruguay	Montevideo	6	12	18	50%
Vénézuëla	Caracas	3	17	20	18%
Asie		53	153	206	35%
Bangladesh	Dhaka	6	17	23	35%
Chine	Pekin	10	19	29	53%
Rép. Corée	Seoul	4	10	14	40%
Hong-Kong	Hong-Kong	4	8	12	50%
Inde	New Delhi	8	31	39	26%
Népal	Katmandou		4	4	0%
Pakistan	Islamabad	5	18	23	28%
Sri Lanka	Colombo	3	7	10	43%
Thaïlande	Bangkok	8	24	32	33%
Viêt-Nam	Hanoï	5	15	20	33%
Méditerranée		58	148	206	39%
Algérie	Alger	3	11	14	27%
Chypre	Nicosia	3	7	10	43%
Cisjordanie et Bande de Gaza	Jerusalem Est	4	11	15	36%
Egypte	Le Caire	9	16	25	56%
Israël	Tel Aviv	6	9	15	67%
Jordanie	Amman	5	10	15	50%
Liban	Beyrouth	4	10	14	40%
Malte	La Valette	3	8	11	38%
Maroc	Rabat	7	23	30	30%
Syrie	Damas	5	13	18	38%
Tunisie	Tunis	4	13	17	31%

Secteur Géographique	Ville	Statutaires (1)	Autres* (2)	Total (3= 1+2)	Ratio (4=1/2)
Turquie	Ankara	5	17	22	29%
Europe		163	404	567	40%
Albanie	Tirana	7	15	22	47%
Autriche	Vienne		4	4	0%
Bosnie-Herzégovine	Sarajevo	12	19	31	63%
Bulgarie	Sofia	7	21	28	33%
Croatie	Zagreb	1	6	7	17%
Estonie	Tallin	6	9	15	67%
France	Paris	5	6	11	83%
Fyrom	Skopje	4	10	14	40%
Géorgie	Tbilissi	4	13	17	31%
Hongrie	Budapest	7	29	36	24%
Italie	Rome	4	4	8	100%
Kazakhstan	Almaty	5	16	21	31%
Lettonie	Riga	6	11	17	55%
Lituanie	Vilnius	6	13	19	46%
Norvège	Oslo	4	12	16	33%
Pologne	Varsovie	8	33	41	24%
Roumanie	Bucarest	8	27	35	30%
Russie	Moscou	19	44	63	43%
Slovaquie	Bratislava	6	20	26	30%
Slovénie	Ljubljana	6	12	18	50%
Suisse	Genève	16	23	39	70%
Rép. Tchèque	Prague	8	23	31	35%
Ukraine	Kiev	6	23	29	26%
Vienne	Vienne	4		4	
Rép. Féd. Yougoslavie	Belgrade	4	11	15	36%
	Total général	672	1.813	2.485	37%

* - Agents locaux / Jeunes experts en délégation / END en partenariat (payés sur la partie A du budget)

- Agents locaux d'assistance technique (payés sur la partie B du budget)

16 May 2001

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL*

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on the Communication from the Commission to the Council and the European Parliament concerning the development of the external service
(COM(2000) 456 – C5-0629/2000 – 2000/2292 (COS))

Draftsman: Freddy Blak

PROCEDURE

The Committee on Budgetary Control appointed Freddy Blak draftsman at its meeting of 5 December 2000.

It considered the draft opinion at its meetings of 25 April 2001 and 15 May 2001.

At the latter meeting it adopted the following conclusions unanimously.

The following were present for the vote: Diemut R. Theato, chairman; Herbert Bösch and Lousewies van der Laan, vice-chairmen; Freddy Blak, vice-chairman and draftsman; Mogens N.J. Camre (for Isabelle Caullery), Paulo Casaca (for Eluned Morgan), Bert Doorn (for Raffaele Costa), Christos Folias (for Christopher Heaton-Harris), Karin Junker (for Michiel van Hulten pursuant to Rule 153(2)), Helmut Kuhne, Brigitte Langenhagen, John Joseph McCartin (for Thierry B. Jean-Pierre), José Javier Pomés Ruiz, Esko Olavi Seppänen (for Marianne Eriksson), Bart Staes, Gabriele Stauner, Rijk van Dam.

SHORT JUSTIFICATION

The rapporteur has highlighted the importance of the modernisation of the Commission's delegations in his report on the general discharge for financial year 1999¹. He would like to take this opportunity to make a number of concrete proposals.

The cost of all 128 delegations, staffed by 2815 persons comprising 667 officials, 2138 local agents and 10 seconded national civil servants amounted to €235 million in 2000. Yet staff and resources allocated to the Commission's delegations are not always commensurate with the Union's current political priorities or amount of aid disbursed. It is worth noting that, on average, 41% of time and resources allocated to delegations were available for external aid programmes²;

CONCLUSIONS

The Committee on Budgetary Control calls on the Committee on Foreign Affairs as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Calls on the Commission, having conducted a bench-mark exercise with external services of Member States, to submit an Action Plan by 15 October 2001 with a clear timetable on measures taken and planned, to make a progress report to Parliament every year and to take account of the following ten points in its Action Plan:
2. Declaration of Assurance: welcomes that under deconcentration, Delegations will bear greater responsibility for implementation and financial management of projects; recalls paragraph 10(II) of its discharge resolution of 4 April 2001 whereby each Head of Delegation is asked to sign
 - (a) for the first time by 1 June 2001, a declaration of assurance that adequate internal controls have been put in place;
 - (b) for the first time by 1 March 2002, an annual statement that all funds for which s/he is responsible have, as far as s/he is aware, been spent in accordance with the principles of sound and efficient management;
3. Mission statement and job descriptions: regrets that, in the past, an unclear definition of responsibilities has hindered the management of the entire aid effort; calls for the establishment of a mission statement for each delegation and a clear definition of the duties for all categories of staff both in headquarters and the field involved in the project cycle;

¹ 1999 discharge (Section III) A5-0113/2001, 4 April 2001

² "Designing tomorrow's Commission: the External Relations service, 24 February 1999

4. Redeployment between existing delegations: points out the need to review resources allocated to delegations; recalls paragraph 9(vii) of its discharge resolution of 4 April 2001 in which Parliament encourages the Commission to continue the redeployment programme launched in 1996¹; welcomes that 31, or nearly a quarter of delegations, now have regional responsibilities;
5. Need for new delegations: recalls that the Commission agreed in 1998 on a list of political priorities for the opening of new Delegations²; notes the lack of representation in some key regions including South East Asia, Central Asia and the Gulf States; notes that, in its amending letter to the 2001 budget, the Commission requested a total of 261 new grade A posts, of which 40 will be used to strengthen existing Delegations; calls for the establishment of Delegations in regions with political and economic importance for the Union;
6. Over-centralisation: contrasts the heavily centralised decision-making ethos in the Commission with that of other countries including Sweden, the United Kingdom, the Netherlands and the United States (USAID), where staff in the field are given greater responsibility³; notes that in 1998 the Ting report⁴ recommended an increase in staff responsibilities; welcomes that, in the first wave of deconcentration, a further 23 delegations have been selected to take on direct financial responsibilities, including the delegation in Jerusalem; asks the Commission to bring forward plans for subsequent phases of de-centralisation for all its remaining Delegations;
7. In-house expertise: observes that, according to the Court of Auditors, Delegations in Asia, Latin America and the Mediterranean countries lack staff with expertise in financial management in general, and tendering and contracting in particular; notes that Technical Assistance Offices, such as the MEDA teams, both in headquarters and in the field, have been characterised by a high turn-over of staff and a loss of in-house knowledge and expertise; calls for appropriate and continued training of officials and locally recruited staff;
8. Quality-control: notes that the Commission has acknowledged the need to improve the quality of country programming by the establishment of the interservice quality support group (IQSG) under the Directorate-General for Development; expects that the IQSG will ensure that country strategy papers and national indicative programmes are of consistently high quality; points out the need for explicit quantified targets and performance indicators to facilitate monitoring and *ex post* evaluation;
9. Monitoring and evaluation:

¹ under which 70 statutory posts have been deployed between Delegations and 50 posts have been moved from headquarters to Delegations

² "Multi annual allocation of resources of the External Service" SEC(98) 1261 of 8.4.1998 (Countries mentioned included Croatia, Macedonia, Saudi Arabia, Malaysia, Uzbekistan, Switzerland, Taiwan, Paraguay and Ecuador)

³ Identified by the Court of Auditors in special report 21/2000, OJ C57, 22.2.2001

⁴ Report by the analysis group on relations between Brussels and the Delegations

- (d) regrets that, under the current input-oriented system, form, administrative issues and quantitative factors take precedence over substance, impact analysis and qualitative indicators; observes that a lack of clear responsibilities and the use of outdated transmission methods results in the loss of time while documents are sent to and fro between the various actors; calls for Delegations, based on best practice, to monitor the implementation of actions and measures taken by recipient governments and to make the best use of information technology and telecommunications;
 - (e) welcomes the quality of financial controls carried out by the Delegation in Sarajevo; recalls problems identified, in its discharge resolution of 4 April 2001, in the Commission's Representation in Stockholm¹ and Delegation in Washington²; asks that preventative controls be made regarding possible fictitious contracts and refurbishment of residences in other Delegations;
 - (f) notes that controls were carried out by the inspectorate-general which recently examined delegations in Angola, Bolivia, Bosnia, Gambia, Lesotho, Malawi, Nicaragua, Pakistan, Romania, Senegal, Swaziland, Switzerland and Tanzania; calls for executive summaries of past investigations and plans for future controls to be submitted to the Committee on Budgetary Control;
10. Management tools: notes that the ACP Delegations employ a basic procedures manual dating from 1978; regrets that no procedures manual exists for Asian and Mediterranean Delegations; asks the Commission to update and consolidate manuals and publish them on its web-site; notes that for the vast majority of Delegations accounting information is transmitted manually as most cannot access the Commission's central accounting system SINCOM II; encourages the Commission to introduce a reliable and comprehensive management information tool;
11. Visibility: notes that a number of delegations have taken the initiative to publish their activities on their own web-sites; encourages the Commission at headquarters to facilitate this activity for those delegations that do not have sufficient resources;

¹ Paragraph 9(x)

² Paragraph 9 (xi)

29 May 2001

OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on the development of the external service
(COM (2000) 456) – C5-0629/2000 – 2000/2292 (COS))

Draftsperson: Karin Junker

PROCEDURE

The Committee on Development and Cooperation appointed Karin Junker draftsperson at its meeting of 5 February 2001.

It considered the draft opinion at its meeting of 14 May 2001.

At its meeting of 29 May 2001 it adopted the following conclusions unanimously.

The following took part in the vote: Joaquim Miranda, chairman; Lone Dybkjær and Margrietus J. van den Berg, vice-chairs; Karin Junker, draftsperson; Yasmine Boudjenah, John Alexander Corrie, Concepció Ferrer (for Pier Ferdinando Casini), Jean-Claude Fruteau, Michael Gahler (for Karsten Knolle), Bashir Khanbhai, Wolfgang Kreissl-Dörfler, Nelly Maes (for Paul A.A.J.G. Lannoye), Miguel Angel Martínez Martínez, Didier Rod, Ulla Margrethe Sandbæk, Francisca Sauquillo Pérez del Arco, Agnes Schierhuber (for Jürgen Zimmerling) and Bob van den Bos.

SHORT JUSTIFICATION

I. Introduction

As result of political upheavals and the disappearance of political 'blocs', which have also had a significant impact on the developing countries, the External Service of the European Union has taken on more and more responsibilities. This has created a need for radical reform. The European Commission has recognised this need and since 1996 it has produced several communications on reform. However, these fail to meet all the requirements repeatedly identified by the European Parliament.

The present communication seeks to strengthen the delegation offices so that they will be able to carry out the tasks of the EU's external service more effectively and more on their own responsibility. At the same time, the network of external offices is to be brought more closely into line with the current situation. In practical terms, this may mean converting, opening or closing delegations.

In addition, the concept of 'deconcentration' (devolution) and decentralisation has been set as objectives; deconcentration means devolving power from headquarters to the delegations, whereas decentralisation involves devolving power from the Commission to the beneficiary country.

II. Assessment of the Commission proposals

The EU's external service has developed in a rather unstructured way over the years. The Commission rightly describes a series of inconsistencies but nonetheless fails to give a comprehensive analysis and a consistent approach to solving the problem is - despite a number of welcome ideas. This also applies specifically to questions of training, further training and staffing.

From the point of view of development policy, we welcome the creation of an 'integrated external service', which will include the staff of the delegations and of all RELEX Directorate-Generals and Services. This can only enhance the prospects for a coherent development cooperation policy, not least from the point of view of the proposed 'collegiate management structure for headquarters and delegation personnel'.

The weakness of the communication is that it focuses primarily on staff and technical resources. This is particularly apparent in connection with the existing or planned regional offices. It is obvious that they will cost less than several individual offices but there is no evidence that they are, or will be, more effective. To this extent, for example, the proposed closure of the Cape Verde Delegation must be critically assessed. An alternative approach would have been to consider a less expensive staffing structure - not only for Cape Verde - in order to go further towards meeting the target of greater effectiveness while at the same time extending external representation as a whole against a background of limited resources. The reduction in the deployment of A-grade staff to allow greater deployment of B and C-grade staff seems appropriate in view of the increasing administrative workload.

The same applies to the increased employment of local staff. The much more demanding tasks now taken on by delegations in the ACP countries and other developing countries require the

employment of staff with a detailed local knowledge and a command of regional languages. This applies just as much in the sphere of education planning as in dealing with highly-sensitive issues, for example ethical and religious conflicts, strategies against genital mutilation or combating HIV and AIDS. To approach such matters purely from a health policy angle, without including awareness campaigns, is bound to fail.

The optimum staffing structure of a delegation thus depends greatly on the political, cultural and socio-economic environment in which it is operating. However, nothing specific is said about this. On the contrary, the workload of the delegations is only to be assessed at a later stage. There is no description of the delegations' missions and work, or of plans for further training, management training and other accompanying measures.

The criteria cited for the opening of new delegations are their political, economic and trade importance. However, this also applies to existing delegations, on which ever greater demands are also being made in the developing countries.

The External Service in the ACP countries

Most delegations were established in the 1960s and 1970s in developing countries which had ties with the EC under the Yaoundé or Lomé Conventions. The 'EDF delegate controllers' were in charge of monitoring the implementation of projects financed by the European Development Fund on the ground. This explains the comparatively small proportion of local staff in delegations in the ACP countries. As ACP cooperation took on a political and trade dimension, particularly within the framework of Lomé IV and the Cotonou Agreement, the delegations have taken on a whole range of new tasks in the now 77 ACP States. Consequently, the policy (already carried out) of down-grading delegations in ACP countries to offices or even closing them is completely the wrong approach from a development policy perspective. They should rather be strengthened, in a targeted way, particularly as they are already responsible for spending 60% of all EDF resources and are therefore already some way ahead when it comes to putting 'deconcentration' into practice.

However, there are also failings that are evident to anyone who visits the delegations and talks to the different parties involved. There are consistent complaints of a lack of transparency, cumbersome procedures, delays in projects and payments, lack of coordination with other donors.

It should also be noted that the Member States unfortunately make very little use of the existing possibilities of coordination, despite the fact that in countries where they do not maintain an embassy because it is too expensive, they could participate locally at very little cost. At the present time they are only seven (!) officials from the Member States working as experts in the 77 ACP States and only two staff members from a national diplomatic service (in Burundi and Sierra Leone).

The vast majority of the present 31 EU regional representations are located in the ACP countries, and this is also where most of the down-gradings have been made and most posts have been vacant for a fairly long period. Six of the 16 ACP delegations audited by the European Court of Auditors (Special Report 21/2000), '.....had vacancies for more than one year. In none of these cases were local staff hired to fill vacancies (even on a temporary basis)'.

This is a sign of weakening, rather than strengthening the offices, which is totally at odds with the real increase in their tasks.

II. Conclusions

The Commission rightly points out that development cooperation will continue to be the main area of responsibility for many delegations. It draws attention to the fact that with increasing deconcentration and decentralisation delegations will be acting directly on behalf of the Commission, leading the policy dialogue with the beneficiary countries and taking over operational coordination with the Member States' representatives on the spot.

This will undoubtedly make it possible to increase effectiveness, provided the right conditions are created for exploiting comparative advantages. A significant contribution could be made by meeting one of Parliament's demands, which was reaffirmed recently by the Foreign Affairs Committee. In its opinion on the discharge in respect of implementation of the general budget of the European Union for the financial year 1999 (PE 294.861) adopted at the meeting on 19/20 March 2001, the committee 'invites the Commission to draw on the experience of external agencies in implementing external aid on the ground, provided that these agencies can demonstrate a higher level efficiency than the existing centralised and decentralised services; points out that in such cases the activities of these agencies must be carried out in compliance with policy guidelines set by the Commission and the European Community's legal framework with regard to financial and accounting standards'.

The draftsperson therefore comes to the following conclusions:

1. Believes that the principle of A-grade officials being required to serve abroad necessitates appropriate training, including specific development policy skills for all. This applies to the preparatory courses recently introduced for administrative assistants and secretaries and to the further training measures and management training planned.
2. Considers that special weight has to be put on training and expertise in the field of social and environmental affairs, which have notoriously suffered from a lack of especially skilled staff.
3. Invites the Commission to make appropriate efforts to interest women in the external service and to appoint women as Heads of Delegations as it is unacceptable that only seven out of 123 delegations are headed by a woman.
4. Believes that, in order to be able to operate and to be involved as much as possible, delegation staff must have a satisfactory understanding of development cooperation and of the specific features of the society in the country to which they are sent.
5. Believes that bottlenecks in filling vacancies should not be tackled by closing or downgrading delegations as this only creates further problems. Instead, there should be greater restructuring than planned, with the employment of more temporary, B and C-grade staff and, particularly in the ACP countries, local staff.
6. Welcomes the Commission proposal to deploy more local and ALAT staff but believes that the EU delegations in developing countries should make a particular effort to

increase the number of potential candidates by offering special training courses in order to increase the chances for skilled and university trained local staff to be employed.

7. Welcomes the change of statutes for the Commission's A staff making a period of service abroad potentially compulsory for all A functionaries, believes however that compulsory rotation should be handled with care, in order not to have negative effects due to unmotivated or uninformed staff.
8. Welcomes compulsory rotation but believes that it cannot in itself ensure flexibility in staff requirements. In addition to the necessary skeleton staff in the delegations, there is a need for certain experts to monitor specific aid programmes or advise on specific issues, possibly for short periods; to avoid increasing the statutory staff, these needs should be also met by employing outside staff on fixed-term contracts or on temporary loan from other entities.
9. Believes that the Commission's approach should take account of the Council's call for greater involvement of governmental and non-governmental organisations from the Member States. Particular account must be taken of the increased opportunities afforded in the 2001 budget for NGOs to apply for funds for projects from, for example, the regional budget lines for Asia, Latin America and Southern Africa, something which will result in additional demands being made on the specific expertise of the delegations.
10. Believes that it is vital, on the other hand to maintain well-organised links with local NGOs and civil society, for example by establishing info-points in the delegations, particularly concerning EU project financing.
11. Urges the Commission to make appropriate efforts to fill the vacancies in the ACP countries with suitable staff.
12. Believes that greater use should be made of staff of the diplomatic services of the Member States and other national experts to reduce the workload of delegations and generate synergies. The Member States which have hitherto made little use of this possibility should be persuaded to do so.
13. Believes that better coordination between the delegations and the Member States is required in order to give substance to the desired complementarity between EU policy and the development policy of the Member States. Such coordination is of particular importance during the programming phase of the various Community initiatives in developing countries.
14. Believes that, while delegations remain below the required level in terms of quality and quantity, the highest priority must be given to the solution of staff issues.
15. Believes that regional cooperation, which is an important goal of development cooperation, should be given greater material and staff back-up. The present approach of regional offices, which is based primarily on considerations of staff savings rather than substantive concepts, does not appear to guarantee this. In particular, a permanent presence is essential in individual ACP partner countries because of communications

and transport problems. The regional offices therefore require an approach that is tailored to development policy requirements.

16. Stresses that, from a development policy perspective, the delegations also have an increasingly significant internal relevance, for example by advising other Commission services on conducting negotiations at conferences, WTO strategies, and on issues such as asylum, visas and migration. This also applies to development issues within the framework of the CFSP and coordination between the Presidency-in-Office of the Council and partner countries and Member States, which have no diplomatic representation in the areas covered by the delegations.
17. Believes that, as things stand, delegations are, unfortunately, frequently poorly informed about recent decisions taken by the European institutions. It is specifically in the light of the more extensive role to be played by the delegations in the implementation of European development policy that the delegations must be kept regularly and fully informed of the most recent decisions taken by the Commission, Council and European Parliament. With a view to facilitating an information flow of that nature, the Commission is asked to set up a central 'service point' for the delegations which would be specifically responsible for so doing.
18. Urges the Commission to present the multiannual programme for delegations, which should figure more prominently in the deconcentration programme, and to link it to development objectives.
19. Is of the opinion that delegations should be better prepared than in the past to take on internal and external information and representation functions, such as contacts with the media, academic institutions, representatives of industry, and so on.