

A Diplomatic Entrepreneur

Making the Most of the European External Action Service

A Chatham House Report

Staffan Hemra, Thomas Raines and Richard Whitman



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Preface

The European Union's foreign policy remains a work in progress. Over the last year, the considerable political and economic upheaval within the EU has monopolized the attention of Europe's leaders. They have been consumed by the immediate demands of an economic emergency and may need to turn now to creating a new institutional framework to try to avoid such crises in the future.

Against this challenging backdrop, Baroness Ashton, the High Representative for Foreign and Security Policy, has overseen the establishment of the European External Action Service (EEAS), the new pan-European diplomatic corps. The EEAS was created to help her give greater coherence and force to EU diplomacy, but it has faced a challenging birth, marked by rivalry and competition between stakeholders, institutional inertia and persistent criticism from a sometimes vicious press. The first anniversary of the service's inauguration provides an appropriate moment to take stock of its progress and review its future direction.

Almost a year ago, as the EEAS was first launched, Chatham House and the Konrad Adenauer Foundation launched a project about its role and direction. Through workshops in London and Brussels we have had the

benefit of engaging some of the EU's leading experts on foreign policy. This report benefits greatly from those discussions, and we are very grateful for the support of all partners in both London and Brussels for their engagement throughout this process.

We are also especially grateful to Richard Whitman, Staffan Hemra and Tom Raines for building on those workshops and forging the insights we received with their own ideas into this report, which provides a number of recommendations on how the EEAS can clarify its direction, show effective leadership and build its diplomatic capacity. Over the coming year, our organizations will continue to analyse the evolution of the EEAS, and offer further ideas on how it can support a more effective European foreign policy.

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December 2011

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Executive Summary

The creation of the European External Action Service (EEAS) was one of the principal foreign policy innovations of the Treaty of Lisbon, intended to bring greater coherence and impact to the EU's international relations. During its first year, much of the EEAS' energy has been consumed in establishing the foundations of the service. Concurrently, the EEAS and its appointed head, Baroness Ashton, the EU's High Representative (HR) for Foreign Affairs and Security Policy, have had to respond to dramatic events in Europe's neighbourhood, most notably the uprisings in the Arab world.

“ All 27 governments have something to gain from supporting and investing in the EEAS ”

As with many other steps in the evolution of the EU's Common Foreign and Security Policy (CFSP), it will take time for the reforms from the Lisbon Treaty to work themselves through the system. However, there is a need to inject energy to lift the EEAS from the institutional and political malaise that has marked its first year and set a clear course of direction for the next phase of its operation. The EU continues to lack a clear vision for the sort of diplomatic service it needs in order to meet the demands of 21st-century diplomacy. Beyond the limited formal functions attached to it through the Lisbon Treaty, the distinctive contribution that the EEAS should make to EU foreign policy has not yet been fully articulated.

In order to make the most of its role and its capabilities, the EEAS needs to cultivate the virtues of entrepreneurship: being ahead of the market by emphasizing intellectual leadership and innovative policy development; using a clear strategy to guide the allocation of its resources; seeking new opportunities to advance the EU's common agenda and being prepared to take calculated risks for that purpose; and building the confidence of its 'shareholders' – the EU's 27 member governments and the EU institutions – by taking advantage of the leverage that comes with the EU's unity while exploring the opportunities that lie in its diversity.

The EU faces three challenges if it is to make the most of the EEAS' potential: a strategy challenge, a leadership challenge and a delivery challenge. This report makes recommendations for addressing each of these in turn.

All 27 governments have something to gain from supporting and investing in the EEAS. With a capable and efficient service, the EU stands a better chance of supporting the aspirations of its member governments. Without it, important diplomatic resources will be wasted and the external actions of EU member states and EU institutions may increasingly be at cross-purposes with one another.

Recommendations

Strategy

The single biggest challenge for the EEAS' next phase is to set a clear and coherent course for the medium to long term. The High Representative should:

- Use the first anniversary of the EEAS as an occasion to communicate a vision for the service, explaining its role in promoting the interests and values of the European Union, its member states and its citizens.
- Seek a mandate to update the EU Security Strategy to identify where the medium- and long-term interests of EU countries overlap and where these can be advanced through concerted, collective action.

- Launch and lead a strategic review of the EEAS to articulate its distinctive role, set its priorities, and match resources to these aims. The goal should be to finalize a strategic plan before the end of the High Representative's current term in 2014 and coinciding with the CFSP budget discussion.

Leadership

The implementation of strategy is about leadership and delivery. The High Representative should:

- Emphasize diplomatic entrepreneurship through:
 - intellectual leadership, feeding the EU with well-informed proposals that expand the boundaries and ambition of EU foreign policy;
 - calculated risk-taking, as the best of the previous EU presidencies did;
 - creative foreign policy execution through smaller constellations of EU member states and developing further the role of EU envoys.
- Take advantage of the EU's diversity by:
 - drawing on individual foreign ministers to act as senior envoys;
 - encouraging member states to take the lead on issues where they have particular competencies;
 - using the long-established bilateral channels of various EU member states for the purpose of advancing the common EU agenda.
- Improve coordination by:
 - sharing policy-relevant information and experience through personnel exchanges;
 - securing a place for the EU in informal international contact groups;

- enhancing the EU's effectiveness as a negotiator by focusing less on speaking with one voice and more on delivering one message.

Delivery

The EEAS' third challenge is to invest in its capacity to deliver its strategy. To this end, the High Representative should:

- Initiate, as part of the EEAS strategic review proposed in this report, an assessment of the EEAS overseas presence, focusing on four priority areas:
 - the capitals of the EU's strategic partners;
 - regional or sub-regional hubs, such as Addis Ababa, Doha and Abu Dhabi;
 - fragile states; and
 - the EU's eastern and southern neighbourhood.
- Use the upcoming rotations of diplomatic posts to address imbalances in the service's international presence, strengthening diplomatic missions in major emerging economies and the Arab Gulf.
- Establish informal Inter-Agency Task Forces (IATFs) on cross-cutting issues to provide advice and develop proposals for future EU policies, bringing together experts from relevant parts of the EU system.
- Review the crisis management organization to streamline reporting and coordination structures.
- Initiate an 'EU Diplomatic Excellence Programme' to invest in critical skills such as political analysis, economics, negotiation skills, 'hard' languages and knowledge of key regions, countries and cultures.
- Devote a small team to innovation, focusing on ways to use modern global communications as a tool in EU diplomacy.

1. Introduction

The creation of the European External Action Service (EEAS) was one of the principal foreign policy innovations of the Treaty of Lisbon, intended to bring greater continuity and impact to the European Union's international relations. Neither the process leading to the creation of the EEAS nor the first year of its operation, however, led to a systematic determination of the service's role. Despite the institutional significance of the Lisbon reforms, an elementary question remains unanswered: what sort of diplomatic service does the EU need?

During its first year, much of the EEAS' energy has been consumed putting diplomatic resources in place. Concurrently, the EEAS and its appointed head Baroness Ashton, the EU's High Representative for Foreign Affairs and Security Policy (HR), had to respond to dramatic events in Europe's neighbourhood, all in the face of a financial crisis that has imposed severe pressure on Europe's governments and tested the limits of European solidarity. These challenges contributed to persistent and unforgiving criticism of the service, both within and beyond Brussels. Rivalries emerged among stakeholders competing for posts at the top of the new organization. Sniping from member-state capitals, members of the European Parliament and some Commission insiders who are ambivalent about the service's benefit have further undermined the HR, and lowered EEAS morale.

The EEAS also inherited a mixed legacy. It took over an infrastructure of overseas missions from the European Commission, whose mandate included important strands

of external relations but not the broad menu of political issues that characterize foreign policy in its entirety. It is filled with talented people, but has to transform the various organizational and national cultures these people represent into one single diplomatic esprit de corps. It assumed the foreign policy coordination role previously played by the EU presidencies, but with little political leverage beyond the formal status that came with the new office. And it was expected to do this in a strategic vacuum, without a clear and comprehensive vision of the interests and objectives guiding EU foreign policy in a rapidly changing world.

“The stakes are higher now than in the past as the challenges to European foreign policy are mounting”

As with many other steps in the evolution of the EU's common foreign and security policy (CFSP), it will take time for the Lisbon reforms to work out. In this respect, the EEAS is little different from other efforts to strengthen the CFSP. In another respect, however, this time really is different: the stakes are higher now than in the past as the challenges to European foreign policy are mounting, both in the EU's neighbourhood and beyond.

The unfolding of events in the Arab world has made the need for a coherent and effective European response pressing; beyond this, there are more fundamental trends calling for Europe to raise its game. A recent US survey suggested that Europe's perceived importance in international affairs is in decline, as the centre of gravity of international affairs moves from the Atlantic to the Pacific.¹ Perceptions influence policy and without a vision for how to make the most of the resources at its disposal, there is a looming danger that the EU will be sidelined on the issues that will define the 21st century.

1 German Marshall Fund of the United States, *Transatlantic Trends 2011: Key Findings 2011*, September 2011, http://www.gmfus.org/publications_/TT/TT2011_final_web.pdf.

With the creation of the EEAS, the CFSP has reached a fork in the road. Either the EU as a whole – its member states and its institutions – builds and supports the new diplomatic service so that it can help lead on the issues that define the contemporary foreign affairs agenda or it will risk a situation in which the EEAS cannot fulfil its role and countries lose confidence in the value of the CFSP framework. The latter option would lead inevitably to increased nationalization of foreign policy in Europe and a potential weakening of the EU's significance in world affairs. This is the risk. But there is also an opportunity: the very existence of the EEAS provides the EU with a chance to reinvent its role internationally.

The EU's 27 governments all have something to gain from supporting and investing in the EEAS. In a globalized world, the interests of EU countries tend to overlap more often than not. Few issues can be addressed without the collaboration of like-minded countries working in concert, and Europe's potential leverage in world affairs increases when its governments are united. With a capable and efficient EEAS, the EU stands a better chance of supporting the aspirations of its member governments. Without it, important diplomatic resources will be wasted and the external actions of the actors and interests making up the EU may increasingly be at cross-purposes.

Governments across Europe are recasting their diplomacy and reforming their foreign services to respond to the challenges of the 21st century. The EU should do the

same for the EEAS. With a clear idea about the medium- and long-term direction of the service, the EU as a whole will be in a better position to forge proactive responses and influence events in the short term. Without it, the EEAS will be driven by improvisation, not sufficient for coordinating 27 countries or getting the most from the organization.

For the EEAS to make the most of its role and its capabilities, the service should seek to cultivate the virtues of entrepreneurship: seeking to be ahead of the market by emphasizing intellectual leadership; utilizing resources most effectively through a clear strategy; seeking gaps in the market by making a distinctive contribution to the EU's common agenda through calculated risk-taking and innovative policy development; and building the confidence of its 'shareholders' – the EU's 27 governments and the EU institutions – through creative diplomacy that strikes a balance between consensus-building and effectiveness.

The EU faces three medium- and long-term challenges if it is to take full advantage of the EEAS' potential as a diplomatic entrepreneur: a strategy challenge, a leadership challenge and a delivery challenge. This report will recommend ways of responding to these challenges. The recommendations are not exhaustive but can be seen as the elements of a strategy to make the most of the EEAS' capability in meeting the current and future demands on European diplomacy.

2. The EEAS: Present and Future

The EEAS one year on

The European External Action Service was formally launched on 1 December 2010. It represented the fulfilment of a provision of the Treaty of Lisbon, but also the institutional embodiment of EU member states' sometimes ambivalent ambition that the EU should be a diplomatic heavyweight whose collective efforts are more than the sum of its constituent parts.

One year into its life, the EEAS is taking shape. The transfer of staff from the European Commission and the Council Secretariat has taken place. Diplomats have been taken on board from member states through a major round of recruitment, an organizational structure has been spelled out, and a new headquarters will soon be inaugurated. Over the past year, the High Representative, Baroness Catherine Ashton, was faced with the task of constructing these core elements of the service while simultaneously responding to rapidly changing events internationally. Significantly, responsibilities for EU enlargement, the neighbourhood policy, humanitarian aid and development policy, as well as trade policy and other areas with international ramifications such as climate change, remain with the Commission, complicating the institutional coordination required.

Apart from the formal functions attached to it under the Lisbon Treaty,² the distinctive role that the EEAS can play in this complex arrangement may be seen as having three main components:

- To provide high-quality foreign *policy analysis and judgment* and translate them into policy proposals for the EU as a whole;
- To *coordinate* and, where appropriate, *lead* EU positions and actions on the basis of common analysis, including in the difficult process of turning 27 views into one message; and
- To *inject energy* into the EU foreign policy system on a continuous basis, much as the best of the EU presidencies did. This is a function of how it performs the other two tasks.

Currently, the EEAS has only the fundamentals of a diplomatic service capable of carrying this role on a global scale. At full capacity, the EEAS will employ a total staff of almost 4,000 people, with approximately 1,600 staff in Brussels and the remainder based at 138 overseas posts, including the newly opened missions in Libya and South Sudan.³ An additional 2,000–3,000 staff from the Commission will also be based at these EU delegations (EUDEL).⁴ In the first half of 2010, the EU presidency tasks were assumed by EUDEL in 123 states. The service's annual operating budget for the 2011 financial year stood at €464 million.⁵

In terms of budget, staff and number of overseas missions, the EEAS appears roughly equal in size to the foreign service of the Netherlands. By contrast, the budget of the French Foreign Ministry for 2011 was €2.96bn, although this includes costs such as subscriptions to international organizations which are not incumbent upon the EEAS.⁶ The French Foreign Service employs a total of almost 12,000 people based in Paris and in 278 overseas

2 The Lisbon Treaty describes the role of the EEAS only with reference to the High Representative, giving room for flexibility but also for different interpretations of roles and responsibilities. The follow-up Council decision defines the EEAS' role as supporting the High Representative in her formal functions – chairing the Foreign Affairs Council, as a vice-president of the Commission, and coordinating EU external action. It does not outline a vision for *how* this should be done.

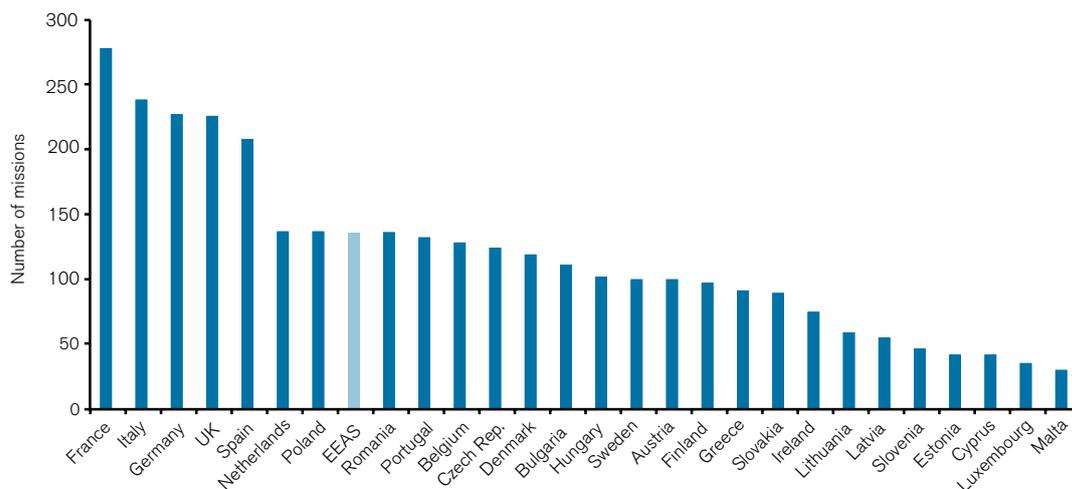
3 Correspondence with EEAS officials, October 2011.

4 This includes staff from DEVCO, the Directorate General for Development Cooperation (EuropeAid), DG Trade, DG Enlargement and other Commission staff.

5 *Official Journal of the European Union* L67, Vol 54, 15 March 2011, p. 497.

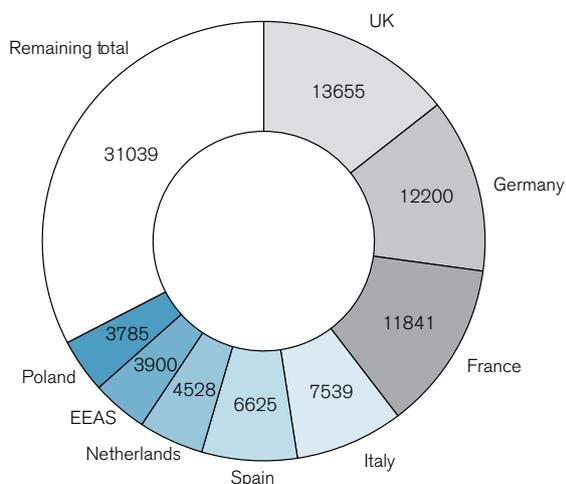
6 This budget includes spending on diplomatic and consular networks (consular activities: €35M) contributions to the UN and other international organizations (€883m), grants for French persons abroad and French teaching institutes abroad (€540m); cultural diplomacy (€20m) and contributions to the G8 and G20 presidency (€80m). See http://www.diplomatie.gouv.fr/fr/ministere_817/activite-budget_824/budgets_14541/projet-budget-2011-mission-action-exterieure-etat-27.10.10_86970.html, accessed 10 November 2011.

Figure 1: Total number of overseas posts, EU27 and EEAS



Source: Correspondence with EEAS officials and M. Emerson et al., *Upgrading the EU's Role as a Global Actor: Institutions, Law, and the Restructuring of European Diplomacy* (Brussels: Centre for European Policy Studies, 2011)

Figure 2: Total staff employed by member-state foreign ministries and the EEAS



Source: As for Figure 1

missions. However, this number is bolstered by diplomatic and consular representation within the EU27. Moreover, member-state diplomatic missions also perform consular work, provide citizen protection and promote commercial

interests and cultural relations, and so may be expected to have higher staff numbers than EUDEL. Discounting diplomatic representation within the EU, EUDEL represents the second largest international network amongst the 27 member states, after France. However, the staffing at the EEAS' headquarters in Brussels is considerably lower than that of France, Germany, the UK or Italy in their respective capitals.⁷ The combined spending of the EU27 countries' foreign services is €7.5 billion, representing a staff of 55,000 people and over 3,000 overseas missions.⁸

The EEAS needs to build an infrastructure and a core competence of diplomatic skills in Brussels and around the world that reflect the EU's common diplomatic agenda. It should focus on quality, not simply quantity, nurturing its diplomatic capabilities and making sure that its diplomats are clear about their primary responsibilities and well prepared to carry them out. Some of the most successful EU presidencies in the past were conducted by mid-size member states with more modest resources, which did just that: they relied on solid planning, good organization and the quality of their diplomats to coordinate and mobilize the EU.

7 Correspondence with EEAS officials, October 2011.

8 M. Emerson et al., *Upgrading the EU's Role as a Global Actor: Institutions, Law, and the Restructuring of European Diplomacy* (Brussels: Centre for European Policy Studies, 2011), [http://www.epc.eu/documents/uploads/pub_1218_upgrading_the_eu_as_global_actor_e-version\[1\].pdf](http://www.epc.eu/documents/uploads/pub_1218_upgrading_the_eu_as_global_actor_e-version[1].pdf), accessed 28 October 2011.

The EEAS faces the difficult task of creating the *esprit de corps* necessary for a well-functioning diplomatic service. It has to merge at least three different organizational cultures – those of the Council, the Commission and national foreign services. Its international infrastructure is inherited from the Commission's international delegations and most of its staff came from the Commission, a move motivated in part by the need to ensure the communitarian integrity of the new institution. The turf wars and manoeuvring for influence that marked the service's early stages of construction also gave the Commission the upper hand in filling key positions.

As a result, the EEAS culture remains largely that of the Commission, where training, experience and bureaucratic instincts differ somewhat from those associated with a diplomatic service. This is considered by some observers to be an obstacle to running an effective diplomatic operation.⁹ One must assume, however, that over time there will be a gradual convergence of experience and expertise.

The first year's round of recruitment to the EEAS was therefore an important step. According to the EEAS, a full two-thirds of the posts filled at that time went to diplomats from member states, putting the service well on its way to having diplomats comprise one-third of its entire staff by 2013.¹⁰

But significant shortcomings remain. Currently, some 20 of the 138 EU delegations around the world have only one EEAS diplomat – the ambassador – with the remaining staff drawn from the Commission, contract agents and local employees. There is no EU presence at all in the strategically important region of Arab Gulf states, with the exception of Saudi Arabia (where the EU delegation comprises only two EEAS diplomats, including the ambassador). In North Africa – the focus of much of the EEAS' diplomatic attention during its first year – all the current ambassadors are formerly from the Commission. The uncertain early European response to the Arab Spring demonstrates the scale of the political and organizational challenges still facing the EEAS.

A vision for the EEAS

The Lisbon Treaty created the legal basis for the new foreign policy structures, but did little more to set the course for the EEAS. The Council decision of 2010 laid out only the basic characteristics of the service. As EEAS Chief Operating Officer David O'Sullivan put it, 'we've had to fill the gaps ourselves.'¹¹

As the EEAS now moves into its second year of operation, there is an opportunity to map out its direction and articulate a clear and compelling vision for the sort of diplomatic service the EU wants. It is realistic to expect the High Representative, during her current term of office, to:

- Present a compelling and comprehensive account of the distinctive contribution that the HR and the EEAS make in the promotion of Europe's foreign policy objectives and how they organize their capabilities for that purpose;
- Nurture a culture of entrepreneurship by providing intellectual leadership in new areas of policy, seeking fresh opportunities to advance the CFSP and taking calculated risks in order to seize them, being innovative through creative diplomacy that draws on the clout that comes with EU unity and the opportunities inherent in the EU's diversity;
- Attract the most skilled and capable of Europe's diplomats, motivate and organize them to carry out their role, and cultivate a strong and pan-European *esprit de corps* for the service;
- Aspire to the highest standards of excellence, putting knowledge and skills at the centre of the organization's contribution to reinventing EU foreign policy for the demands of our time;
- Build a network of diplomatic posts around the world and a presence that reflects both the EU's aspirations to be a global actor and its specific responsibilities in Europe's eastern and southern neighbourhoods;

9 See, for instance, Quentin Peel, 'Battle Joined Over New EU Diplomatic Service', *The Financial Times*, 28 July 2010.

10 Speech by EEAS Chief operating Officer David O'Sullivan at the Institute of International and European Affairs in Dublin, 6 October 2011, http://www.eeas.europa.eu/top_stories/2011/061011_en.htm, accessed 28 October 2011.

11 *Ibid.*

- Gain the confidence and support of its main stakeholders – the EU’s 27 member states and the EU institutions – and command the respect of its interlocutors.

The first anniversary of the EEAS on 1 December 2011 provides an occasion to spell out a vision for the next phase of the EEAS. We urge the High Representative to seize this opportunity. A vision for the coming five years could be based on the elements above, which would set the EEAS on course to become the ‘diplomatic entrepreneur’ envisaged in this report.

Three challenges

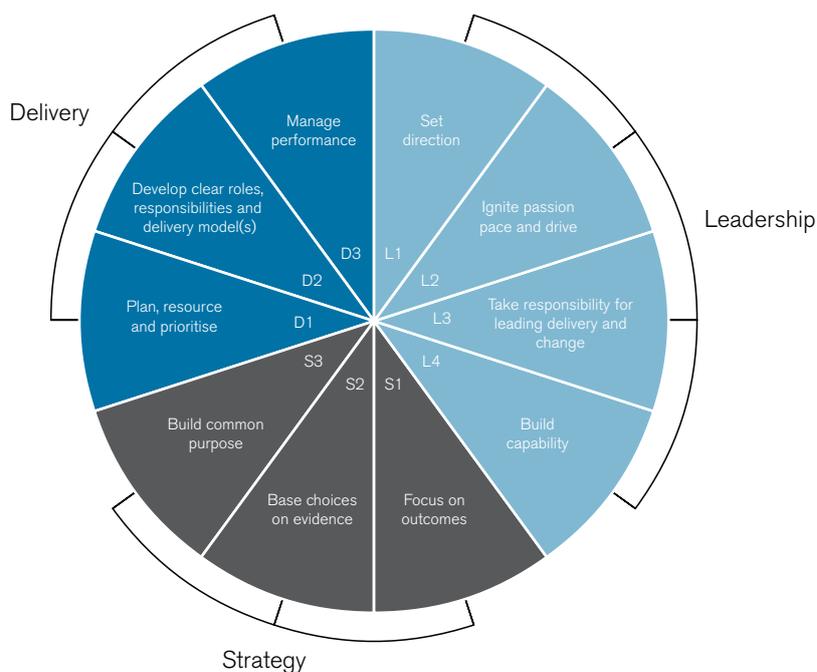
The success of the EEAS may ultimately depend on political factors beyond the scope of ‘EU engineering’. There is pressure for a more national approach to foreign policy in many member states. Populist and nationalist sentiments are driving Euroscepticism. Political and economic difficulties are testing the limits of EU solidarity.

But the EEAS faces three significant challenges that are within its own power to influence: a strategy challenge, a leadership challenge and a delivery challenge. The early phase of its development has not led to:

- a clear plan to direct the service’s diplomatic operations – this results in a *strategy challenge*;
- a systematic determination of the value the service can add to EU foreign policy-making, including clarity about the relationship between national diplomatic services and the EEAS – this results in a *leadership challenge*;
- an analysis of the capacity the EEAS needs in order to help set the agenda and be in a position to lead EU diplomacy – this results in a *delivery challenge*.

The Capability Reviews Programme initiated in 2005 by the Cabinet Office in the United Kingdom represents a useful model for public service reform and could provide a valuable example for reviewing the EEAS. The Capability Review model shown in Figure 3 forms a basis for assessing needs and performance and has been subsequently adopted and adapted by public administrators in Australia, Canada and New Zealand. Building on

Figure 3: 2009 UK Civil Service Capability Review model



Source: UK Capability Review Model, <http://www.civilservice.gov.uk/wp-content/uploads/2011/09/Previous-model-capability.pdf>

that model, this report provides a set of proposals aimed at shaping a flexible and effective European diplomatic service, based upon a clear strategy, sound leadership and effective delivery.¹²

The report argues that the EEAS should be built around the notion of being a diplomatic entrepreneur. This idea is explored in the following chapters in the context of the three challenges identified.

12 UK Capability Review Model, <http://www.civilservice.gov.uk/wp-content/uploads/2011/09/Previous-model-capability.pdf>, accessed 21 November 2011.

3. Strategy

The single biggest challenge for the next phase of the EEAS is to set a clear and coherent course for the medium and long term and to ensure that the main stakeholders of European diplomacy – the EU's 27 member governments and the EU institutions, including the EEAS itself – share this vision and are prepared to support it politically, diplomatically and with the right resources.

The rationale is twofold. First, if the EU wants to be a major diplomatic force, it needs to project itself effectively, both in its neighbourhood and globally. Second, EU diplomacy is a complex process and there is always a risk that the stakeholders end up working at cross-purposes if they do not share a common understanding of objectives, strategy and resources.

Diplomacy in the 21st century

Despite the organizational significance of the Lisbon Treaty reforms, EU foreign policy remains largely in the hands of the 27 member governments. The chief obstacle to EU diplomacy thus remains the same as it was before Lisbon: how to align the interests and policies of these 27 member governments so that they converge into effective common approaches. The European split over Libya in spring 2011 was a reminder that EU diplomacy will struggle when it is clear that it does not represent the united opinion of the bloc.

The difficulties in achieving convergence between the foreign policies of the EU's member states are magnified by

a number of well-established trends in the global environment.¹³ These include:

1. *The changing distribution of global economic and political power.* This trend has been characterized in varying ways, but common features include the shift of political and economic power towards the south and the east and new challenges to global governance;
2. *The transformation of communications technology, business and warfare* leads to a 'flatter' distribution of power where non-state actors have growing influence both at the state level and in the international system. In many countries of concern, meanwhile, state infrastructure is fragile and there is no credible government to negotiate with.
3. *The global nature of many pressing challenges* – economic, security and environmental – accompanied by growing international economic interdependence. European diplomacy becomes more complex as issues cut across organizational structures, the distinction between internal and external affairs becomes blurred, and multiple stakeholders are required to solve international problems.

As a consequence, foreign policy has become fragmented. Foreign ministries have largely been deprived of their traditional role as the sole spokespersons for and coordinators of foreign policy, as heads of government and other ministries in varying degrees impose their stamp in this area. Ironically, this 'identity crisis' for diplomats is happening at a time when diplomacy is in increasing demand. Across Europe, it is recognized that the major contemporary challenges will require greater reliance on the ability to negotiate, communicate and resolve differences through diplomacy.

The complexity of the EU's foreign policy machinery adds another layer of challenges. Unlike in most states, where the foreign minister is answerable to a head of government, the EU High Representative is answerable to at least two different masters, the Foreign Affairs Council (FAC) and the Commission, which in turn are answerable to the European Council and its President. There is thus potential for discord.

13 See, for example, Kishore Mahbubani, *The New Asian Hemisphere* (London: PublicAffairs, 2008); Fareed Zakaria, *The Post-American World* (London: W. W. Norton & Co., 2008).

The trends outlined above also affect diplomatic strategy. The guiding assumptions during the Cold War – that threats could be countered through strategies of containment and deterrence – provide little help in dealing with the challenges of the 21st century.¹⁴ The challenge is to anticipate events, prepare for the unknown and seek to influence the outcomes.

Given these changes in the global environment, EU diplomacy should focus on building coalitions with a broader range of international partners to support action on global challenges such as international conflict, climate change and international economic regulation. This requires flexible organizational systems and political leaders and diplomats capable of thriving in a fluid and complex world. It also requires a policy process that enables the EU to systematically identify where the medium- and long-term interests of its 27 member governments overlap and can be advanced through concerted action: a strategic direction.

A strategic framework

For the last decade, the EU has devoted significant energy and time to producing strategies. Beyond 134 individual country strategies, it has strategies for most regions (Central Asia, the Andes, etc.), thematic issues (counter-terrorism, non-proliferation, etc.), even whole continents (Asia, Africa, Antarctica).¹⁵ It has also forged a number of 'strategic partnerships' that seek to frame and institutionalize its most important bilateral relationships.¹⁶

As High Representative, Baroness Ashton has continued this trend with the revision of plans for the Horn of Africa and the Sahel, a revised version of the European Neighbourhood Policy and a strategy on energy security. Despite this plethora of strategies, there is not yet a comprehensive framework to direct the EEAS.

The European Security Strategy (ESS) drafted in 2003 and reviewed in 2008 remains the most serious attempt to draw together a European 'grand strategy'. The ESS ably described the threat environment of Europe in 2003 and suggested some policy implications, broadly sketching ways in which the Union could become more active, more capable and more coherent in responding to threats. It also served the useful purpose of engaging policy-makers and analysts across Europe in a pan-European debate about grand strategy, enhancing the community of people in Brussels and in capitals who engage in an ongoing debate about EU foreign and security policy.

But the ESS was never intended to serve as a blueprint for diplomacy. It does not provide a comprehensive series of positions on major international issues that matches ends, ways and means. It puts forward few concrete or specific recommendations, making it difficult either to implement or to measure progress. As a tool for the strategic management of a complex diplomatic operation, the ESS can therefore be at best only part of the answer. There is a need to develop a strategic framework specifically for the EEAS.

To create such a strategic framework, we propose a process in two parallel steps. First, the High Representative should initiate a review of the ESS.¹⁷ A new ESS, possibly adopted in 2013 by the European Council (ten years after the first ESS and five years after the updated version), should set clearer priorities for implementation, especially in terms of the geographical focus of EU foreign policy. Possible areas of strategic focus could be the eastern and southern neighbourhood, Central Asia, the Gulf, and sub-Saharan Africa; in addition, maritime security across the globe and supporting the UN, especially in scenarios considered to involve the responsibility to protect, should guide EU strategy.

14 See, for example, the analysis in Mr Y, *A National Strategic Narrative* (Woodrow Wilson Centre for Scholars, 2011).

15 EU strategy papers available at http://www.eeas.europa.eu/sp/index_en.htm, accessed 28 October 2011.

16 See also Professor Michael Smith 'Does Strategic Diplomacy Make a Difference in the EU's Relations with the Great Powers? The Diplomacy of the EU's Strategic Partnership with China', paper delivered to the European Union Studies Association annual conference, Boston, March 2011, http://euce.org/eusa/2011/papers/8l_smith.pdf, accessed 28 October 2011.

17 For the most recent case for a revision of the ESS see S. Biscop and J. Coelmont (eds), *Europe Deploys towards a Civilian-Military Strategy for CSDP*, Egmont Paper No. 49 (June 2011), Egmont, Brussels, <http://www.egmontinstitute.be/paperegm/ep49.pdf>, accessed 28 October 2011.

Second, the Council has already mandated a review of the EEAS in 2013.¹⁸ This should be utilized to identify the specific ways in which the EEAS can contribute to the overall priorities outlined in the ESS and how it can be equipped for that purpose. The relationship between the two would thus be similar to that between the US National Security Strategy, covering foreign and security policy in its entirety, and the US Quadrennial Review on Diplomacy and Development (QDDR), focusing on how the US State Department and USAID contribute to these priorities.

The benefits of an EEAS-focused review of this type would be to:

- Establish a process that identifies and translates EU interests and objectives into a plan to develop the EEAS' capabilities in Brussels and around the world;
- Help guide EU diplomatic efforts in the short, medium and long term;
- Organize the EEAS diplomats and provide clarity about their primary responsibilities and tasks;
- Make better-informed decisions about the allocation of resources for EU foreign policy;
- Help shape expectations among member governments and the EU's main interlocutors; and
- Create ownership of EEAS-led diplomacy among the key stakeholders.

Reviewing the EEAS

A review that takes a medium- and long-term perspective on the priorities and needs of the EEAS should serve as a vehicle for engaging the EEAS' main stakeholders in a conversation about strategy and resources. In this way, it could both secure support from member states and draw on some of the lessons from recent foreign-service reforms in European capitals.

Lessons from capitals

The rationale behind current efforts to reform national diplomatic services is to position diplomacy better for the new global realities described above. A comparison of foreign policy reviews in major capitals suggests that foreign ministries and diplomatic services need upgrading on several fronts:¹⁹

- **Role:** It has become increasingly difficult for diplomatic services to articulate their distinctive contribution within governments, given the wider range of government departments and agencies now involved in international relations. There are, however, two areas where diplomatic services perform indispensable roles in government by providing: 1) intelligence and advice on local conditions around the world of relevance to policy, and 2) an understanding of the international system and the dynamics of international negotiations.
- **Methods:** Globalization alters everything, from the organization of political movements to the means of interaction, the audience for the delivery of diplomatic messages, and the networks needed to solve international problems. This affects the methods of diplomacy in numerous ways.
- **Resources:** The funding of diplomatic services has in many instances declined, partly as a result of the failure to explain the specific contribution diplomacy makes to national security and prosperity. In some areas, the ratio of spending on diplomacy relative to development and defence is also falling.
- **Skills:** As a heavier emphasis has been placed on management expertise, a relative weakening has occurred in traditional diplomatic skills, including in-depth understanding of the international system, country and regional knowledge, policy-making and analytical skills, and negotiation.²⁰ But these also need to be supplemented by skills in economics, 'difficult' languages and public diplomacy that reflect the demands on a modern diplomat.

18 See Article 12 Final Provisions. Council of the European Union, Draft Council Decision establishing the organisation and functioning of the European External Action Service, 8029/10, Brussels, 25 March 2010.

19 See, for instance, the UK Capability Review, the US Quadrennial Review on Diplomacy and Development, and David Steven and Alex Evans, *Organizing for Influence: UK Foreign Policy in an Age of Uncertainty* (Chatham House, 2010).

20 House of Commons Foreign Affairs Committee, *The FCO's Role in Government*, Seventh Report of Session 2010–12, HC 665, May 2011, <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmfaff/665/665.pdf>, accessed 28 October 2011.

The creation of the EEAS presents an opportunity to consider how the new European diplomatic corps can take these and other lessons into account when deciding how to organize its diplomatic capabilities.

A strategic review of the EEAS

Any review of the EEAS should take a strategic approach to the needs and requirements of the service. It should include an assessment of the service from first principles, much as the QDDR did for the US State Department and USAID.

The QDDR was the result of an ambitious two-year process initiated and supported by the Secretary of State. The High Representative and the FAC should give similar backing to an equivalent process in 2013, tailored to the specific conditions and requirements of the EU and resulting in a plan for the EEAS.

It should include a focus on the following elements:

- **Challenges:** An assessment of the range of global threats, challenges and opportunities over the medium and long term. The EU Security Strategy provides a framework for the EU to identify where its vital interests lie. Important work along similar lines has also been carried out by the EU Institute for Security Studies (EUISS) and the European Strategy and Policy Analysis System (ESPAS).²¹
- **Goals:** A statement of EU foreign policy objectives and priorities, and the links between these and other areas of EU external actions (such as development policy). The priorities outlined by Baroness Ashton in January 2011 could serve as a starting point.²²
- **Strategy:** A clear outline of the steps and approaches that the EU should take to further its goals, with an

articulation of the distinctive contribution diplomacy and the EEAS can make to carry out these plans.

- **Delivery:** Recommendations on the tools, methods and resources the EEAS requires to fulfil its role, and any reforms that will improve its capacity to support this role. The following chapters of this report provide ideas on how to enhance the capability of the EEAS.
- **Follow-up:** A framework to assess the success of the EEAS, and an assessment of how the results and recommendations of this review fit into the EU's larger foreign policy framework. The review should be linked to the EU's budget cycle in order to serve as a tool both for scrutinizing the allocation of resources and for long-term agenda-setting.

A strategic review of this sort would be an opportunity for the High Representative to propose her agenda to the EU member states and the EU institutions in connection with the CFSP budget review, engage them in a dialogue about the direction for EU diplomacy, and link that to priorities and resources.

We propose that the review be conducted on a five-yearly basis, so as to coincide with the High Representative's term. The first review in 2013 should result in a strategic plan adopted by the Council in 2014, covering the period 2014–19. The strategic plan could be based on the elements outlined, and would serve as a blueprint for the High Representative and the EEAS.

The proposed approach would enable the EEAS to marshal resources most efficiently and effectively, and focus and prioritize its attention. By organizing its capabilities on the basis of a strategic plan agreed to by its stakeholders, the EEAS would be in a stronger position to pursue the entrepreneurial diplomacy needed to advance the EU's interests.

21 The work on long-term trends jointly conducted by EUISS and the US National Intelligence Council provides a solid analysis to be accommodated into planning. Further, ESPAS, established by the European Commission as a pilot project in December 2010, provides a cross-EU institutional facility for identifying key trends to be addressed via a policy response. ESPAS uses the EUISS assessment of the long-term international political and economic environment facing the EU over the next two decades to analyse the main policy challenges and choices that are likely to confront the EU institutions in 2014–19. EUISS, NIC, *Global Governance 2025: At a Critical Juncture* (September 2010), http://www.dni.gov/nic/PDF_2025/2025_Global_Governance.pdf, accessed 28 October 2011.

22 Baroness Ashton outlined three main goals in a speech in July 2010: 1) building the EEAS; 2) supporting democratization, stability and prosperity in the EU's neighbourhood; and 3) building relations with the EU's strategic partners. See <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/10/378&format=HTML&aged=0&language=EN&guiLanguage=en>.

4. Leadership

The implementation of strategy requires leadership and capacity. This chapter suggests how the EEAS can lead by being entrepreneurial and turning the EU's diversity into an advantage.

Inclusiveness vs effectiveness

When EU governments can work together, there are real opportunities to shape international issues. The EU's common approach to the Middle East peace process during Javier Solana's and now Baroness Ashton's term has provided the High Representative with a platform to be proactive. In the Balkans, where European crisis diplomacy now has a track record that dates back two decades, the EU enjoys real clout, albeit less for its crisis management skills than because membership of the EU is an enormous magnet for all these countries. Under Baroness Ashton's leadership and the supervision of Robert Cooper, EEAS Counsellor, this incentive was exploited and the first direct diplomatic talks between Serbia and Kosovo began in March 2011. In an impressive display of shuttle diplomacy, Baroness Ashton was also able to avert a potentially destabilizing referendum in Republika Srpska, which would have called into question the legality of the national court of Bosnia.

For the EEAS to be effective post-Lisbon, three ingredients seem indispensable:

- A sense of ownership among the main stakeholders, EU institutions and governments alike;
- Creative and intelligent efforts by the HR and EEAS to advance the EU's common agenda; and
- Support from the member states, especially the large ones, in both policy-making and implementation.

The balance that has to be struck on each given issue is between inclusiveness (ensuring that all the main stakeholders support the process) and effectiveness (ensuring that the outcomes are forceful enough to have the desired impact). This can be done in three ways:

- Pursuing 'foreign policy entrepreneurship';
- Turning the EU's diversity into an advantage rather than a liability;
- Enhancing coordination.

Entrepreneurship

The lack of precision in the job description provides the EEAS with an opportunity to be entrepreneurial. In the context of leadership, this involves a commitment to three characteristics: intellectual leadership, calculated risk-taking and creative policy execution.

Intellectual leadership

Ideas and proposals are the starting point for coordinating EU positions and steering the EU machinery. A core task of the EEAS is to feed the EU decision-making process with well-informed propositions to expand the boundaries and ambition of EU foreign policy. The new Southern Neighbourhood policy, through which the EU seeks to support democratic change in North Africa not only through more funds but also through greater accountability, is an encouraging example.²³

23 European Commission, High Representative of the European Union for Foreign Affairs and Security Policy, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 'A New Response to a Changing Neighbourhood', Brussels, 25/05/2011 COM(2011) 303, http://ec.europa.eu/world/enp/pdf/com_11_303_en.pdf.

Calculated risk-taking

In each given situation, the EEAS and the HR need to identify the political space where leadership is both possible and desirable, and be prepared to use the office boldly for the purpose of setting the agenda and driving energy into the system. In the past the most successful EU presidencies did just that; France's negotiation with Russia on Georgia during its 2008 presidency was one of the most notable cases. A notable contrast was the disarray evident in the EU's initial response to events in North Africa, which was driven more by incomprehension and risk aversion than by a desire to seize the opportunity to promote change.

Creative foreign policy execution

The HR and the EEAS should adopt a creative approach to policy implementation. There is an opportunity to build on the experiences of working with small constellations of EU member states, which possess expertise or have direct stakes on certain issues, to carry the political agenda forward, as illustrated by the negotiations of the EU3 (France, Germany and the United Kingdom) on Iran. Attention should also be given to developing further the role of EU envoys, and considering creative ways in which the EU can optimize its performance in international negotiations. This point is considered in more detail below.

Diversity

In a globalized world, there is opportunity in diversity. Although the High Representative's status and visibility are assets that should be protected, the EU should explore how it can use the knowledge and capacities of its member states for a common purpose. The challenge for the EEAS is to strike a balance between the need to draw on member states not only in the making but also in the execution of policy, and the need to ensure coordination and coherence. To support this, the High Representative should consider:

Drawing on individual foreign ministers to act as senior envoys

The foreign ministers and ministries of the various EU countries are some of the greatest assets for EU diplomacy,

feeding the system with input from their meetings around the world and generally advancing EU positions in the process. The High Representative has already drawn on the foreign minister of the country holding the EU presidency for some envoy-related tasks, such as when Radosław Sikorski was asked to represent the EU in political dialogue commitments during the current Polish presidency of the EU. This practice should be built upon. It might occur, for instance, where a country undergoes political upheaval, such as Syria in 2011, when a higher profile for the Union could complement its existing diplomacy; or where inserting an EU representative for shuttle diplomacy would aim to defuse tensions or mitigate conflicts. One could also envisage high-profile appointments for issues requiring special attention, such as HIV/AIDS.

Encouraging member states to take the lead on issues where they have particular competencies

Some of the most forward-looking EU initiatives in recent years are the result of collaboration between individual member states, such as the joint initiative by Sweden and Poland which led to the EU's Eastern Partnership. Member states should be encouraged to take the lead on issues where they have particular competencies, and collaborate with the EEAS to bring proposals to the table for consideration by the EU as a whole. Apart from drawing on their competencies, this is also a way to ensure that member states are stakeholders on issues that matter to them. In some cases, such as the handling of the Iran dossier through the EU3 format, it is also a way of ensuring effectiveness in the negotiations with third parties.

Using the long-established bilateral channels of various EU members to advance the common EU agenda

The EEAS would greatly benefit from drawing on the wealth of experience and relationships that member states have established in national capitals and in third countries. At present there is no obvious transmission line between the member states and the EEAS to fully utilize the diplomatic infrastructure and know-how available across the 27. Notable examples of potential expertise include Spain's network in Latin America, Portugal's network with former colonies, the UK's Commonwealth network, the Baltic and

Central European countries' relations with the states of the former Soviet Union, and the various bilateral development-focused relationships established in Africa and Asia by individual member states.

Utilizing the EU's diversity in these ways would:

- Provide a platform for some of most prominent European foreign affairs personalities and give them an additional incentive to work for a common purpose;
- Ensure high-level EU attention to the specific issue on a continuous basis, relieving the High Representative of some of the many competing demands on her time;
- Encourage a degree of specialization among EU countries, as foreign ministries would be given an incentive to pool their resources around specific issue areas.

Coordination

Coordination is essential for managing the EU's diversity. The task requires different approaches in bilateral settings and in multilateral arenas.

There is currently considerable variation in EU member states' coordination within third-country capitals. In some cases this reflects the reorganization from former Commission offices to newly rebadged EU Delegations. In others it is rooted in the desire of member states to privilege an existing bilateral relationship to the detriment of a coordinated collective position.

In multilateral settings, the UN in New York provides a special challenge given the role of the two permanent members (P2), the UK and France, in the UN Security Council (UNSC) and the dynamics of the United Nations General Assembly (UNGA). The challenge for the EEAS is to ensure the best possible opportunities for EU foreign policy and enhancing cooperation between the member states while recognizing that certain states, especially the P2, will wish to retain their privileges.

We propose a focus on two challenges:

1. Sharing policy-relevant information

The gap between the policy-making processes in Brussels and New York is one of the main shortcomings of the EU foreign policy system. Bridging this gap is largely about improving the flow of policy-relevant information within the triangle of national capitals, Brussels and New York. To improve this situation, it will be important to provide the EEAS with a degree of access to information of relevance to EU foreign policy on issues dealt with in the UNSC.²⁴

Recommendation:

Encourage exchanges of personnel that place EEAS officers in member states' foreign ministries. The European members of the UNSC – the UK, France and the European non-permanent members – should consider providing openings for EEAS officers at their UN delegations in New York to work on UNSC affairs of relevance to EU foreign policy. This would enhance cooperation without calling into question the P2 prerogatives in the UNSC.

The EEAS should also seek to secure a place for itself in the many informal international contact groups in New York ('groups of friends') dealing with conflicts of relevance to both the UN and the EU. Some of these, such as on Afghanistan, play important roles in the informal consultations before resolutions are adopted in the UNSC.

2. Enhancing the EU's effectiveness as a negotiator

In the UNGA, much of the focus has been on securing a status for the EEAS as representing the EU. In addition to current efforts to achieve enhanced status for the EU in the UNGA, consideration should be given to ways of making the EU a more effective negotiator. The fact the EU is a natural coalition of 27 can have costs as well as benefits. Occasionally when it negotiates as a bloc, it triggers a counter-reaction by the developing countries (the Non-Aligned Movement (NAM)/G77) and encourages them to act as a bloc too. Since they are more numerous, the EU finds itself in a minority position. Thus the EU position has to be coordinated, but sometimes also to be conveyed through multiple channels. In particular, the EU needs

24 The New York-based forum established under Article 34 (formerly known as Article 19) of the Lisbon Treaty to pursue consultations at EU 27 on issues on the agenda of the UNSC is insufficient, as it does not provide for substantial exchange of views.

to draw on the bilateral relationships established between individual EU member states and NAM/G77-countries, in order to form alliances that can dissolve the bloc dynamics in the UNGA. The most successful outcomes of UNGA negotiations in recent years, such as the unanimous adoption of the Global Counter-Terrorism Strategy in 2006, were the result of coalition-building between like-minded developed and developing countries that served to isolate the more radical members of the UNGA.

Recommendation:

The focus of the EU in negotiations should be less on speaking with one voice and more on delivering one message. Playing its cards through multiple channels

can enable the EU to take advantage of its diversity in negotiations with other groups. It also alleviates the risk of other groups ‘ganging up’ against the EU by reducing the element of bloc-building in multilateral negotiations.

The diplomatic entrepreneurship envisaged in this report rests on the ability of the EEAS to link strategy and delivery of EU foreign policy through intelligent and creative leadership. The leadership challenge is largely about navigating the complex EU foreign policy machinery and feeding it with propositions and initiatives in order to advance the common agenda. This is where an entrepreneurial spirit can make a difference.

5. Delivery

This report has so far focused on strategy and leadership. The third challenge for the EEAS is to invest in its *capacity to deliver* strategy in the 21st century. This chapter focuses on five areas of medium- and long-term importance: diplomatic organization and infrastructure; the coherence of EU foreign policy instruments; staffing, training and recruitment; partnerships and coalitions; and innovation.

Organization

The EEAS organization has only been tested for less than a year, so it would be wrong to suggest radical changes. Yet there is room for improvement in a few key areas.

The Brussels organization

The EEAS is modelled on a national foreign service, with the notable exception of those parts related mainly to the EEAS' hybrid nature, including elements of intergovernmental coordination (the Political and Security Committee, the Council Working Groups etc.) and civil–military cooperation (the crisis management structure). As with other diplomatic services, the EEAS needs to strike the organizational balance between regional and thematic desks, where there is always a risk of overlapping responsibilities.

Three features of the Brussels organization that stem from political compromises made before the creation of the EEAS and the organizational legacy it inherited are especially complicated:

- *Its organizational position within the EU structure.* Under the Lisbon Treaty, the Commission maintains

responsibility for several dossiers with important foreign policy dimensions such as environment, counter-terrorism, energy policy, trade and humanitarian assistance.

- *The internal chain of command.* The organization reports both to an Executive Secretary-General and to a Chief Operating Officer, serving directly under the High Representative on an equal footing. This arrangement risks leading to a fragmented line of command.
- *The crisis management organization.* This structure is much criticized for its complicated reporting lines and responsibilities. It also remains separate from the regional and thematic directorates, where much of the contextual analysis takes place. Partly as a result, technical and procedural details often tend to gain priority over political analysis and problem-solving.

Recommendations:

- The High Representative could use her 'double hat' as both head of the EEAS and Vice-President of the Commission to establish informal *Inter-Agency Task Forces (IATFs)* on cross-cutting issues such as energy security, climate change, counter-terrorism, global health and international economics. Their role would be to provide advice and develop proposals for future EU policy on these issues, bringing together experts from relevant parts of the system;
- Appoint, within the EEAS, *ambassadors-at-large* for some of these thematic issues, to represent the EEAS in the IATFs, liaise with counterparts in national governments inside and outside the EU, coordinate with other relevant parts of the EU system and, where appropriate, represent the EEAS in international forums;
- Organize the Division for Strategic Planning for the purpose of *coordinating the EEAS strategic review* proposed in this report, together with the Cabinet and other relevant parts of the organization;
- Review the *crisis management organization* to streamline reporting and coordination structures. Better links should be established between the crisis management structure and those parts of the EEAS dealing with

conflict analysis of various regions. The aim should be to arrive at comprehensive analytical frameworks that could guide both crisis response and conflict prevention, by focusing on coherent EU strategies for fragile states. Without this, it will be difficult to avoid fragmentation of EU action.

International presence

To achieve impact, it is important not to spread resources too thinly but to mobilize in the parts of the world that the EU prioritizes. The location and staffing of the 138 overseas delegations the EEAS inherited from the Commission do not fully reflect the EU's foreign policy agenda today. In some smaller countries the EU presence is mainly an information office, and in some strategically important places – such as the BRIC capitals – the political side of EU delegations remains understaffed.

Redressing this imbalance may take several years, but a comprehensive assessment should begin in order to ensure that areas requiring additional diplomatic focus receive adequate staff and resources. This may entail the addition or reduction of staff, or a change in the mix of staff at a given delegation overseas. The EU should not be afraid to consider the possibility of closing a diplomatic mission in order to release resources to consolidate or strengthen its presence in other parts of the world.

In most cases, this process of revamping the EU's foreign infrastructure should reflect the changing global landscape by focusing more on emerging powers and fragile states. Recent reforms to the UK's overseas presence, for example, have seen considerable additional diplomatic resources sent to Beijing and Delhi, driven in part by a commercial agenda. The EEAS is not in a position to represent the commercial interests of EU countries in the narrow sense of promoting business opportunities for individual companies, but it plays an important role in the normative field of promoting business-friendly frameworks based on the rule of law and respect for human rights. This is also an area where the EU, through its Commission staff, already has a lot of competence.

The review of EEAS global presence should take this into account by considering not only where EU efforts are needed to help alleviate poverty and prevent conflict or where it needs to build alliances and partnerships, but also where

European companies will need clearer conditions for intellectual property protection and other areas of regulation.

Recommendations:

- Initiate, as part of the EEAS strategic review proposed in this report, an assessment of *the EEAS overseas presence*, focusing on four priority areas:
 1. The capitals of the EU's strategic partners;
 2. Regional or sub-regional hubs such as Addis Ababa and Abu Dhabi (where there is currently no EU presence);
 3. Fragile states such as Afghanistan, the Democratic Republic of Congo, Iraq, Pakistan, Sudan, South Sudan and Yemen; and
 4. The EU's eastern and southern neighbourhood.
- As a matter of near-term priority, reallocate funds to strengthen the EU's presence in the strategically important Arab Gulf states. Apart from an enhanced mission in Saudi Arabia, the EU should consider establishing a presence in Abu Dhabi, covering the United Arab Emirates, Bahrain, Oman and Qatar as well as liaising with the headquarters of the Gulf Cooperation Council.
- Reconsider the mix of personnel of EU delegations to ensure that delegations in *strategic partner capitals* have the appropriate staff to focus on political and economic issues. In priority states, the objective should be to have at least one officer abroad working on internal political affairs, and at least one of the team in Brussels covering the country should have served there.

People

The diplomats themselves are the most valuable asset of any diplomatic service. But in many countries, this asset has suffered over the past two decades from budget cuts, competition from the private sector for talent, and confusion about the role that diplomats and foreign ministries play in government. If the EEAS is to pursue the entrepreneurship needed for the EU's foreign policy to be vital and relevant, it needs diplomats who are up to the

job. The nurturing of its human capital should therefore be a central part of EEAS strategy.

Recruitment and staffing

The bargain struck in the early stages of the EEAS stated that at least 60 per cent of its staff would be made up of permanent EU officials, the rationale being that it would guarantee the diplomatic service's Community identity.²⁵ Member states have insisted that at least one-third of EEAS diplomats should come from national capitals when the service has reached its full capacity.²⁶

The current staffing picture is mixed.²⁷ On the one hand, the great majority of overseas staff come not from the EEAS or member states but from the Commission, or are contracted agents and/or local employees. Currently, some 20 delegations around the world have only one EEAS diplomat: the ambassador. On the other hand, as noted above, two-thirds of the 180 posts in the 2011 recruitment to the EEAS were filled by diplomats from member states. Of the 25 ambassadorial appointments that were part of the 2011 rotation, 16 were from member states, seven from the EEAS and two from the Commission.

A few ambassadorial posts, such as the EU representatives to China, Brazil, Japan, Turkey and the UN in New York, have been taken up by leading diplomats from national foreign services. But they still represent a small minority in the EU bureaucracy. It will be essential to ensure that the EEAS is equipped with sufficient diplomatic experience gained in a wide range of postings outside Europe, not just in Brussels.

Recommendations:

The EEAS should give priority to four factors in the recruitment and staffing process for 2012:

- Ensure that the current pace of recruitment reaches the goal of filling one-third of posts with member-

state diplomats by 2013. The focus should be on creating a *balance at the mid-level positions*, a critical layer in terms of defining the organizational culture.

- In the next phase of rotation for overseas posts, give preference to *top diplomats from national foreign services* for EU ambassadorial posts in strategic countries. Some key ambassadorial posts in the Arab world – Cairo, Algiers and Tunis, for example – are up for rotation in the near future; this is an opportunity to enhance the EU's profile there.
- Recruit and train diplomats with skills in difficult languages and *regional expertise* to build and sustain a core competence of regions and countries where the EU has particular interests and commitments.
- Provide opportunities for EEAS *staff to serve in the capitals* and delegations of member states, including the UK, France and Germany, the country holding the EU presidency and the non-permanent EU members of the UN Security Council.

Diplomatic excellence

The EEAS should attract the most talented and capable in Europe. It should strive for excellence and set standards for its diplomats that put them on a par with the best of their European counterparts. But there is also a need to rethink some of their skills in the light of the demands of the changing global diplomatic landscape.

The Diplomatic Excellence Initiative recently launched by British Foreign Secretary William Hague to upgrade the skills of British diplomats and maintain a world-class standard of diplomatic knowledge at the Foreign and Commonwealth Office is an example that the EEAS could follow.²⁸ The debate that preceded this initiative reflected the need to upgrade skills in the light of the requirements of modern diplomacy, as well as concerns that these skills had been ill-managed and ill-nurtured over the last decades.

25 European Parliament legislative resolution of 8 July 2010 on the proposal for a Council decision establishing the organisation and functioning of the European External Action Service (08029/2010 – C7-0090/2010 – 2010/0816(NLE)), <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P7-TA-2010-0280&language=EN>, accessed 28 October 2011.

26 Seconded diplomats may serve as temporary agents for up to eight years, with a further possible two-year extension.

27 EEAS website, <http://www.eeas.europa.eu/>, accessed 28 October 2011.

28 'The Best Diplomatic Service in the World: Strengthening the Foreign and Commonwealth Office as an Institution', speech by Foreign Secretary William Hague, 8 September 2011, <http://www.fc.gov.uk/en/news/latest-news/?id=652930982&view=Speech>, accessed 28 October 2011.

Foreign-service reforms over the past three or four decades have put an emphasis on the failure to develop managers and management systems.²⁹ But there is now concern that these reforms have been at the expense of the core skills needed for the effective conduct of diplomacy: in-depth understanding of the international system, negotiation experience, policy-making and analysis, languages, and regional and cultural expertise.³⁰

While management skills are important for the EEAS, especially for EU Heads of Delegations in complex overseas assignments, appointments at senior and mid-level should reflect the importance of competencies that are at the heart of foreign policy, putting knowledge at the centre of the organization's contribution to reinventing EU foreign policy for the coming decades.

In particular, it is essential to recruit people with knowledge about conditions in areas of growing significance to European security and prosperity, such as the former Soviet states, the Middle East and North Africa region, and South and Central Asia and China. It will also be important to broaden the skill set of diplomats, to include not only knowledge of history, politics, negotiations, policy-making and foreign cultures but also of economics, 'difficult' languages and public diplomacy.

Recommendations:

The High Representative should:

- Establish an *EU Diplomatic Excellence Programme* to provide EU diplomats with opportunities for training and learning throughout their careers. The European Diplomatic Programme, currently run as a three-week modular course, should be transformed into a more permanent diplomatic academy open to EEAS staff and selected diplomats from national foreign services. Similarly, national diplomatic training programmes
- should open up slots for EEAS diplomats. The development of shared diplomatic training curricula among the 27 should be explored.
- Emphasize and provide incentives for *training in critical skills* such as 'difficult' languages, economics and political analysis.
- Create *career incentives* to serve in challenging postings. Previous service in a particular region should be a criterion for promotion to senior-level posts dealing with that region. A separate career track should be developed for EEAS technical experts.
- Establish an *EEAS diplomatic service exam* for entry into the service as permanent staff to enable the EU to design entrance criteria specifically with the needs of a diplomatic service in mind.

Coherence

The Lisbon Treaty provides the High Representative with a tool for bringing together the EU's foreign policy instruments, mainly in the area of diplomacy and development. It gave the High Representative responsibility for the multi-year programming of the EU's development cooperation, and hence influence over country-specific and regional strategies.³¹ The way in which the High Representative exercises her role in this area will be important for the Lisbon Treaty's goal of achieving better coherence.

Through the Stability Instruments, the EU has taken important steps towards focusing development resources on foreign policy priorities. Current cooperation includes countries not normally associated with EU development assistance, such as Belarus and Pakistan.

But at least two factors hamper coherence:

- In many third countries the EU lacks its own infrastructure for implementation. This means that it ends

29 See for example: Frank C. Carlucci and Ian J. Brzezinski, *State Department Reform: Report of an Independent Task Force Cosponsored by the Council on Foreign Relations and the Center for Strategic and International Studies*, www.cfr.org/content/publications/attachments/state_department.pdf, accessed 28 October 2011.

30 Foreign Affairs Committee, House of Commons *The Role of the FCO in UK Government*, Vol. I, Seventh Report of Session 2010–12, HC665, 12 May 2011, <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmfaff/665/66502.htm>, accessed 28 October 2011.

31 The Commission is in charge of the implementation and some of thematic strategies, but the Council decision is less clear about the role of the Commission in devising overall strategy. DEVCO asserts that the EEAS cannot have the sole lead on annual programming.

up spending a large proportion of its support on, and through, UN agencies. Consequently, for the EU, the comprehensive approach is largely about bringing together diplomacy and development in Brussels rather than in the field.

- The EU – like many other actors – has sought to do too many things without a broader vision, spreading its efforts thinly. The main part of Stability Instrument funding is reactive, responding to needs as they arise, rather than identifying the core countries where the EU needs to be proactive to prevent conflicts.

Despite experience of peace-building in Africa, the Balkans and the Middle East, the EU has yet to develop a coherent strategy to which all the Union's institutions and member states subscribe. It should link its efforts to drive greater coherence to broader attempts at identifying where its interests lie.

Therefore, the HR and EEAS should:

- focus and deepen *investments in key countries and sectors*, mobilizing cooperation with states in transition, where conflict or political instability could have serious consequences for Europe's security and prosperity. In particular, the EEAS should target a significant proportion of its conflict prevention and democratic assistance efforts on fragile states, seeking political impact rather than managing aid budgets;
- As part of the EEAS strategic review proposed in this report, assess the EU's approach to fragile states based on three pillars:
 1. prioritization of the fragile states that are the most significant to the EU;
 2. an assessment of EU strengths and weaknesses in assisting these fragile states; and
 3. mobilization of support for an integrated EU approach to these conflicts and of the means necessary for delivery on the ground.

Partners

The 'strategic partnerships' have become a label that designates a country as important to the EU, but does little more. The challenge is to add objectives, structure and content to the partnerships that exist, and to prioritize by devoting more time to the partners who matter most.

A meaningful strategic partnership would be with a country that shares a commitment to a broad range of the EU's objectives and is in a position to exert influence to achieve those objectives. Such a partnership would be driven by a set of clearly defined goals and focus on outcomes rather than process. Summits and meetings should not be habitual, but agenda-driven, and provide impetus for policy-making and analysis lower down the policy food chain.

The one partnership that truly qualifies as 'strategic' is with the United States. There is also a track record which can be built upon. The EEAS emphasis should be on identifying issues on which experts can do real work together in informal settings, and use high-level summitry mainly as a means to set the agenda and drive political energy into that work. The economic field may be particularly promising given the EU's significance there, but there is also room for considering how the EU and the US can do more to coordinate their strategies *vis-à-vis* fragile states.

The EU will be a more effective and respected partner if it becomes better at articulating where its strategic interests lie. It is therefore an encouraging sign that the EU is in the process of reviewing the strategic partnerships, and that the review seeks to secure strong support from member states through discussions at the level of foreign ministers.³² Only if it is clear and more hard-nosed about what it wants from these relationships will Europe be able to capitalize on its strengths.

The partnerships with China and Russia present the EU with particular difficulties: both a lack of commitment to shared goals and also a number of strategic trade-offs between commercial and political interests. Up to now, this has affected both agenda-setting and outcomes. China's

32 European Council conclusions, 16–17 December 201, EUCO 30/1/10 REV 1. II point 9, http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/118578.pdf.

Box 1: Current EU strategic partners

States

- United States (1995)*
- Russia (1999)
- Japan (2001)
- China (2003)
- Canada (2004)
- India (2004)
- South Africa (2006)
- Brazil (2007)
- Mexico (2008)
- South Korea (2010)

International organizations

- NATO (2002)
- UN (2004)**
- African Union (2007)

Regions

- Latin America and the Caribbean (1999)
- Mediterranean and the Middle East (2004)

* Dated from the establishment of New Transatlantic Agenda (NTA) and the EU-USA Joint Action Plan in 1995.

** The 2003 Commission communication 'The European Union and the United Nations: The Choice for Multilateralism' called for strategic partnerships between the EU and individual UN agencies. Partnerships have since been signed with UNDP, WHO, ILO and FAO (2004), UNHCR and WFP (2005).

current approach to many issues of importance to the EU, such as human rights, intellectual property protection, climate change and resource governance, are difficult to reconcile with a partnership based on common interest and values. With Russia, the agenda only partly reflects the thorny issues that are at the heart of its relations with Europe, leaving the hardest questions about energy security and conflicts in the neighbourhood to be dealt with largely on a bilateral between Russia and individual European countries.

This approach may reflect political realities, but it harms the credibility of EU foreign policy and means that the Europeans forgo the potential leverage that comes with unity. A consolidated energy policy coordinated through Brussels will be critically important for the evolution of Europe's partnership with Russia, which is Europe's chief supplier not only of gas, but also of oil, coal and uranium.³³ The recent Commission proposal to build a unified external energy policy is therefore a step in the right direction.³⁴ Formulating a common European message on energy will be essential to the EU's ability to extract deliverables from its strategic partnerships.

Innovation

The EEAS should devote a small team to innovation, focusing on three interrelated areas: public diplomacy, communications technology and global trend analysis.

Diplomacy is being transformed by the rapid development of global communications. As the recent Arab uprisings have shown, new technology can play a crucial role in grassroots movements that are flexible and network-based. The events in early 2011 in Tunisia and Egypt have been called the 'Twitter Revolutions' because of the role of social media.³⁵ Governments have at best only just begun to come to terms with the challenges and explore the opportunities this development poses for diplomacy.

Global communications technology and networks are now used for gathering and sharing information, negotiating, and other functions relevant to diplomacy. There is, however, still a great deal of confusion about the potential of social media as a public diplomacy tool and scepticism about whether or not their use can prove effective. As a result, the network-based means of communicating with government and citizens are still largely uncharted territory for most diplomats, with a few notable exceptions such as the frequent blogging and tweeting of Swedish Foreign Secretary Carl Bildt.

33 Adnan Vatansever, 'Europe Needs One Voice on Energy – and One Pair of Ears', *European Energy Review*, 27 October 2011.

34 In September 2011, the European Commission adopted a communication outlining an approach for developing EU external energy policy. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *On Security of Energy Supply and International Cooperation – The EU Energy Policy: Engaging with Partners beyond Our Borders*, COM 0539 (2011) Final. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52011DC0539:EN:HTML:NOT>.

35 Peter Beaumont, 'The Truth about Twitter, Facebook, and the Uprisings in the Arab World', *The Guardian*, 25 February 2011, available at <http://www.guardian.co.uk/world/2011/feb/25/twitter-facebook-uprisings-arab-libya>.

At the US State Department, initiatives such as those of the Office of e-Diplomacy have been given enhanced priority in recent years, and technological innovation is seen as key in helping to address humanitarian and diplomatic problems and advancing US interests around the world. The EEAS will have to consider how to integrate new developments in global communications into its diplomacy. What priority should be given to social media, what resources should be allocated, and what is the impact of social media outreach initiatives? How can global communications networks be used to enhance the EU's monitoring of global trends and its response to humanitarian and diplomatic crises?

Recommendations:

The High Representative should take initial steps to ensure that EU diplomacy stays up to date with developments in global communications and considers how it can better take strategic advantage of them:

- Launch a '*Diplomatic Innovation Initiative*', with a small team of innovators, diplomats and trend

analysts acting as an in-house technology think tank to improve the way the EEAS uses technology.³⁶

- Follow the US example of establishing *regional communications hubs* in cities such as Doha and Washington to focus on regional or global news outlets including Al-Jazeera and CNN.
- Make *public diplomacy part of every EEAS diplomat's job description*, not only that of the most senior officials and the public affairs officers. Taking advantage of public diplomacy, and in particular social media, requires engaging experts outside the specific public diplomacy field and also trusting the competent staff of the service.

As argued throughout this report, the successful delivery of modern diplomacy requires diplomats and organizations capable of thriving in a fluid and complex world, and the policy processes to support them in this endeavour. Linking strategy, leadership and delivery in a consistent manner would make the EEAS better placed to deliver the entrepreneurial diplomacy needed for the EU to advance its interests in the 21st century.

36 See, for instance, the website of the US State Department's initiatives such as the Office for e-Diplomacy, <http://www.state.gov/m/irm/ediplomacy/>.

6. Conclusion

Europe's new diplomatic service reaches its first anniversary on 1 December 2011. The first year has been absorbed by the need to establish its foundations and respond to international crises. Progress has been made in some areas and it would be unrealistic to expect the EEAS to be fully functioning after just one year. However, there is need to inject energy and a sense of purpose. The service lacks a vision and a clear strategy to make the most of its role and capabilities. Its overseas network does not yet match its role, nor does its personnel profile fully reflect its needs. It can do more to take advantage of the diversity of diplomatic strengths among the member states and of the Lisbon Treaty's provisions to bring together the EU's foreign policy instruments so that they can operate more effectively. There is room for a dialogue with the main stakeholders of the EEAS – the EU's 27 member states and the relevant EU institutions – about where European interests need to be advanced and defended, and a need to link that dialogue to considerations about priorities and resources. The single biggest challenge for next phase of the EEAS's development is to set a clear and compelling direction for the medium and long term, and ensure that the main stakeholders are prepared to back it up politically, diplomatically and with the necessary resources.

This report has outlined ways in which the EEAS can prepare better for the entrepreneurial diplomacy needed to advance European interests – by linking clear strategy, creative leadership and effective delivery. By adopting an innovative and entrepreneurial approach to diplomacy, rebalancing and enhancing its foreign affairs infrastructure, foreign assistance and public diplomacy, investing in its people and its organization, and basing such initiatives on a strategic review

to ensure support from EU member states and institutions, the EEAS will be in a stronger position to coordinate and lead EU diplomacy to meet the demands that will be placed on it.

“The single biggest challenge for next phase of the EEAS's development is to set a clear and compelling direction for the medium and long term, and ensure that the main stakeholders are prepared to back it up politically, diplomatically and with the necessary resources”

Short-term recommendations

In the next six months, the High Representative should:

- Use the anniversary of the EEAS as an occasion to communicate a vision for the next few years of the service, explaining its role in promoting the interests and values of the EU, both member states and European citizens, and how the service could be developed in order to make the most of its potential.
- Seek a mandate to lead a process of updating the EU Security Strategy to identify where the medium- and long-term interests of EU countries overlap and can be advanced through concerted action.
- Lead a strategic review of the EEAS to articulate its distinctive role, set its priorities and match resources to these aims. The goal should be to finalize the review into a strategic plan, adopted before the end of the High Representative's current term in 2014 and coinciding with the CFSP budget discussion.
- Take advantage of the upcoming rotations of diplomatic posts to address imbalances in the service's international presence and to strengthen key diplomatic missions in parts of the world requiring greater

EU, diplomatic attention, such as the Arab Gulf, the Southern Mediterranean, the BRICs, the former Soviet states and Central Asia.

- Initiate an 'EU Diplomatic Excellence Programme' to invest in critical skills such as political analysis, economics, negotiation skills, 'hard' languages and knowledge of key regions, countries and cultures.
- Initiate a plan to bring better coherence to the EU's cooperation with fragile states by bringing development and diplomacy together for the purpose of conflict prevention and democratic assistance.
- Devote a small team to innovation, focusing on strategic ways to use global communications as a tool in EEAS diplomacy.



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