



**RADA
UNII EUROPEJSKIEJ**

Bruksela, 22 listopada 2005 r.

13960/05

**COSDP 741
PESC 944
COAFR 190
EUSEC-RDC 27
OC 778**

NOTE

Od :	Sekretariat
Do :	Delegacje
Dotyczy :	Wspólne działanie Rady zmieniające wspólne działanie 2005/355/WPZiB w sprawie misji doradczej i pomocowej Unii Europejskiej w zakresie reformy sektora bezpieczeństwa Demokratycznej Republiki Konga (DRK) w zakresie ustanowienia projektu wsparcia technicznego dotyczącego usprawnienia łańcucha płatności Ministerstwa Obrony Demokratycznej Republiki Konga (DRK) WSPÓLNE WYTYCZNE Ostateczny termin konsultacji: 29.11.2005

Delegacje otrzymują w załączeniu sprawozdanie finansowe dotyczące zmieniającego wspólnego działania w zakresie ustanowienia projektu wsparcia technicznego dotyczącego usprawnienia łańcucha płatności Ministerstwa Obrony Demokratycznej Republiki Konga (DRK) w wersji uzgodnionej przez Grupę Roboczą Radców ds. Stosunków Zewnętrznych w dniu 15 listopada 2005 r.

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): External Relations

Activity(ies): CFSP - Common Foreign and Security Policy

Title of action:

Council Joint Action 2005/.../CFSP of .../.../2005 amending Joint Action 2005/355/CFSP on the European Union mission to provide advice and assistance for security sector reform in the Democratic Republic of the Congo (DRC) with regard to setting up a technical assistance project on improving the chain of payments of the Ministry of Defence in DRC.

1. BUDGET LINE(S) + HEADING(S)

19 03 03 “Conflict resolution, verification, support for the peace process and stabilisation “

2. OVERALL FIGURES

2.1. Total allocation for action: **940,000 € for 2006 commitment**

2.2. Period of application:

The Joint Action shall enter into force on the date of its adoption.

The action's implementation period runs until 02 May 2006.

Expenditure under the present amending Joint Action is eligible from 16 February 2006 until 2 May 2006.

2.3. Overall multi-annual estimate on expenditure:

a) Schedule of commitment appropriations/payment appropriations (financial intervention)

(see point 6.1.1)

million € (to 3rd decimal place)

	Year 2005	Year 2006					Total
Commitments		0.940					0.940
Payments		0.940					0.940

b) Technical and administrative assistance and support expenditure (*see point 6.1.2*)

N/A

c) Overall financial impact of human resources and other administrative expenditure
(*see points 7.2 and 7.3*)

N/A

TOTAL a+b+c							
Commitments		0.940					0.940
Payments		0.940					0.940

2.4. Compatibility with the financial programming and the financial perspective

- ☒ Proposal compatible with the existing financial programming
- ☐ This proposal will entail reprogramming of the relevant heading in the financial perspective
- ☐ This may entail application of the provisions of the Interinstitutional Agreement

2.5. Financial impact on revenue:

- ☒ No financial implications (involves technical aspects regarding implementation of a measure)

3. BUDGET CHARACTERISTICS

Type of expenditure		New	EFTA participation	Participation applicant countries	Heading Financial Perspective
DNO	CD	NON	NON	NON	No 4

4. LEGAL BASIS

Treaty on European Union, in particular Article 14 thereof

Treaty establishing the European Community

Council Regulation (EC) No 1605/2002 on the Financial Regulation applicable to the general

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention

5.1.1. Objectives pursued

The mission shall aim, in close cooperation and coordination with the other actors of the international community, to provide practical support for the integration of the Congolese army and good governance in the field of security, as set out in the General Concept, including a contribution to the identification and development of various projects and options that the European Union and/or its Member States may decide to support in this area.

5.1.2. Measures taken in connection with ex ante evaluation

Two fact-finding mission for the SSR Cell in DRC took place in December 2004 and in February 2005 by the Council Secretariat and the Commission. The General Concept for the advice and assistance mission was approved by the Council on 12 April 2005 (Doc.7637/05).

In the context of the current mandate of EUSEC with regard to the principles of good governance, the mission undertook an audit of the chain of payment of the DRC Ministry of Defence in August 2005. Following this audit, a follow-up action was required in this area.

5.1.3. Measures taken following ex post evaluation

none

5.2. Actions envisaged and arrangements for budget intervention

- (a) In addition to the original mandate of EUSEC, a team of 16 experts will be put in place in Kinshasa in order to support the modernisation of the central administration. The complete chain of payment system will be replaced at a horizon of 18 months in cooperation with the DRC actors involved. A new regulatory base will be established to manage the actual military listed. A new management mechanism to control payment of salaries as well as distribution of food throughout the army will be established. The chain of payment will thus be separated from the military chain of command.

Besides the team in Kinshasa, 2 experts will be co-located during 4 months with each newly formed mixed brigade, 15 in total, to train the paymasters of the Brigades and to follow up the implementation of the project.

- (b) The project will be funded, as a first step, through Member States contributions totalling € 900,000 to cover the initial expenditure from 1 December 2005 to 15 February 2006.
- (c) The CFSP budget 2006 will cover the period from 16 February 2006 till 2 May 2006, the date of expiry of the current EUSEC mandate. It will cover all the costs necessary to implement the project, including transport, rent of premises, communications, equipment and salary for local staff, as well as per diems for seconded staff.

5.3. Methods of implementation

The Head of the Mission will sign an amendment to his Special Adviser contract with the Commission. He will be responsible to the Commission for the management of expenditure related to the additional project.

Apart from the staff seconded by Member States, the Head of the Mission will sign employment contracts with local staff on his own behalf, as required.

P.M.: In order to cater for the lack of funds in the CFSP budget and given the urgency of the needs, the first period of implementation of the Chain of Payment project will be financed through Member States contributions, in line with Article 28(3) second paragraph. However, no management mechanism exists for managing such MS contributions for civilian actions. Therefore, on an exceptional basis, and notwithstanding the military scope of ATHENA, the contributing Member States will have recourse to the administrative means of the ATHENA mechanism. It is understood by all Member States that this implementation modus does not alter the civilian character of the project.

6. FINANCIAL IMPACT

6.1. Total financial impact (over the entire period)

6.1.1. Financial intervention¹

[Project funded by EC contribution and contributions in kind by Member States:](#)

¹ Adjustments may take place during the budgeting period in contributions by MS and non-EU participants.

Commitments in € million

Breakdown	Year N 2005	N + 1 2006	Total
<u>Contribution EC budget:</u>		0.940	0.940
<u>Bilateral in-kind contributions by Member States</u>	Secondments to be determined		
<u>1 Experts</u> 16 experts for the team in Kinshasa 2 experts per Brigade			
<u>2 Financial contributions</u>			
Belgium	175,000 €		
France	175,000 €		
Luxemburg	50,000 €		
The Netherlands	150,000 €		
The United Kingdom	175,000 €		
Sweden	175,000 €		
TOTAL Member States	900,000 €		
<u>3. Bilateral contributions by non-member states¹</u>			
TOTAL			1,840,000

Detailed breakdown of expenditure covered by bilateral contributions

A. Personnel expenditure	16 seconded experts for Kinshasa, taking into account their expected arrival until 15 February	94,360
	12 seconded experts for the Brigades as of 25 January until 15 February	36,960
	Medical costs	2,800
B. Mission expenditure	1 December 2005– 15 February 2006	32,323

¹ Subject to approval by the PSC, direct financial contributions by Third States could come on top of the CFSP budget for the mission and the bilateral contributions by Member States. These contributions will be deducted from the amount to be paid through the CFSP budget.

C. Running expenditure	Vehicles & fuel	89,092
	IT	17,486
	Communication s	52,766
	Offices rent & refurbishment	174,000
	Office supplies	10,000
	Security	67,125
D. Capital expenditure	IT equipment	96,737
	Communication equipment	78,311
	Office equipment	107,440
	Miscellaneous	10,000
E. Representation		5,000
F. Financial charges		5,000
G. Contingency reserve including for audit costs		20,600
Total		900,000

6.1.2. Technical and administrative assistance, support expenditure and IT expenditure (Commitment appropriations)

N/A

6.2. Calculation of costs by measure envisaged (16 February - 02 May 2006)

6.2.1. Personnel costs

The project team in Kinshasa shall consist of 16 seconded staff and 4 local staff. The seconded experts for 6 brigades could be present, meaning 12 experts.

Salaries

Salaries are based on Commission Communication on Specific Rules for Special Advisers of the Commission entrusted with the Implementation of Operational CFSP Actions (C(2004)2984 of 6 August 2004).

- Local staff: 4 drivers/handymen * 2,5 months * average monthly salary

The monthly salary is based on an estimation at level V and 20 years experience at Commission Delegation rates in accordance with the Commission Communication C(2004)2984 of 6 August 2004. Real salaries will have to match proven periods of experience.

- salary (Commission delegation rate) $4 * 2,5 \text{ months} * 569 \text{ €} = 5,690 \text{ €}$

- Medical Security $4 * 2,5 \text{ months} * 40 \text{ €} = 400 \text{ €}$

- Social Security 8.5% of salary : $8,5 \% * 5,690 \text{ €} = 484 \text{ €}$

Total for local Staff is **6,574 €**

- 16 seconded experts for the team in Kinshasa. Their salaries and travel to and from the place of employment (Kinshasa), as well as medical insurance and other national allowances are covered by the seconding state.

From the mission budget only the following two items are eligible with respect to the seconded experts:

Per diem: paid for all seconded experts for all days worked outside their place of origin. The level of per diem, 100 € is the same of EUPOL Kinshasa working in similar conditions.

$$16 * 100 * 76 \text{ days} = \mathbf{121,600 \text{ €}}$$

Special allowance intended to cover certain accommodation costs incurred by the restrictions imposed by the security environment:

$$16 * 40 * 76 = \mathbf{48,640 \text{ €}}$$

- 12 seconded experts for the Brigades. Their salaries and travel to and from the place of employment, as well as medical insurance and other national allowances are covered by the seconding state.

From the mission budget only the following two items are eligible with respect to the seconded experts:

Per diem: paid for all seconded experts for all days worked outside their place of origin. The level of per diem, 100 € is the same of EUPOL Kinshasa working in similar conditions.

$$12 * 100 * 76 \text{ days} = \mathbf{91,200 \text{ €}}$$

Special allowance intended to cover certain accommodation costs incurred by the restrictions imposed by the security environment:

$$12 * 40 * 76 = \mathbf{36,480 \text{ €}}$$

Medical expenses

- Medical pre-employment screening local staff	4 * 100	400 €
- First aid kits (1/veh. + 50%)	21 * 100	2,100 €
- Provision for possible medical evacuation insurance for experts in Brigades	10€/day * 76 * 12 =	9,120 €
Total		11,620 €

6.2.2. Missions

All mission expenditure directly related to the implementation of the mandate is covered by the budget of the mandate. The mission expenditure includes transportation, per diems and accommodation and is payable for missions from the place of employment. The rates are based on the Guide to Missions for Officials and Other Servants of the European Commission (Article 71 of the Staff Regulations and Articles 11 to 13 of Annex VII to the Staff Regulations). The seconding MS will cover transport costs to the place of employment.

Flights to Brussels:

Costs are calculated on the basis of 3,500 € for a return flight Kinshasa/Brussels. A provision for 3 missions is foreseen:

3 * 3,500 € =	10,500 €
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Flights in the region:

Arrangements with MONUC are to be made. Since the number of flights necessary and the related costs can not be estimated in detail, there is a provision foreseen of **30,000 €**

Accommodation in Brussels:

A provision is foreseen for 3 missions, 3 nights:

$$3 * 3 * 117.08 \text{ €} = \mathbf{1,053 \text{ €}}$$

Per diems in Brussels:

A provision is foreseen for 3 missions, 5 days:

$$3 * 5 * 84.06 \text{ €} = \mathbf{1,261 \text{ €}}$$

Accommodation in the region:

A provision is foreseen for hotels in the DRC

$$\pm 12 \text{ missions in DRC} * 140 \text{ €} * 3 \text{ nights} = \mathbf{5,040 \text{ €}}$$

Per diems in the region:

A provision is foreseen for per diems in the DRC

$$\pm 12 \text{ missions in DRC} * 105 \text{ €} * 5 \text{ days} = \mathbf{6,300 \text{ €}}$$

Total is **54,154 €**

6.2.3 Running expenditure

The calculations are based on information received from estimations of the Fact Finding mission for EUPOL Kinshasa in October 2004, as well as further information from the ongoing mission.

LINE		CONCEPT	QTY	BASE	TOTAL
3. Running expenditure					392.745
3.1 Vehicles	Fuel	[14 cars * 40km/veh/day * 153 days * 10 litres/100 km * 3 €/litre] /2	7	1.836	12.852
	Fuel generator	4 hrs/day, 10 €/Hr, 4 generators, 153 days	1	12.240	12.240
	Vehicle Rental	provision for renting cars for the first 3 months (part after 15 Feb) 10 cars, 1/2 month	5	2.000	10.000
		provision for renting cars locally for experts attached to brigades: 6 Bdes *3 months	12	4.000	48.000
	Vehicle maintenance		4	1.020	4.080
	Vehicle repairs		4	2.550	10.200
	Vehicle insurance		14	440	6.160
				Subtotal	103.532
3.2 IT + maintenance	Internet access				
	E-mail addresses				
	Maintenance	Provision			5.000
	Rent IT equipment first 3 months	Provision			
				Subtotal	5.000
3.3 Communications	GSMs	(30 min/day * 153 days = 4590 min) * 0,16 €/min * 28 GSMs 36 - 64 rate			13.160
	Switch connections	(30 min/day * 153 days = 4590 min) * 0,22 €/min * 28 GSMs			18.096
	Satellite telephones	(5 min/day * 153 days = 765 minutes) * 1,33 €/min * 22 Sat Phones			14.326
	Satellite connection				
	Maintenance	Provision			5.000
	Rent CIS equipment first 3 months				
				Subtotal	50.582
3.4 Offices: rent and services	Office building maintenance		1	10.000	10.000
	Photocopy machine maintenance		1	2.553	2.553
	Aircon maintenance		1	2.553	2.553
	Generator maintenance		1	2.400	2.400
	Electricity, water, garbage		1	2.500	2.500
	Cleaning Supplies for HQ		1	1.500	1.500
	Office rent	5 months (€ 20,000/month + € 80,000 initial costs)			60.000
	Office renovation	Ministries & Headquarters	1	40.000	40.000
	Office renovation	Brigades	6	5.000	30.000
				Subtotal	151.506
3.5 Office supplies	Stationary and other consumables		1	5.000	5.000
				Subtotal	5.000
3.6 Security services	Evacuation from Kinshasa	Arrangements to be made with EUPOL/MONUC			
	Evacuation from Brigades	Local arrangements to be made with MONUC			50.000
	Improvement of physical security measures at mission headquarters/residences	Secure, alarm system, metal detectors...			
	Physical security measures at HQ/residences (private guarding)	€ 1.070 per month * 5 residences	2,5	5.350	13.375
	Fire Brigade Service		2,5	1.500	3.750
3.7 Audit costs	Audit costs		1	10.000	10.000
				Subtotal	77.125

6.2.4. Capital expenditure

Most of the purchases will occur during the starting phase of the project, therefore paid through Member States contributions.

Vehicles: Transfer of vehicles from the Balkans

14 vehicles will be transferred from the Balkans to Kinshasa. The average cost includes reconditioning of the cars (new cars would cost 34,000 each, renting is also more expensive).

$$14 * 9,000 = \mathbf{126,000 \text{ €}}$$

Communication equipment.

Provision for additional communication equipment: **20,000 €**

6.2.5. Representation

Representation costs up to **5,000 €** are covered by the budget of the Mission.

6.2.6. Financial charges

A provision of **5,000 €** is foreseen for financial charges.

6.2.7. Contingencies

The contingency reserve can be used only with a prior written approval of the Commission.

6.3. Itemised breakdown of cost (indicative)

BUDGET HEADING	Budget in Euros
1. Personnel Costs	316,114
2. Missions	54,154
3. Running expenditure	392,745

4. Capital expenditure	146,000
5. Representation	5,000
6. Financial charges	5,000
Sub-Total (1 to 6)	919,013
Contingencies ¹	20,987
TOTAL	940,000

The authorising officer responsible is hereby authorised to vary each of the above amounts related to the budget according to exact operational requirements and possibilities and in keeping with sound financial management, while not exceeding the overall amount of the financing decision.

6.4. Financial precedents

N/A

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1. Impact on human resources p.m.

7.2. Overall financial impact of human resources p.m.

7.3. Other administrative expenditure deriving from the action p.m.

8. FOLLOW-UP AND EVALUATION

8.1. Follow-up arrangements

The Presidency is responsible for the implementation of the decisions made according to title V of the TEU (Joint Action).

The Head of Mission will lead the mission and assume its co-ordination and day-to-day management. He will report to the Secretary General/High Representative through the Special Representative of the European Union (EUSR). The PSC will receive reports by the EUSR via the SG/HR at regular intervals.

¹ Contingencies shall be used only with a prior written approval of the Commission.

The PSC will exercise, under the responsibility of the Council, the political control and strategic direction of the mission.

The Head of Mission will report fully to, and be supervised by, the Commission on the activities undertaken in the framework of his contract. The Head of Mission will be accountable to the Commission for all expenditure.

8.2. Arrangements and schedule for the planned evaluation

The Commission may conduct an evaluation of this action in the framework of its budget implementation competence.

9. ANTI-FRAUD MEASURES

Controls may be undertaken by the Commission services, including OLAF, as well as by the European Court of Auditors.