



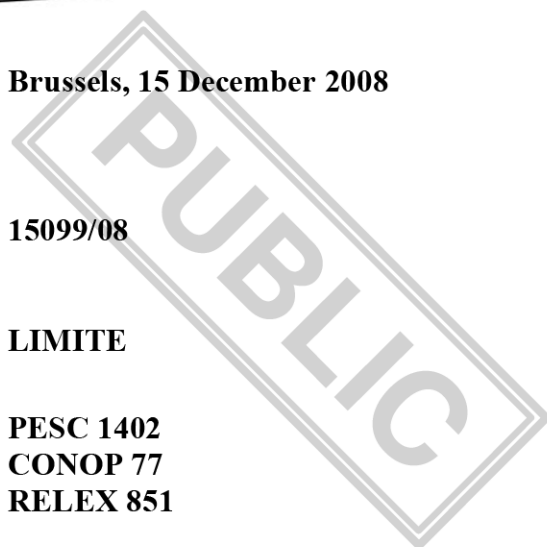
**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 December 2008

15099/08

LIMITE

**PESC 1402
CONOP 77
RELEX 851**



"I/A" ITEM NOTE

from : General Secretariat
to : Permanent Representatives Committee /Council
Subject : Council Decision in support of the Hague Code of Conduct against Ballistic Missile Proliferation (HCoC) in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction

1. On 12 December 2003, the European Council adopted the EU Strategy against the Proliferation of Weapons of Mass Destruction, which contains, in its Chapter III, a list of measures to combat such proliferation such as releasing financial resources to support specific projects leading to enhancement of the multilateral non-proliferation treaty-based system and multilateral confidence-building measures. The Hague Code of Conduct against ballistic missile proliferation (hereinafter "the Code") is an integral part of that system, and aims at preventing and curbing the proliferation of ballistic missile systems capable of delivering weapons of mass destruction and related technologies.
2. On 17 November 2003, the Council adopted Common Position 2003/805/CFSP¹ on the universalisation and reinforcement of multilateral agreements in the field of non-proliferation of weapons of mass destruction and their means of delivery.

¹ OJ L 302, 20.11 2003, p. 34

That Common Position calls, inter alia, for the promotion of the subscription of as many countries as possible to the Code, especially those with ballistic missile capabilities, as well as for the further development and implementation of the Code, especially its confidence-building measures and for the promotion of closer relationship of the Code with the UN multilateral non-proliferation treaty-based system.

3. On 23 May 2007, the Council decided to take action to promote the universality of the Code and compliance with its principles. To that end, a workshop was organised in the margins of the 2007 Annual Meeting of Subscribing States which brought together major ballistic missile capacity States, including those which did not subscribe to the Code. A continuation of this dialogue among subscribing and non-subscribing States is a priority of the EU, with the aim of further promoting the universalisation of the Code as well as enhancing its better implementation.
4. A draft Council Decision in support of the Code, in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction has been prepared by the Working Party on Non-Proliferation (CONOP) which reached agreement on the draft text on 21 November 2008 after a silence procedure.
5. The Foreign Relations Counsellors (RELEX) reached agreement on the Draft Council Decision in support of the Code, in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction on 15 December 2008, including on the Financial Statement as set out in the Annex to this document.

Delegations have recommended that for future financial statements:

- the costs of personnel should be indicated in terms of man-days or, preferably, in terms of personnel fully dedicated to the activities,
- the calculation using rates per hour should only be justified for very specialised experts to be employed for specific and limited activities.

6. It is suggested that the Committee of Permanent Representatives:

- confirms the agreement on the Council Decision and on the financial statement in the Annex and,
- invites the Council to adopt, as an “A” item, the draft Council Decision in support of the Code in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction, as set out in document 15098/08 PESC 1401 CODUN 76 RELEX 850, and finalised by the legal/linguistic experts.

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): External Relations

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

TITLE OF ACTION:

Council Decision 2008/xxx/CFSP of xx/xx/2008 in EU support to the Hague Code of Conduct against Ballistic Missile Proliferation in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction

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

Budget Article **19 03 02** « Non-Proliferation and Disarmament »

2. OVERALL FIGURES

2.1. Total allocation for action: € 1 015 000 for 2009 commitment

2.2. Period of application:

The Council Decision shall enter into force on the day of its adoption and shall expire 24 months after its adoption. The expenditure shall be eligible 24 months from signature of contract between the Commission and the implementing agency.

2.3. Overall multiannual estimate on expenditure:

a) Schedule of commitment appropriations/payment appropriations (financial intervention) (*see point 6.1.1*) € million (*to three decimal places*)

	2009	2010	2011	2012	2013	2014 and subs. Years	Total

Commitments	1.015						1.015
Payments	0.387 ¹	0.517 ²	0.111 ³				1.015

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

none

c) Overall financial impact of human resources and other administrative expenditure

(*see points 7.2 and 7.3*)

none

TOTAL a+b+c							
Commitments	1.015						1.015
Payments	0.387	0.517	0.111				1.015

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.

¹ According to article 15.1 of General Conditions applicable to European Community Contribution Agreements for external action , option 2, the payment of prefinancing is based on an estimated budget for the first 12 months, excluding contingencies – therefore, 80% $*(1.015*12/24 - 0.023) = 0.387$

² each additional instalment will cover the remainder of the planned budget for the previous period (including any approved contingencies) plus a pre-financing of that part of the forecast budget for the subsequent 12-month period (excluding contingencies) – therefore $\{(12/24 \text{ months} * 1015) - 387 + 80\% * 12/24 \text{ months} * (1015-0.023)\} = 517$

³ According to article 15.1 of General Conditions applicable to European Community Contribution Agreements for external action , option 2, the Contracting Authority will pay the balance within 45 days of approving the final report, i.e: 0.113 including contingencies if duly justified.

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 13 thereof

Treaty establishing the European Community

Council Regulation (EC) N°1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, in particular Article 75 (2) thereof

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention

5.1.1. Objectives pursued

Project 1:

Promotion of the universalisation of the Hague Code of Conduct against Ballistic Missile Proliferation (HCoC)

- Organization of a first outreach workshop in North Africa (fall 2009)
- Organization of a universalisation workshop in the margins of the 2010 Annual meeting of HCoC.

PROJECT 2:

Support to the implementation of the Code among subscribing States

- Setting up the prototype of a secure internet-based information system demonstrating quicker, easier and more secure access and exchange of information
- Organization of one accompanied visit of international observers in the European Launch site (Kourou – French Guyana)

PROJECT 3:

Promotion of the further enhancement of the Code and its better functioning

- Elaboration of a policy-oriented study aiming at producing recommendations and advice to be discussed during the workshops and possibly submitted to the Annual meeting
- Organization of engagement workshops and side-events dedicated to the promotion and enhancement of the Code (2009-2010)

5.1.2. Measures taken in connection with ex ante evaluation

The project is adopted after political assessment by the Council and in particular the Working Group on Non-Proliferation (CONOP).

5.1.3. Measures taken following ex-post evaluation

As this project has not begun yet, no ex-post evaluation has taken place.

5.2. Methods of implementation

The "Fondation pour la Recherche Stratégique" (FRS), Paris, will be entrusted with the implementation of the Action. The projects will be implemented by the Institute's staff with the assistance of EU Member States and institutions through selected experts.

FINANCIAL IMPACT

6.1. Total financial impact - (over the entire programming period)

Details of the calculation are provided in part 6.2 and in annex 1.

6.1.1 Financial intervention

Commitments in € million (to three decimal places)

Breakdown	2009	2010	2011	2012	2013	2014 and subs. years	Total
EU Contribution	1.015						1.015
TOTAL	1.015						1.015

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

None

Calculation of costs by measure envisaged - (over the programming period)

All three projects will be implemented by an FRS team, which consists of the Director, a legal coordinator, and researchers.

The Director will ensure coordination with European Institutions, detailed conceptualization of the Council Decision, meetings with diplomats.

The legal coordinator will have overall responsibility for coordination with the target countries and will be in charge of travel arrangements for meetings, workshops and conferences, payments and preparation of materials distribution.

The researcher will be involved in preparation of meetings with experts from EU Member States, diplomats and regional workshops, identification of relevant people and key agencies.

6.2.1. Project 1:

Promotion of the universalisation of the Code

- Organization of a first outreach workshop in North Africa,

tentatively in Algiers, Tripoli, Rabat or Tunis. The one-day workshop is planned to take place in Fall 2009. It will assemble official invitees primarily from Africa: all African non-signatories will be invited together with significant African or Arab signatories, HCoC presidency would participate together with a team of non-governmental experts assembled by FRS and its partners. The workshop will be held in French and English (and possibly Arabic).

Approximately 40 participants (up to 26 official representatives from non-signatories, 4 regional signatories, 7 EU including expert team) will be invited.

The proposal is based on Algiers. Algeria is not a HCoC member state, has a space programme and Algiers is a main capital in north Africa (with good airline connections)

The cost of this workshop is estimated 249 057 € as follows:

Personnel	Hours	Rates	
Director and Coordinator	50	153 €	7 650 €
Researchers	120+60+200	75, 98, 118 €	38 480 €
experts	180	118 €	21 240 €
<i>Total personnel</i>			67 370 €

Logistic	nb	Rates	
Translation Fr/Eng/Arabic	9 translators	680 €/ day	6 732 €
	32 000 words	0.13 €/ word	4 160 €
Meeting room + equipment			18 515 €
<i>Meeting report (paper + cdrom)¹</i>			10 000 €
			39 407 €

Travels - based on Algeria	Transportation	Per diems ²	
5 FRS staff	2 400	27 * 270€	9 690 €
2 EXPERTS	1 540	2 * 5 * 270€	4 240 €
4 HCOC officials*	15 800	4* 1.5 * 270€	17 420 €
<i>26 Countries representatives</i>	101 000	26*1.5*270€	111 530 €
	120 740	22 140 €	142 880 €

* 1 from Presidency, 1 Point of contact and 2 members

¹ Dissemination of the meeting report in 100 copies for 40 participants : 100*100€=10 000€

² Per diems and hotel expenses are indicative and are based on the EC Mission Guide.

- Organization of a universalisation workshop in the margins of the 2010 HCoC Annual meeting

This event is an opportunity to invite some non-signatories as well as to have a debate amongst signatories. The findings of the study (see project 3) will be presented publicly at this occasion. The conference should bring together approximately 18 speakers and up to 200 participants, it will be held in English

The cost of this workshop is estimated 132 575 € as follows:

Personnel	Hours	Rates	
FRS Director and Coordinator	60	153 €	9 180 €
FRS Researcher	100+80+120	75, 98, 118 €	29 500 €
experts	80	118 €	9 440 €
<i>Total personnel</i>			48 120 €

Logistic	nb	Rates	
Translation Fr/An/Arabe			
	32 000 words	0.13 €/ word	4 160 €
Meeting room + equipment			29 670 €
<i>Meeting report (paper + cdrom)¹</i>	250	100	25 000 €
			58 830 €

Travels	Transportation	Per diems ²	
5 FRS	4 800	22 * 205€	9 310 €
2 EXPERTS	1 600	2 * 4 * 205€	3 240 €
<i>10 EU experts</i>	10 000	10*1.5*205€	13 075 €
	16 400	9 225 €	25 625 €

¹ Dissemination of the meeting report in 250 copies for 150 to 200 participants :
250*100€ = 25 000 €

² Per diems and hotel expenses are indicative and are based on the EC Mission Guide.

Total cost of project 1 without contingencies is 382 232 €.
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6.2.2. Project 2:

Support to implementation of the Code among subscribing States

- Setting up the prototype of a secure internet-based information system demonstrating quicker, easier and more secure access and exchange of information

FRS will elaborate a prototype internet-based information and communication mechanism (e-ICC) for Subscribing States. A first phase will include a global scheme including architecture, security procedures, level and nature of the information to exchange. The Director and the Coordinator are in charge of this preliminary study. A working prototype of the secure web site will be presented at the 2009 annual meeting of State parties.

If considered relevant, the definitive structure of the web site will be submitted by the EU at the 2010 Annual Meeting of Subscribing States. FRS will provide a paper and on-line manual for subscribing States and will propose a tutorial session in the margins of the 2010 meeting of State parties.

The fully functional prototype will be proposed to HCoC, to be used as the future base for the web site.

The cost is estimated 145 230 € as follows:

Personnel	Hours	Rates	
FRS Director and Coordinator	60	153 €	9 180 €
FRS Researcher	150+900+200	75, 98, 118 €	123 050 €
<i>Total personnel</i>			132 230 €

system			
Hardware	18 month		6 000 €
SOFTWARE			3 000 €
documentation			4 000 €
			13 000 €

- Organization of an accompanied visit of international observers in the European Launch site (Kourou – French Guyana)

FRS will organize one accompanied visit of the European launch Site in cooperation with the European Space Agency in the limit of the authorized security perimeters.

It will be organized in the Kourou launch site for up to 10 representatives of subscribing States.

During the visit, FRS will provide preliminary presentations of the European Space and launch policy and of the HCoC to authorized representatives and will provide necessary preparation to the technical visit.

This will imply the planning of one visit in Kourou, involving up to 10 subscribing States representatives as well as 1 or 2 members of FRS' team. FRS will elaborate necessary documents for the visit and will manage the organisation of the travels and stays on the site. It will have a duration of 2 to 3 days.

The cost is 99 360 € as follows:

Personnel	Hours	Rates	
FRS Director and Coordinator	20	153 €	3 060 €
FRS Researcher	80+110	75 , 118 €	18 980 €
<i>Total personnel</i>			<i>22 040 €</i>

Travels	Transportation	Per diems ¹	
2 FRS	3 000 €	6 * 120€	3 720 €
Group – 10 participants	70 000 €	30 * 120€	73 600 €
	<i>52 000 €</i>	<i>3 240 €</i>	<i>77 320 €</i>

¹ Per diems and hotel expenses are indicative and are based on the EC Mission Guide. During implementation please indicate the country where the per diems and hotel expenses are incurred and the applicable rates (which must not exceed the scales approved by the European Commission).

Total cost of project 2 without contingencies is 244 590 €.
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6.2.3. Project 3:

Promotion of the further enhancement of the Code and its better functioning

- Elaboration of a policy-oriented study aiming at producing recommendations and advice to be discussed during the workshops and possibly submitted to the Annual meeting of HCoC.

This study will be prepared and managed by a team of European institutes and experts (FRS-University of Hamburg- ...)

The study will be based on constantly updated data about ballistic missiles programmes as well as on Satellite Launch Vehicle (SLV) launch log and test campaigns. FRS will use proven tools to update “data base” style information, while underscoring and analysing the meaning of the most striking technical and policy related “events”. The study will be structured around a technical “panorama” of existing and/or envisioned national programmes. . The goal of the study will be to assess the possible links between Ballistic Missiles (BM) and SLV programmes and to support a better regulated approach to SLV programmes, as based on sound technical and operational practices. The study will produce concrete policy recommendations which could be submitted to the annual meeting either in the EU side event or as a EU non-paper according to the decision made by the Presidency and member States.

The full report of this study will be provided in French and English.

Personnel	Hours	Rates	
FRS Researcher	200+1000	98 to 118 €	137 600€
<i>Total personnel</i>			137 600 €

Logistic	nb	Rates	
Translation Fr/Eng/	46 000 words	0.13 €/ word	5 980 €

HEADING 5 : 143 580 €

- Organization of engagement workshops and side-events dedicated to the promotion and enhancement of the Code (2009-2010)
 - *A first side-event in 2009*

A first side-event will be organized in conjunction with the 2009 annual meeting of subscribing States. This side-event will gather the subscribing States representatives attending the annual meeting in May 2009, as well as non subscribing states and relevant NGOs. It will consist of presenting preliminary achievements of the study and create a first understanding of its methodology and objectives. This first side-event will prepare for the presentation of the final findings of the study during the next Annual meeting as announced above.

FRS will organize the side-event and will elaborate its programme. During the workshop itself, FRS will provide relevant educational and information material. FRS and its partners will prepare and present papers on trends in missiles proliferation and space launch activities.

Personnel	Hours	Rates	
FRS Director and Coordinator	40	153 €	6 120 €
FRS Researcher	50+200	98 , 118 €	28 500 €
experts	100	118 €	11 800 €
<i>Total personnel</i>			46 420 €

Logistic	nb	Rates	
SIDE EVENT			0

Travels	Transportation	Per diems ¹	
5 FRS	6 000	28 * 205€	11 740 €
2 EXPERTS	2 000	2 * 5 * 205€	4 050 €
	8 000	7 790 €	15 790 €

¹ Per diems and hotel expenses are indicative and are based on the EC Mission Guide.

○ *Workshops*

A series of workshops will be held to promote the enhancement and the better functioning of the Code. The workshop model will consist of a one-day meeting convening relevant representatives (25 to 30) and will result in summary documents elaborated by FRS.

- A first workshop will be organized in Prague, Paris or Brussels in the Spring or Summer 2009. The primary objective of the workshop is to highlight the need for better coordination between the different regulatory regimes and codes. A summary of the discussions will be elaborated and sent to all persons attending the meeting.
- A second workshop is planned to take place in the winter 2009-2010 in a European capital (Stockholm or Brussels). It will capitalize on the first discussions on the analysis of authorized feedbacks and on the progress status of the study to identify key issues (both technical and political). A summary of the discussions will be elaborated by FRS with the goal to propose a workable “draft” document highlighting “best practices” in SLV related activities and to examine potential alternative path to space access.

FRS will organize the related workshops, elaborate the programmes, provide educational and information material. FRS experts will prepare and present opening papers before the panel discussions throughout the workshop.

First workshop, based on rates applicable to Prague:

Personnel	Hours	Rates	
FRS Director and Coordinator	40	153 €	6 120 €
FRS Researcher	50+200	98 , 118 €	28 500 €
experts	100	118 €	11 800 €
<i>Total personnel</i>			46 420 €

Logistic	nb	Rates	
Meeting room + equipment			8 717 €

Travels –	Transportation	Per diems ¹	
5 FRS	1 500	17 * 230€	5 410 €
2 EXPERTS	600	2 * 3 * 230€	1 980 €
9 REPRESENTATIVES		(9*3*230)=	
3 America, 3 Africa, 3 Europe	10 200	6 210 €	16 410 €
<i>total</i>	12 300	11 500	23 800 €

Total: 78 937 €

¹ Per diems and hotel expenses are indicative and are based on the EC Mission Guide.

Second Workshop, based on rate applicable to Stockholm :

Personnel	Hours	Rates	
FRS Director and Coordinator	40	153 €	6 120 €
FRS Researcher	50+200	98 , 118 €	28 500 €
experts	100	118 €	11 800 €
<i>Total personnel</i>			46 420 €

Logistic	nb	Rates	
Meeting room + equipment			8 717 €

Travels –	Transportation	Per diems ¹	
5 FRS	1 800	20 * 260€	7 000 €
1 EXPERTS	300	3 * 260€	1 080 €
9 REPRESENTATIVES		(9*3*260)=	
3 America,3 Africa,3 Europ	10 200	6 210 €	17 220 €
<i>total</i>	12 300	13 000	25 300 €

Total: 80 437 €

HEADING 7 : 159 374 €

Total cost of project 3 without contingencies is 365 164 €.

¹ Per diems and hotel expenses are indicative and are based on the EC Mission Guide.

6.3. Itemised breakdown of cost (indicative)

Project 1 : Promotion of the universalisation of the Code	
Organization of a first outreach workshop in North Africa	249 657 €
Organization of a universalisation workshop on the margins of the 2010 Annual meeting of HCoC	132 575 €
	382 232 €
Project 2 : Support to implementation of the Code among subscribing States	
Setting up the prototype of a secure internet-based information system demonstrating quicker, easier and more secure access and exchange of information	145 230 €
Organization of one accompanied visit of international observers in the European Launch site (Kourou – French Guyana)	99 360 €
	244 590 €
Project 3 : Promotion of the further enhancement of the Code and its better functioning	
Elaboration of a policy-oriented study aiming at producing recommendations and advice to be discussed during the workshops and possibly submitted to the Annual meeting	143 580 €
A first side-event in 2009	62 210 €
Workshops	159 374 €
	365 164€
Total	991 986 €
Contingencies¹	23 014 €
Grand Total	1 015 000 €

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

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

7.1. Impact on human resources

None

FOLLOW-UP AND EVALUATION

8.1 Follow-up arrangements

The "Fondation pour la Recherche Stratégique" (FRS), Paris, will implement the projects under the responsibility of the Presidency and under the control of the SG/HR. The Commission will monitor the implementation of the project through regular checks such as on-the-spot control missions and interim reports as foreseen in the financial agreement between Commission and FRS.

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.

ANTI-FRAUD MEASURES

Controls may be undertaken by the Commission services, including OLAF, as well as by the European Court of Auditors or by any other qualified outside body chosen by the Commission for the purposes of checking that the Project and the provisions of this agreement are being properly implemented.