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COVER NOTE

From: Mr Alain LE ROY, Secretary-General of the European External Action Service

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To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

Subject: Implementing of the EEAS Review: Progress Report of the High Representative to the Council

Delegations will find attached document HR(2015) 170.

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HR(2015) 170

EUROPEAN EXTERNAL ACTION SERVICE



GREFFE

**Report of the High Representative of the Union
for Foreign Affairs and Security Policy**

of 22 December 2015

to the Council

on implementing the EEAS Review

HR(2015) 170

HR(2015) 170

Implementing the EEAS Review: Progress Report of the High Representative/ Vice-President to the Council

Introduction

The Council conclusions of 17 December 2013 invite "the next High Representative to assess progress achieved in the context of the EEAS Review and to present by the end of 2015 an evaluation of the organisation and functioning of the EEAS, accompanied, if necessary, by appropriate proposals, including for a revision of Council Decision 201Q/427/EU, in accordance with Article 27(3) TEU."

This paper responds to this mandate by presenting (i) a review of progress in consolidating the organisation and functioning of the EEAS since the 2013 review; (ii) an analysis of the main areas of ongoing work in this respect; and (iii) orientations for future reforms.

The present report assesses that the EEAS is still a relatively new organisation and it will therefore take more time to achieve full maturity, in particular regarding its internal corporate identity. Yet much has been achieved since the service was created on 1 January 2011, as the EEAS has increasingly demonstrated its capacity to add value on policy and to strengthen the EU's response to global challenges. There is no immediate need for the High Representative/Vice-President to propose changes to the Council Decision establishing the EEAS, although this could be necessary at a later stage, e.g. to give effect to the EU global strategy on foreign and security policy or future decisions to be taken on the reform of CSDP and crisis management structures. Equally, there are no specific recommendations for the Commission to propose changes to the staff regulations or the financial regulation; however the EEAS is in close touch with the relevant Commission services to ensure that the regulatory framework for the service is appropriate and responds to the specific challenges facing EU Delegations. In this context, the High Representative may feed in suggestions for the next regular revision of the Financial Regulation.

Consolidating the organisation and functioning of the EEAS

The 2013 review of the EEAS contained a number of short and medium-term recommendations to improve the organisation and functioning of the service. There has been significant progress on many of the key areas in the EEAS review.

1. EEAS Organisation and Structure

The High Representative/Vice-President adopted a new streamlined organisational structure for the EEAS in July 2015 which entered into force on 16 September. The main changes were (i) clearer and shorter reporting lines; (ii) establishment of a traditional pyramidal top management structure (Secretary General and three Deputy Secretaries General to replace the previous Corporate Board, and eliminating the function of Chief Operating Officer); (iii) creation of a new post of Deputy Secretary General for economic and global issues; (iv) CFSP departments and crisis response brought together under the authority of a Deputy Secretary General, who will also co-operate closely with the EU Military Staff (the previous post of Managing Director for crisis response has been eliminated); (v) Managing Directors responsible for the main geographical regions to be supported by Deputy Managing Directors, effectively cutting out one layer in the hierarchy. The same structure applies under the Managing Director for Human Rights, global and multilateral issues; (vi) streamlining of administrative and support services in two directorates rather than three previously, under the authority of a Director General for Budget and Administration; (vii) creation of a new function of gender adviser attached directly to the Secretary General.

In parallel to these structural changes, the High Representative has implemented a first round of mobility for senior managers in the EEAS, involving virtually all posts of Managing Director and above.

2. The High Representative's enhanced role as Vice President of the Commission

As part of the new Commission structure introduced by President Juncker, the Commissioners' Group on External Action has been established with the Vice-President/High Representative Mogherini chairing monthly meetings of Commissioners with external relations responsibilities; other Commissioners can participate in discussions, depending on topics. This Group has become very valuable for the co-ordination of external policies of the Union and a forum for up-stream discussions before decisions are made. The agendas of these meetings included i.a. the review of the European Neighbourhood Policy, the adoption of an Energy Diplomacy Action Plan, spending

HR(2015) 170

priorities on external actions, EU development policy post-Cotonou, and more recently Economic Diplomacy, the EU response to the crisis in Syria and external relations aspects of the ongoing refugee and migration crisis.

In parallel to this significant strengthening of co-operation on policy issues, High Representative/Vice-President Mogherini has agreed with Vice-President Georgieva that the relevant services should undertake a review of the use of human resources in the EEAS and the Commission services devoted to external relations in both headquarters services and in the EU Delegations. The aim of this review is to identify synergies and to examine the possible improvements to cooperation between the EEAS and Commission services, notably on human resource issues and a fluid exchange of expertise and staff (see below).

3. EU global strategy on foreign and security policy

The European Council of 25 June 2015 invited the High Representative to develop an EU global strategy on foreign and security policy. This mandate follows a first phase of a strategic reflection on the changing global environment and the EU's position within it that was initiated by the December 2013 European Council. The High Representative's report "The EU in a Changing Global Environment: a more connected, contested and complex world" was presented to the European Council in June 2015 and provides the starting point for the ongoing work on the new global strategy.

The aim of the new strategy will be to provide a broad vision for the EU's global role, with emphasis of where action at the level of the EU can add most value to national capabilities. Security and defence policy will be a central theme, but not the sole focus. The strategy will aim to establish a clear political framework, with guidelines for action, while remaining sufficiently flexible to respond to changing realities. The EEAS will fully support the High Representative/Vice President in this endeavour, which is conducted in very close co-operation with Member States, EU institutions, multilateral organisations and other stakeholders, also drawing on input from Headquarters and EU delegations. The 2016 Commission Work Programme includes a contribution to the Global Strategy as regards policy areas falling under its responsibility. Active outreach to think-tanks, academics and NGOs will be important. The EEAS has established a dedicated website to act as a repository and reference tool for this collaborative work. The High Representative/Vice-President is due to present the conclusions of this work to the European Council in June 2016.

4. Working methods in the Council

The High Representative/Vice-President Mogherini has taken a number of initiatives since taking office with a view to improving the working methods of the various Council formations in the external relations field (FAC, Defence, DEV, and TRADE).

Throughout 2015, a number of strategic debates have been held by the Foreign Affairs Council on key regional and horizontal topics on the basis of issues papers. The coherence between the work of the Foreign Affairs Council and the Commissioners Group on External Action has been strengthened. On several occasions, joint meetings have been held between the Foreign Affairs Council and other Council formations, such as the Justice and Home Affairs Council. External guests have been invited from a wide field of backgrounds to participate in exchanges with the Foreign Ministers. Furthermore, agendas have become more focused in order to allow Ministers a substantive discussion on core political questions. To facilitate this, as many non-controversial issues as possible have been moved to A-points. Further efforts have been made to ensure the timely distribution of documents.

5. Active engagement with the European Parliament

The High Representative made a number of commitments during her appointment hearing regarding her presence and participation in the work of the European Parliament. Thus, since the start of her mandate, she has participated in 26 plenary debates, in 7 part-sessions and has attended 6 meetings of the Foreign Affairs Committee. The recent agreement with President Schulz on guidelines for the EU Delegations to support official visits from the European Parliament in third countries is a particularly important step forward. The High Representative/Vice-President has also made a point of engaging regularly with the European Parliament through pre-FAC discussions with or debriefs of the AFET Committee.

6. EU Delegations

The pre-Lisbon responsibilities of the rotating Presidency for local co-ordination and external representation of EU positions are fully and successfully transferred to the 139 EU delegations. Delegations have established procedures for regular meetings of EU Heads of Mission as well as meetings at other levels as local circumstances dictate. Political reporting is generally exchanged with Member States (including in a growing number of Delegations where the technical means exist via secure communications). Increasingly EU Delegations and MS missions and embassies are

HR(2015) 170

working together on public diplomacy, joint visits and other collective activities that reinforce the coherence, visibility and effectiveness of the EU.

Notwithstanding the difficult budget situation, the EEAS has been able to develop the network in response to new political priorities, in particular with provision in the 2016 budget for a new Delegation in Iran if the political conditions are right, and the establishment of a permanent presence for the Delegation to Somalia in Mogadishu. Member States have also agreed to the creation of a number of specific posts in key delegations for security/counter-terrorism specialists and more recently additional staff to deal with migration issues (in both cases on the basis of seconded national experts).

There has also been good progress on practical co-operation between EU Delegations with national embassies of Member States and the offices/representatives of EU institutions/bodies in third countries.

7. EU Special Representatives (EUSRs)

Following the revision of the EUSR Guidelines in March 2014, the High Representative/Vice-President has undertaken a further review of the EUSR system looking at the political objectives, visibility of the EU, interaction with the EEAS, and resource issues, including whether the EEAS could take on some of the tasks of the EUSR staff. The High Representative/Vice-President has confirmed the value-added of the present EUSRs as a flexible instrument to attain specific political objectives and to increase EU visibility, as demonstrated with the recent appointments of two new EUSRs for Central Asia and the Middle East Peace Process. She has therefore proposed to maintain the existing EUSRs, subject to certain adjustments, and therefore to prolong the existing mandates until the end of February 2017. For the three specific cases where EUSRs are "double-hatted" as heads of EU Delegations (Kosovo, Bosnia Herzegovina and Afghanistan), the envisaged phasing out of these EUSR mandates is currently assessed as this will have budgetary implications.

8. EEAS Staffing Issues

The EEAS achieved the objective of 1/3 of national diplomats in AD positions by the target date of mid-2013 and has maintained this level since then, notwithstanding budget pressures and the need to reduce statutory posts by 1% per year. Good progress has been made on ensuring a meaningful presence of all MS nationals in EEAS, including at least one Head of Delegation for all but 5 MS.

HR(2015) 170

The latest round of appointments to senior management positions in HQ decided by the High Representative has further contributed to both the gender and geographic balance at that level too.

On the basis of the first years of experience of having a significant population of temporary agents from national diplomatic services in the service, the EEAS has adopted specific legal rules governing the employment of these staff, in line with the principle of equal treatment with officials, and after consultation of Member States through the network of Human Resources Directors from national ministries.

Current Challenges

In addition to the ongoing work on many of the issues listed above, the following more recent initiatives can be highlighted.

1. Reform of CSDP and Crisis Management Structures

Following the recent changes to the organisation of the EEAS, a further reorganisation is planned to improve the coherence and effectiveness of the EEAS departments responsible for security policy, crisis management and the common security and defence policy. These changes should lead to streamlining of decision-making and clarified reporting lines which should improve the responsiveness of the EU's crisis response instruments and improved coherence with the wider political goals.

2. Optimal Use of Human and Financial Resources

The EEAS and the Commission services are working together on ways of making more effective use of human resources devoted to external relations issues in headquarters and in EU Delegations. These include more co-operation between EEAS and Commission staff working on given countries/regions and thematic issues; achieving synergies between crisis response services; reviewing service level agreements under which EEAS benefits from administrative support from Commission services payroll, buildings management, IT, human resources management etc.); optimise the use of Commission and EEAS staff resources in EU delegations in accordance with the existing rules, and closer co-operation on security of EU Delegations and the duty of care for EU staff.

While the overall objectives for EEAS staffing are largely on track, the institutional culture of the organisation continues to evolve. A number of structural imbalances require ongoing attention,

HR(2015) 170

including to achieve better gender balance (particularly at management level); a rebalancing of the distribution of temporary agents between posts in Delegation and Headquarters (particularly at the level of middle management in HQ and equivalent level posts of Head of Delegation); and a more dynamic career management policy that offers positive incentives for all staff categories. These objectives are pursued within the framework of the EU staff regulations, including the specific provisions which apply in the EEAS regarding the equal treatment of permanent officials from the institutions and temporary agents from national diplomatic services.

Options for the Future

There are a number of areas raised in the EEAS review of 2013 that have not yet been addressed which merit further consideration (and in some cases could require changes to legal texts).

- review of the **chairs of working groups** in the area of external relations that are under rotating presidency. This was specifically mentioned in the December 2013 Council Conclusions and might require changes in the Council Decision on the exercise of the Presidency of the Council.
- further developments in the role and responsibilities of **EU Delegations**, following the recent decision to deploy counter-terrorism/security experts and migration co-ordinators. This could include further reflections on the role of EU Delegations in facilitating and supporting coordination between Member States in providing consular assistance to EU citizens in third countries. The recent Directive 2015/637 on the coordination and cooperation measures to facilitate consular protection for unrepresented citizens of the Union in third countries, adopted in April 2015, recognises the role played by EU Delegations and provides scope for enhancing that role.
- modification of the **Financial Regulation** to improve/simplify financial management of administrative expenditure in EU Delegations. The Commission is working on draft proposals for the next regular review of the Financial Regulation which offers the opportunity for the High Representative to contribute ideas.
- the High Representative intends to work with the Commission on ways of facilitating the **two-way exchange of officials between the EEAS and the Commission** within the existing staff regulations (e.g. by exploring scope for secondments as a complement to inter-institutional transfers)
