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WORKING DOCUMENT

From: General Secretariat of the Council
To: Working Party of Foreign Relations Counsellors

Subject: EUSR South Caucasus and crisis in Georgia - BUDGETARY IMPACT
STATEMENT (BIS)

BUDGETARY IMPACT STATEMENT

POLICY AREA(S): EXTERNAL RELATIONS

ACTIVITY (-IES): COMMON FOREIGN AND SECURITY POLICY (CFSP)

TITLE OF ACTION: COUNCIL DECISION (CFSP) 2025/XXX OF XX XX 2025 EXTENDING THE MANDATE OF THE EUROPEAN UNION SPECIAL REPRESENTATIVE FOR THE SOUTH CAUCASUS AND THE CRISIS IN GEORGIA AND AMENDING DECISION (CFSP) 2024/2080

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

14 04 02 00 European Union Special Representatives

2. LEGAL BASIS

Treaty on European Union, in particular Articles 31(2) and 33.

Treaty on the Functioning of the European Union, in particular Article 317.

The EU funds allocated to this action shall be implemented by the EU Special Representative (EUSR) under indirect management according to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union, in particular Titles V, VI and VII.

3. OVERALL FIGURES FOR THE FINANCIAL YEAR (IN EUROS) ⁽¹⁾

3.a. - Current year

	Budget line		Commitments	Payments
1	Initial appropriations for the financial year (voted budget)		21 262 484,00	21 262 484,00
5	Transfers ⁽⁴⁾			
7	Additional appropriations (C4, C7)			
8	Carry over appropriations (C2, C3, C5) ⁽⁵⁾		138 809,01	138 809,01
	Total appropriations		21 401 293,01	21 401 293,01
	Appropriations already set aside by another work programme ⁽⁶⁾	<i>At date of _12/06/2025_</i>	15 931 575,71	8 112 019,50
	Balance available		5 469 717,30	13 289 273,51
	Total for the measure proposed ⁽⁷⁾		2 537 043	2 537 043

3.b. - Following year

(If the proposal covers year n+1)

	Budget line		Commitments	Payments ⁽⁶⁾
1	Total initial appropriations for the financial year (as foreseen in the draft budget)			
	Total appropriations		--	--
	Appropriations already set aside by another work programme ⁽⁶⁾			
	Balance available		--	--
	Total for the measure proposed⁽⁹⁾		2 793 164	2 793 164

3.c. – Subsequent years

(If applicable. The commitments should be divided over the whole period planned ⁽¹⁰⁾)

	N	N+1	N+2	Total
Budget line	2 537 043	2 793 164		5 330 208

Appropriations referred to in sections 3.b and 3.c above are subject to the availability of budget appropriations for the financial years after the adoption of the annual budget or as provided for in the system of provisional twelfths.

(1) Section to be repeated for each budget line involved.

(4) Net balance taking into account all transfers from and to the line implemented so far in the year.

(5) Please specify which type of appropriations (e.g. NGEU, third country contributions, C2, C3, C5).

(6) Whether committed or not.

(7) Total payment appropriations (including carry overs, when applicable) for the proposed measure should match the amount shown for year N in the payment schedule (section 6).

(9) Total payment appropriations for the proposed measure should match the amount shown for year N+1 in the payment schedule (section 6).

(10) In case the budgetary commitment(s) for one or more actions is(are) broken down into annual instalments (in line with the basic act), the amounts per year should take into account the indicative amounts of annual instalments for each year.

4. DESCRIPTION OF THE ACTION

The EUSR's mandate shall be based on the policy objectives of the Union for the South Caucasus and the crisis in Georgia, including the objectives set out in the conclusions of the extraordinary European Council meeting held in Brussels on 1 September 2008, the Council conclusions of 15 September 2008 and of 27 February 2012, as well as the conclusions of the European Council meeting held in Brussels on 26-27 October 2023. Those objectives include:

- (a) in accordance with the existing mechanisms to prevent conflicts in the region, to contribute to a peaceful settlement of conflicts in the region, including the crisis in Georgia and the normalisation process between Armenia and Azerbaijan, to support the implementation of such a settlement in accordance with the principles of international law;
- (b) to engage constructively with the main interested actors regarding the region;
- (c) to encourage and to support further cooperation between Armenia, Azerbaijan and Georgia, and, as appropriate, their neighbouring countries;
- (d) to enhance the Union's effectiveness and visibility in the region.

In order to achieve the policy objectives, the EUSR's mandate shall be to:

- (a) develop contacts with governments, parliaments, other key political actors and civil society in the region;
- (b) encourage the countries in the region to cooperate and facilitate such cooperation on regional themes of common interest, such as common security threats, the fight against terrorism, illicit trafficking and organised crime; encourage and facilitate cross-border and trans-boundary cooperation where feasible to address local needs and build trust and reconciliation;
- (c) contribute to the peaceful settlement of conflicts in accordance with the principles of international law and facilitate the implementation of such settlement in close coordination with the United Nations and the OSCE;
- (d) with respect to the crisis in Georgia:
 - (i) help prepare for the international talks held under point 6 of the settlement plan of 12 August 2008, the Geneva International Discussions, and its implementing measures of 8 September 2008, including on arrangements for security and stability in the region, the issue of refugees and internally displaced persons, on the basis of internationally recognised principles, and any other subject, by mutual agreement between the parties;
 - (ii) help establish the Union's position and represent it, at the level of the EUSR, in the talks referred to in point (i); and
 - (iii) facilitate the implementation of the settlement plan of 12 August 2008 and its implementing measures of 8 September 2008;
- (e) with respect to the normalisation process between Armenia and Azerbaijan:
 - (i) facilitate meetings between the parties with a view to reaching a comprehensive, fair and lasting peace deal, based on mutual recognition of territorial integrity,
 - (ii) coordinate efforts with international partners, and
 - (iii) promote the involvement of all strands of society in both countries;
- (f) facilitate the development and implementation of confidence-building measures in coordination with Member States' expertise where available and appropriate;
- (g) facilitate and contribute to inclusive peace-building efforts within the societies with the aim of overcoming the conflicts and consolidating peace;
- (h) assist in the preparation, as appropriate, of Union contributions to possible conflict settlement;

- (i) intensify the Union’s dialogue with the main actors concerned regarding the region;
- (j) assist the Union in further developing a comprehensive policy towards the South Caucasus, especially in opening borders and ways of communication;
- (k) in the framework of the activities set out above, contribute to the implementation of the Union’s human rights policy and the Union Guidelines on Human Rights, in particular with regard to children and women in areas affected by conflicts, especially by monitoring and addressing developments in this regard.

The duration of the EUSRs mandate is 24 months.

The Project will be funded by EU financial contribution and contributions in kind by Member States as follows:

Financial Contributions (in EUR)	Year 1 1 Sept 2025 – 31 Aug 2026	Year 2 1 Sept 2026 – 31 Aug 2027	Total mandate
<u>EU Contribution:</u>	2 537 043	2 793 164	5 330 208
<u>Bilateral contributions by Member States</u>	n/a	n/a	n/a
<u>Bilateral contributions by non-member states:</u>	n/a	n/a	n/a
TOTAL	2 537 043	2 793 164	5 330 208

Contributions in Kind	
<u>EU Member States and Institutions</u>	Member States contribute to the EUSR by seconding [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] based in the field and covering their costs, including salaries, expenses for medical check, travel to and from theatre.
<u>Non-EU participants</u>	Not applicable

5.1.1.2 Seconded Staff

Salaries, expenses for medical check and travel related to taking office and upon termination of the seconded staff, are covered by the seconding state and/or institution, respectively. High-risk insurance and daily allowances (per diem, hardship and risk) for seconded personnel are covered by the budget of the mandate.

Seconded staff in Brussels receives an allowance of EUR 173.30 per day, corresponding to the allowance for Seconded National Experts to EU Institutions, except if the secondment is from a Brussels based EU Institution.

Seconded staff in the region receives an allowance of EUR 119.58 per day for Tbilisi, EUR 124.56 for Baku and Yerevan.

5.1.1.3 International contracted staff

The salary, health and high-risk insurance, daily allowances and removal and travel allowances of the international contracted staff are covered by the budget of the mandate. The daily allowances for international staff are composed of three elements: per diem, hardship allowance (where appropriate) and risk allowance (where appropriate).

The budget covers the health and high-risk insurance for the EUSR and her international team members, whether they are paid from the budget or seconded by Member States.

The budget also includes a provision for financial liability insurance. Medical insurance is foreseen for local staff. The budget included for Training is to cover the costs, inter alia, of the [REDACTED] for new staff joining the EUSR.

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

5.1.2 Mission expenditure (EUR 419 978)

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. 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 following missions are foreseen:

- Europe [REDACTED]
- To the region;
- Other locations.

5.2 Itemised breakdown of cost (indicative)

Budget heading	Current budget (EUR)	Proposed budget Year 1	Proposed budget Year 2	Total budget Yer 1 + 2 (EUR)
1. Personnel costs	1 688 237	1 786 313	1 800 875	3 587 188
2. Missions	207 129	209 989	209 989	419 978
3. Running expenditure	453 266	529 386	517 626	1 047 012
4. Capital expenditure	4 155	4 155	3 655	7 810
5. Representation	7 200	7 200	7 200	14 400
Sub-total (1-5)	2 359 987	2 537 043	2 539 345	5 076 388
Contingencies	117 999		253 819	253 819
Total	2 477 987	2 537 043	2 793 164	5 330 208

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. SCHEDULE OF PAYMENTS (IN EURO)

Line(s)	Commitments		Payments				
			Year n	Year n+1	Year n+2	Year n+3	Subsequent years
<i>Line 14 04</i>							
<i>02 00</i>	Year n	2 537 043	2 537 043				
	Year n+1	2 793 164		2 793 164			
	Subsequent years						
	Total	5 330 208	2 537 043	2 793 164			

7. ABSORPTION RATE OF THE CURRENT MANDATE (Forecast)

Budget heading	Current budget (EUR)	Expected absorption rate by the end of the mandate (%)
1. Personnel costs	1 688 237	■
2. Missions	207 129	■
3. Running expenditure	453 266	■
4. Capital expenditure	4 155	■
5. Representation	7 200	■
Sub-total (1-5)	2 359 987	■
Contingencies	117 999	■
Total	2 477 987	■