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R E P O R T

of the Committee on External Economic Relations
on Community representation in third countries

Rapporteur: Mr Michael HINDLEY

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A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)

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= Consultation procedure requiring a single reading

**II

= Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment

**I

= Cooperation procedure (first reading)

= Parliamentary assent which requires the votes of a majority of the current Members of Parliament

C O N T E N T S

	<u>Page</u>
Procedural page	3
A. MOTION FOR A RESOLUTION	4
B. EXPLANATORY STATEMENT	6
<u>Annex</u> : Motion for a resolution Doc. B3-1304/90	10
Opinion of the Committee on Development and Cooperation	11

At the sitting of 11 September 1990, the President of the European Parliament announced that he had forwarded the motion for a resolution by Mr Moorhouse and others on Community representation in Member States and third countries, pursuant to Rule 63 of the Rules of Procedure, to the Committee on External Economic Relations as the committee responsible and at the sitting of 7 October 1991 to the Committee on Development and Cooperation for its opinion.

At its meeting of 28 September 1990 the committee decided to draw up a report and appointed Mr Hindley rapporteur.

At its meeting of 30 May 1991 and 28 February 1992 the committee considered the draft report.

At the last meeting it adopted the resolution unanimously.

The following took part in the vote: De Clercq, chairman; Cano Pinto and Stavrou, vice-chairmen; Hindley, rapporteur; Christensen I., de Vries, Izquierdo Rojo (for Bettiza), Miranda de Lage, Moorhouse, Ortiz Climent (for Chabert), Price, Sainjon and Visser (for Benoit).

The opinion of the Committee on Development and Cooperation is attached to this report.

The report was tabled on 28 February 1992.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

MOTION FOR A RESOLUTION

on Community representation in third countries

The European Parliament,

- having regard to the motion for a resolution by Mr Moorhouse and others on Community representation in Member States and third countries (B3-1304/90),
 - having regard to the report of the Committee on External Economic Relations and the opinion of the Committee on Development and Cooperation (A3-0090/92),
- A. whereas the Community is represented by Delegations of the Commission in 110 third countries
(44 Delegations responsible to DG I)
(69 Delegations responsible to DG VIII)
(3 Press and information offices responsible to DG X)
- B. whereas the number of Delegations has risen exponentially, since the first delegation in a third country was established in 1964 to the international organizations in Geneva,
- C. whereas a 'Secretariat General Inspection' was established in 1982 with a brief to examine and make recommendations on all aspects of a Delegation's performance,
- D. whereas the Delegations co-operate with the missions of Member States in third countries in various fields,
- E. whereas the experience and local knowledge which accrues in the Delegations is clearly a resource which the European Parliament would do well to exploit,
- F. whereas the standing delegations of the European Parliament to third countries visit these countries on a regular basis,
- G. whereas, in addition to the Community delegations, EC experts are deployed in developing countries to implement projects financed by the Community and whereas a satisfactory development policy requires that these experts should be available in the longer term in order to guarantee the quality and success of the projects,
1. Takes the view that MEPs, before visiting a third country, or when writing a report on a third country, should consider contacting the Commission both for a briefing from the relevant department in Brussels, and in order, in the case of a visit, to lay on further briefings from the Delegation on arrival;
2. Considers that the Inspection should have the possibility of reporting on an informal basis on its activities to the appropriate committee, i.e. REX, Development or Foreign Affairs;

3. Considers that the European Parliament should be consulted about the establishment of new delegations so that it may deliver its opinion on the appropriateness of such a decision;
4. Proposes that the European Parliament delegations seek a close, but not yet too formal link with the Commission Delegations in the respective country for the benefit of mutual understanding;
5. Encourages the rapporteurs, as a matter of course to seek the informed help and guidance available in the Delegations when preparing reports on EC relations with Third countries;
6. Recommends that young, professionally qualified persons should be given the opportunity to participate in EC projects in developing countries for a number of years as assistants to the experts, as is the case in the bilateral development policy of a number of Member States and in other international organizations such as the WHO, ILO and FAO;
7. Recommends that, where appropriate, EC Delegations designate one official as liaison with the respective national Parliament;
8. Instructs its President to forward this resolution to the Council and the Commission of the EC.

B

EXPLANATORY STATEMENT

COMMUNITY REPRESENTATION IN THIRD COUNTRIES

The 'Directory of the Delegations of the Commission of the European Communities and of Offices in the Community' updated in February 1991 lists 41 delegations responsible to DG I, 65 responsible to DG VIII and 20 responsible to DG X.

This report seeks to investigate the situation of the Commission Delegations to third countries as is appropriate within the competence of the External Economic Relations Committee (REX) of the European Parliament (ie those responsible to DG I). It therefore does not assess the Commission delegations in the member states themselves, nor in those countries which fall within the ACP/EC relationship. The author hopes however, that the latter delegations will be subject of an informed and well-considered opinion from the Development Committee.

HISTORICAL AND LEGAL BACKGROUND

The first Delegation to a third country was established in 1964 by the delegation to international organisations in Geneva, Switzerland.

In general, there has been no clearly defined policy as to where to establish a delegation. Delegations have been established for two basic ad hoc reasons. They have resulted from a desire to 'plant a flag' to indicate the EC's interest in a particular area at a particular time; and secondly, in response to demand in the host country. Clearly, there reason for establishment can be and has been a combination of the two.

The Commission has also 'offices' which have or can become 'delegations' as the workload or perceived need or importance of relationships between the EC and the particular country or area demands.

The number of delegations has risen exponentially, 9 in the 1970s, 20 in the 1980s; clearly reflecting both the growing confidence on the part of the EC in outward expansion and growing appreciation of the role of the EC throughout the world.

It is to be expected that this trend continues as more and more third countries find it more convenient for a variety of reasons to deal with an entity known as 'Europe' a term which for practical purposes they identify with the EC.

The Commission's delegations have diplomatic status under the Vienna Convention (1961) and the Commission establishes such delegations by bilateral agreements in accord with that Convention. 'Heads' of delegations hold the personal rank and courtesy title of 'Ambassador', and in most countries have been accredited to the highest level.

The personal rank and courtesy title of 'Ambassador' concludes the 'Information Note on Commission Delegations' (February 1989)
'Has proved to be acceptable .../and/
constitutes a useful reinforcement ... of
authority and effectiveness'

The officials in such delegations have the same system of administrative grades and titles as the normal Commission service.

MONITORING THE WORK OF THE DELEGATIONS

It must be born in mind that the staff and Heads of these delegations are from a more varied background than the normal staff of a member states' diplomatic corps. Their career structure and experience is that of the EC itself.

In order to monitor the work of the delegations the Commission established a 'Secretariat General Inspection' in 1982 with a brief to examine and make recommendations on all aspects of a Delegation's performance.

The mandate of the inspection was further clarified by a Commission decision of 1987 which specified the procedure for implementation the Inspection's recommendations.

The listed aims of the Inspection are to ensure;

1. that the structure of the delegation enables efficiency
2. that the performance matches the purpose and expectation
3. that the conditions are adequate to the local circumstances
4. that accounting and other Commission procedures are respected

It is hoped that such inspections follow the normal course as in the Diplomatic Corps, every five years.

Such reports are made to the Directorate-General (DGI) and are confidential.

DAY TO DAY WORK OF THE DELEGATIONS

The Commission's various delegations as will be seen from the above act as a virtual 'EC Embassy', performing the normal role of diplomatic representation in as far as the EC's competencies extends.

The delegations co-operate with the missions of Member states in third countries in various fields, especially in activities related to development aid.

They clearly act as the eyes and ears and mouth of the EC. They are the two-way purveyors of information, guidance and advice.

This can be particularly useful in the field of trade and commercial contacts, especially in relation to negotiations on access to third country markets.

However, the delegations do not seem to have a clearly defined role in expanding the EC's trade.

The basis for co-operation between Member states missions and Commission delegations was set out in the Decision adopted by the Foreign Ministers on the occasion of the signing of the Single European Act;

1. Member states' missions and Commission delegations shall intensify their co-operation in third countries and international organisations in the following areas:
 - (a) exchange of political and economic information
 - (b) pooling of information on administrative and practical problems
 - (c) mutual assistance in the material and practical sphere
 - (d) communications
 - (e) exchange of information and drawing up of joint plans in case of local crises
 - (f) security measures
 - (g) consular matters
 - (h) health, particularly in the field of health and medical facilities
 - (i) educational matters (schooling)
 - (j) information
 - (k) cultural affairs
 - (l) development aid, the relevant Council provisions should be noted here

In developing countries the delegation's efforts can concentrate on the formation and monitoring of that country's indicative programme with the EC. The question then arises as to whether this is the best use of the talents and time of EC officials at that grade.

RELATIONS WITH PARLIAMENT

At the moment the only formal way for Parliament to monitor and make suggestions on delegations is when it considers the Budget.

Clearly it is important to give Parliament the opportunity to assess the Delegations in other contexts as well.

A draft guideline is being prepared on how commission delegations can help with European Parliamentary visits.

In brief these guidelines recommend that the delegation be closely involved in the planning of the visit and the actual visit itself.

Whether the EP delegations which are bilateral ones with the host Parliamentary Assembly will wish to hand over the detailed planning, or indeed whether the host Assembly will, is open to question or will need some discussion.

Clearly, much useful information is to be gleaned from a courtesy call by visiting individual MEPs to the delegation in the respective country.

It is worth noting that although delegations keep in touch with the local political scene, it is only the Washington DC delegation which designates one official as responsible for relations with the national Parliament (the US Congress). Elsewhere, covering the national Parliament is not given this

specific importance. The Washington experience has been successful, a view held by Members of the European Parliament and by members of the US Congress.

Certainly it makes for an obvious and easy two-way access point for elected members, not only for the arrangements of the formal EP delegations on official visits, but also for the useful and continuous contacts between elected politicians.

RECOMMENDATIONS

The experience and local knowledge which accrues in the delegations is clearly a resource which the EP would do well to exploit, formally and informally. Without encroaching onto the Commission's proper competencies the EP could be involved in the work of the Inspection.

Therefore, your rapporteur makes the following suggestions;

1. Before visiting a third country, or when writing a report on a third country, MEPs should consider contacting the Commission both for a briefing from the relevant department in Brussels, and in order, in the case of a visit, to lay on further briefings from the delegation on arrival.

As part of this briefing for a visit or report, MEPs might consider asking the Commission's Inspectorate for confidential briefing on the relevant delegation.

2. That the Inspection has the possibility of reporting on a informal basis on its activities to the appropriate committee, ie REX or development.
3. That the EP delegations seek a more close, but yet not too formal a link with the Commission delegation in the respective country for the benefit of mutual understanding.
4. That individual rapporteurs be encouraged as a matter of course to seek the informed help and guidance available in the Delegations when preparing reports on EC relations with Third countries.
5. That where appropriate, EC Delegations adopt the practise of the Washington DC Delegation and designate one official as liaison with the respective national Parliament.

MOTION FOR A RESOLUTION

Tabled pursuant to Rule 63 of the Rules of Procedure by the following members:
MOORHOUSE, McMAHON, CANO PINTO, STAVROU, de VRIES, KELLET-BOWMAN

on Community representation in Member States and third countries

The European Parliament,

- A. Aware of the rapidly growing demand for information on current European Community developments especially in regard to the impact of '1992' on Member States and third countries,
- B. Concerned that the Community is not always effectively represented by the Commission in its dealings with Governments and Parliaments in Member States and third countries on current issues relevant to the Community nor in negotiations on the GATT or on other specific trade and economic issues,
 - 1. Calls for an investigation by the relevant Committees on the extent to which the Commission is fulfilling its existing responsibilities within the Community and equally in its missions in third countries;
 - 2. Further urges the Parliament to examine the proposed plans by the Commission to set up new missions in third countries and to make recommendations.

O P I N I O N

(Rule 120 of the Rules of Procedure)

of the Committee on Development and Cooperation
for the Committee on External Economic Relations

Draftsman: Mr Maxime VERHAGEN

At its meeting of 18 September 1991 the Committee on Development and Cooperation appointed Mr VERHAGEN draftsman.

At its meeting of 21 and 22 January 1992 it considered the draft opinion.

At the last meeting it unanimously adopted the conclusions.

The following took part in the vote: Mr WURTZ, acting chairman and vice-chairman; Mrs BELO, vice-chairman; Mr M. VERHAGEN, draftsman; Mr ANDREWS, Mr BALFE (deputizing for Mr McGOWAN), Mrs BRAUN-MOSER, Mrs CONAN (deputizing for Mrs TAZDAIT), Mrs DALY, Mrs EWING, Mr LARONI (deputizing for Mr BAGET BOZZO), Mr LOMAS, Mrs MIRANDA (deputizing for Mr BIRD), Mrs NAPOLETANO, Mrs SIMONS, Mr TELKAMPER, Mr TINDEMANS, Mrs VAN HEMELDONCK, Mrs VAN PUTTEN and Mr WYNN (deputizing for Mrs BUCHAN).

I. INTRODUCTION

While the report of the Committee on External Economic Relations is concerned with all aspects of Community representation in third countries, the opinion of the Committee on Development and Cooperation will deal only with Community representation in the developing countries, through Commission delegations.

These delegations in developing countries can be divided into 2 distinct categories with quite different responsibilities: delegations in the ACP and Maghreb/Mashraq countries, and those in what used to be known as the non-associated countries, the developing countries of Asia and Latin America.

II. COMMUNITY REPRESENTATION IN THE ACP COUNTRIES AND IN THE MAGHREB AND MASHRAQ COUNTRIES

Community delegations in the ACP and in the southern and eastern Mediterranean countries have a precisely defined role with regard to development cooperation. In the case of the ACP countries the delegation's functions are laid down in Chapter 5 of Lomé IV, notably in Articles 284, 286, 287, 288, 289, 290, 292, 296, 301, 311, 312, 316, 317, 318 and 319. There is even a section of the Convention, section 3 of Chapter VI entitled 'the Delegate', in which the delegate's duties with regard to the management and execution of assistance under the EDF are specified.

Briefly, the delegate acts as the agent of the Commission in the ACP State, maintaining close contacts with the national authorising officer. The delegate participates in the appraisal of projects and programmes, in the preparation of tender dossiers, in the preparation of financial proposals. In the case of accelerated procedures, direct agreement contracts, and contracts for emergency assistance, the delegate is required to approve, before they are issued by the National Authorising Officer, invitations to tender. The delegate is present at the opening of tenders, and receives copies of them and the results of their examination. The delegate is obliged to endorse contracts and estimates in the case of direct labour. It is the delegate's duty to ensure that projects and programmes are executed in accordance with the predefined specifications and in accordance with the time schedule laid down in the financial decision. At the end of each year the delegate must prepare a report on the implementation of the national indicative programme and regional programmes concerning his areas of responsibility.

In addition, the delegate acts as the Commission's 'ambassador'. While his, or her, political role is clearly less than that of a country's diplomatic representative, nevertheless the delegate does have a significant, and growing, diplomatic function, in some ways analogous to that of an ambassador (though obviously without any consular functions). Will this change in the light of political union and the extension of the Schengen Agreement? In almost all ACP countries the delegate and delegation have full diplomatic status, depending on the terms of the headquarters agreement (accord de siège).

The Community, through the Commission, is responsible for key aspects of international relations, notably in the field of international trade. This gives Community representatives, in all countries, certain obligations. Here,

however, the responsibilities of the delegate, compared with those of the ambassador representing the current Council Presidency, need to be clearly defined. This opinion will return to this question.

In all ACP countries the delegate fulfils a role of coordinator of Community and Member State development assistance. The effectiveness of this process varies from country to country, depending on the attitudes of the diplomatic representatives of the Community Member States in post. In many ACP countries the delegate ensures that information regarding bilateral projects and programmes, and those financed under the EDF, is circulated. The provision of such information on a timely basis can prevent waste through duplication of effort, or through the provision of assistance to mutually incompatible projects such as can happen in countries where the central authority is inadequately equipped.

The delegate has a vital role to play in the implementation of decentralised development, which will grow in importance under Lomé IV. Furthermore, in the context of the resolution on human rights, democracy and development adopted by the Council on 28 November 1991, the delegates will be involved. It is desirable for delegates to take part in the consultations on human rights and democracy provided for in the last paragraph of article 10 of this resolution.

Under the EDF procedures most decision-making is centralised in Brussels, notably through the EDF committee. This leads to delays which can result in increased costs due to inflation, currency fluctuations, etc. The Development Committee takes the view that greater powers of decision involving small sums should be accorded to delegates, thus speeding up procedures. There are, however, risks involved. A delegate is already subject to local pressures, particularly in regard to his monitoring role, and his powers with regard to small realisations such as micro-projects. To give greater decision-making powers where large sums are involved to a delegate on the ground would be to subject him to what might be almost intolerable pressures in certain countries. While it is necessary to streamline decision-making procedures under the EDF through decentralisation, the granting of greater discretionary powers to delegates should be limited. Some progress in this respect has already been made under Lomé IV.

The role of Community delegations in the Maghreb and Mashraq countries is in many respects similar to that in the ACP States. Under the 'Mediterranean Agreements', and particularly the financial protocols attached thereto, the delegate has responsibilities regarding the approval, implementation and monitoring of Community programmes and projects. It could be argued that the 'political' role of delegates in Maghreb and Mashraq countries is also on the increase. All of this calls for a precise delineation of responsibility with the diplomatic representation of the acting Council Presidency.

III. COMMUNITY REPRESENTATION IN THE DEVELOPING COUNTRIES OF ASIA AND LATIN AMERICA

Most developing countries in Asia and Latin America do not have a Commission delegation. In fact there are only 7 delegations in Latin America and the same number in the developing countries of Asia. While such delegations usually have a development sector, its importance within the delegation can vary, depending on the size of the Community's development programme. While a delegation in a country such as Bangladesh would be primarily concerned with

cooperation programmes and projects, this would not be the case in a delegation such as that to Brazil or China.

The European Parliament has frequently criticised the implementation of the Community's programme of financial and technical assistance to the Asian and Latin American developing countries. Similarly, in various resolutions, it has pointed out that the availability of development experts representing the Community in such countries could greatly increase the effectiveness of Community-assisted programmes and projects. One of the problems with the least developed Asian and Latin American countries is the weakness of their administrative structures. Furthermore many of these countries, notably in Central America, do not have a strong civil service with experience in preparing and managing projects. The assistance of a Community expert, in a delegation, can make an enormous difference. The paucity of delegations in critical Asian and Latin American LLDCs has certainly contributed to the difficulties encountered by the Community's financial and technical cooperation programmes in these areas.

The Committee on Development and Cooperation consequently esteems it most important to expand the number of delegations, and the number of development experts, in these countries. Even a very small delegation can make a significant contribution.

IV. GENERAL COMMENTS

In all developing countries the purely developmental role of Commission delegations is reasonably well defined. The other responsibilities of delegations are, however, less evident. The increasing integration of the European Community and the concomitant development of the powers and prerogatives of the Community institutions vis-a-vis the powers of the Member States (inter-governmental conference, union treaty, etc.) must inevitably be reflected in an enhanced role for the Community's overseas delegations as representatives of the Community per se as opposed to the Member States. Currently the ambassador of the country exercising the Presidency of Council, or the ambassador representing that country in a third country, is generally deemed to represent the Community, on a political level. Perhaps it is time for the delegate to cease being the representative of the Commission, becoming instead the ambassador of the European Community. This should be examined by the Committee on External Economic Relations.

The Committee on External Economic Relations is requested to examine this question. The Committee on Development and Cooperation is most affected by this when it comes to relations with international organisations, notably the UN agencies and the UN itself. In organisations such as GATT and UNCTAD the Community is represented both by the Commission and the Council, the latter operating through the Member States representation to that body. Here again the precise delineation of powers should be redefined. This, however, requires Community membership of UN agencies (at present the Community has observer status, except in the FAO, where the EC has recently become a full member).

V. CONCLUSIONS

The Committee on Development and Cooperation calls on the Committee on External Economic Relations to take account of the above in its report.

1. The Committee on Development and Cooperation expresses its satisfaction at the generally high quality of the delegations.
2. The Committee on External Economic Relations is requested to examine and redefine the role of Commission delegations, as representatives of the Community as a whole, vis-a-vis the representative role of the diplomatic representation of the Member State exercising the Presidency of Council.
3. The Committee on External Economic Relations is also requested to examine the possibility of the European Parliament calling for Commission delegations to be transformed at an early date into European Community delegations or even embassies, with all the structural changes that such an option involves.

It is furthermore requested to incorporate the following in its draft report:

4. Emphasizes the importance of the role of Commission delegations in approving, implementing and monitoring Community development assistance, and evaluating projects;
5. Calls, further, for administrative competitions for delegates to be open to graduates in Arts subjects and Development Studies (health, education, regional planning, etc.); stresses that the Commission must also seek equal treatment for men and women as regards the competition of its staff in the delegations, particularly in senior positions, and expects positive discrimination to benefit women;
6. Emphasises the need for the Commission to implement a proper programme of training for the delegations to ensure availability of suitable candidates when vacancies occur;
7. Underlines the importance of the possibility of delegates being invited to hearings by the relevant EP committees under the same terms as apply to other Commission services;
8. Stresses the role of Commission delegations in coordinating bilateral aid from Community Member States, as well as their role in decentralised development cooperation, structural adjustment and, in the future, in the field of human rights in the context of the Council resolution of 28 November 1991;
9. Stresses the vital importance of Commission delegations in the Asian and Latin American developing countries, and calls for a notable increase in the number of such delegations with development experts to assist local administrations in the preparation of projects and with Community procedures, and to monitor programmes and projects;
10. Calls on the Commission, in the framework of the EDF, to decentralize decision-making procedures further, so as to give greater power to its delegates, notably with regard to financial decisions and derogations involving relatively small sums; however care must be taken to ensure that

modification of the decision-making procedures do not expose delegates to excessive pressures from interested parties.

11. Calls on the Commission to consult with the relevant Commissioners for DG I and DG VIII when appointing representatives where an appointment in one of the developing countries is concerned.