



The primary purpose of the House of Lords European Union Select Committee is to scrutinise EU law in draft before the Government take a position on it in the EU Council of Ministers. This scrutiny is frequently carried out through correspondence with Ministers. Such correspondence, including Ministerial replies and other materials, is published where appropriate.

This edition includes correspondence from 18 May to 29 November 2010.

FOREIGN AFFAIRS, DEFENCE AND DEVELOPMENT (SUB-COMMITTEE C)

CONTENTS

AFGHANISTAN: EU POLICE MISSION	2
ATALANTA: COMBATING SOMALI PIRACY.....	7
CONGO: EUROPEAN UNION POLICE MISSION AND SYSTEM OF JUSTICE.....	12
COTONOU AGREEMENT: THE REPUBLIC OF NIGER (12664/10).....	13
CROATIA: PROGRESS ON JUDICIAL REFORM AND COOPERATION ON WAR CRIMES.....	14
DEVELOPING COUNTRIES: FOOD SECURITY CHALLENGES (8246/10, 8250/10).....	15
EU-AFRICA JOINT STRATEGY UPDATE (11326/07)	16
EU EXTERNAL ACTION SERVICE	17
EU EXTERNAL REPRESENTATION	25
EULEX: RULE OF LAW MISSION IN KOSOVO.....	26
EU – CHINA SUMMIT: BRUSSELS, 6 OCTOBER 2010-12-06	27
EU – RUSSIA SUMMIT: ROSTOV-ON-DON, 31 MAY – 1 JUNE 2010.....	28
EU STRATEGY AGAINST WEAPONS OF MASS DESTRUCTION	30
EUROPEAN INVESTMENT BANK: EU GUARANTEE (9046/10)	31
FIJI: PARTNERSHIP AGREEMENT	34
GENERAL AFFAIRS COUNCIL.....	34
GREEN PAPER: EU BUDGET SUPPORT TO THIRD COUNTRIES.....	35
GUINEA-BISSAU: SECURITY SECTOR.....	36
ILLICIT TRADE OF SMALL ARMS AND LIGHT WEAPONS (SALW).....	38
IRAN: PARLIAMENTARY SCRUTINY OF COUNCIL DECISION.....	38
MOLDOVA: ENLARGEMENT (9362/10, 9363/10)	41
NEGOTIATING FRAMEWORK FOR ICELAND	42
PARLIAMENTARY SCRUTINY OF THE ROLLOVER OF THE MANDATES OF 12 EUROPEAN UNION SPECIAL REPRESENTATIVES (EUSRS).....	43
RAFAH: EUROPEAN UNION BORDER ASSISTANCE MISSION	44
RESTRICTIVE MEASURES: COTE D'IVOIRE.....	46
RESTRICTIVE MEASURES: LEBANON, MILOSEVIC AND YUGOSLAVIA (9832/10, 9796/10, 9518/10).....	48
SERBIA: SERBIA-EU AGREEMENTS.....	49

STRUCTURAL POLICIES FOR PRE-ACCESSION (6380/09)	50
SUDAN: ALLOCATION OF EUROPEAN DEVELOPMENT FUNDS (9329/10)	51
SUMMER RECESS SCRUTINY	54
THE EU AND CHINA: STARS AND DRAGONS.....	58
UNION FOR THE MEDITERRANEAN	59
UPCOMING SANCTIONS NEGOTIATIONS.....	61
YUGOSLAVIA: FREEZE OF ASSETS (ICTY).....	63

AFGHANISTAN: EU POLICE MISSION

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

The EU Foreign Affairs, Defence and Development Policy Sub-Committee considered the above documents on the EU Police Mission in Afghanistan (EUPOL Afghanistan) at its meeting on 24 June 2010.

We decided to clear the Council Decision extending the mandate of the mission from scrutiny and noted that it was an override due to the dissolution of Parliament. We decided to hold the Decision on the signing of a Status of Mission Agreement under scrutiny and would be grateful if you could forward the final text of the Agreement to us as soon as it becomes available.

We are concerned about the recent resignation of the Interior Minister and Security Minister in Afghanistan. What assessment has the Government made of the implications of this for the EUPOL Mission and the wider policing system in Afghanistan?

We look forward to hearing from you.

30 June 2010

Letter from David Lidington MP to the Chairman

I am writing in response to your letter of 30 June on the EU Police Mission in Afghanistan (EUPOL Afghanistan).

In your letter you expressed concerns about the resignation on 6 June of the Interior Minister, Mohammed Hanif Atmar, and Security Minister, Amrullah Saleh, and in particular the impact of this on EUPOL and the wider policing system in Afghanistan.

Both Ministers resigned following a security incident (a rocket attack) during the Consultative Peace Jirga on 2 to 4 June. On 28 June the Afghan Parliament held a series of votes on a number of vacant Government Cabinet positions. General Bismullah Khan was appointed new Interior Minister and has taken office. Major General Rahmatullah Nabil has subsequently been appointed as the new Head of the National Directorate of Security. While the establishment of the Cabinet is a matter for the Afghan authorities, we are pleased that the applicable procedures have been followed and that the new Minister of the Interior has extensive experience in the security sector.

It is our assessment that the implications of these appointments for both the EUPOL mission and the policing system more broadly will not be significant. It will be important for EUPOL to establish good cooperation with the new Interior Minister. However, it should be noted that the work of the National Directorate of Security does not have a direct link with policing and so impact will be minimal.

The UK Government has already established a strong relationship with the new Minister of the Interior and has urged that he drive forward essential reform and development of the Afghan National Police. HMA Kabul made an introductory call on the Minister on Tuesday 13 July to discuss the Ministers' priorities. Good progress has been made since January this year, with a strong growth in ANP numbers and the development of an Afghan-owned National Police Strategy. This sets clear and challenging long term goals for the ANP as well as initial plans for how to achieve them.

The central issue now for the Afghan policing system is to ensure that this strategy is implemented and monitored by the Ministry of Interior. For EUPOL, ensuring the continuity of programmes and the way forward, as agreed with former Minister Atmar, will be key to delivering concrete outcomes

and demonstrating progress to both Afghan and international partners. We are encouraged by Minister Bismullah Khan's early commitment to implement the existing Police Strategy, behind which the major police training missions (including EUPOL) are aligned, and to focus on delivering change.

Both EUPOL and the UK recognise the importance of strengthening the quality and leadership capability of the ANP and Ministry of the Interior. These have already been highlighted by Minister Bismullah Khan as fundamental to sustainable ANP development and a key area for investment. EUPOL is also keen to develop further its anti-corruption work as part of wider governance efforts, another area highlighted by the Minister as one of his priorities for police reform. We look forward to seeing these commitments formalised at the forthcoming Kabul Conference.

As you will be aware, the Government of Afghanistan is considering whether to ratify the Status of Mission Agreement through their Parliament, which has delayed the Council Decision reaching Ministers for agreement at Council. We will forward the final text of the Agreement as soon as it becomes available.

20 July 2010

Letter from David Lidington MP to the Chairman

I am writing with regard to the Council Decision to sign and conclude the agreement between the European Union and the Islamic Republic of Afghanistan on the Status of Mission Agreement (SOMA) of the European Union Police Mission (EUPOL) in Afghanistan.

In my Explanatory Memorandum of 30 July, I noted that a Decision on the conclusion of the SOMA for EUPOL Afghanistan would be required before the Parliamentary Elections on 18 September. In order for this agreement to be in place by that date, I will have to agree to this Decision at the General Affairs Council on 13 September. I regret that there has not been sufficient opportunity for your Sub-Committee C to consider this document, which I consider important to the success of the Common Security and Defence Policy Mission in Afghanistan.

The Decision agrees to and concludes the SOMA for EUPOL Afghanistan. Negotiations between the EU and Afghanistan have been ongoing for three years and currently the Afghanistan Ministry of Foreign Affairs (MFA) is ready to sign the SOMA. There is no guarantee that this will continue to be their position, particularly should key personnel change as a result of the elections. The SOMA places the presence and status of the Mission on a legal footing, and provides the Mission with full acknowledgement of all the Afghan authorities, who will then grant the Mission agreed privileges and immunities. It is important that the legal rights of the officers working for this Mission are properly established, especially in light of the recent Presidential Decree abolishing armed guards in armoured vehicles.

For these reasons, it is my intention to agree to this document and override scrutiny in this case.

10 September 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your Explanatory Memorandum of 30 July on the above item at its meeting on 9 September 2010 and cleared it from scrutiny.

We are grateful for the information provided to the Committee by your officials on the revised Status of Mission Agreement (SOMA) for the EU Police Mission (EUPOL) in Afghanistan. However, we continue to be concerned about the non-ratification of the Agreement by the Afghan Parliament. We believe there may be a risk that the Agreement will be perceived as lacking legitimacy in the eyes of some Afghan authorities, especially outside Kabul.

We are also concerned about the capacity of the Afghan government to provide adequate security for the EUPOL mission. The draft SOMA in Article 9 states that "the host state, by its own means, and taking into account its capacity, shall assume full responsibility for the security of EUPOL Afghanistan personnel". To what extent is EUPOL operating in insecure areas, in particular those with high rates of insurgent activity? Does the Government foresee a role for international military forces in ensuring the security of EUPOL?

We look forward to hearing from you within the standard ten working days.

13 September 2010

Letter from David Lidington MP to the Chairman

I am writing in response to your letter of 13 September on the EU Police Mission (EUPOL) in Afghanistan – Status of Mission Agreement (SOMA).

In your letter you expressed concerns about the non-ratification of the Agreement by the Afghan Parliament, and in particular the possibility that the Agreement will be perceived as lacking legitimacy in the eyes of some Afghan authorities.

The Constitution of the Islamic Republic of Afghanistan does not require the SOMA to be ratified by the Afghan Parliament. The Government of the Islamic Republic of Afghanistan (GIROA) itself judged a signature by the Ministry of Foreign Affairs sufficient to conclude the Agreement and that there is no legal requirement for ratification. It is the UK's considered view that there are no grounds for the legitimacy of the Agreement to be questioned by Afghan authorities in practice due to non-ratification. The General Secretary of the Council in Brussels concurs that ratification is not necessary. On the contrary, the existence of the SOMA will clarify the status of EUPOL in the eyes of all authorities, as well as setting out privileges and immunities for EUPOL officers.

In your letter you also expressed concerns about the capacity of the GIROA to provide adequate security for the EUPOL mission. To this end, you asked to what extent EUPOL is operating in insecure areas, and whether the UK Government foresees a role for international military forces in ensuring the security of EUPOL.

Whilst there are risks to UK personnel working in Afghanistan, the UK takes its Duty of Care obligations very seriously. As such, I outline below the security arrangements provided for UK personnel deployed to EUPOL Afghanistan.

I would firstly like to clarify the meaning of Paragraph 1 in Article 9 of the SOMA which states that 'the Host State, by its own means, and taking into account its capacity, shall assume full responsibility for the security of EUPOL Afghanistan personnel.' Article 9 should be read in its entirety, along with Paragraph 2, which states that 'the Host State shall take all necessary measures for the protection, safety and security of EUPOL AFGHANISTAN and EUPOL AFGHANISTAN personnel. Any specific provisions proposed by the Host State shall be agreed with the Head of Mission before their implementation'. The significance of this section is that, by signing up to it, the GIROA has an obligation to facilitate and support EUPOL security; it does not mean that GIROA will directly provide this security (or indeed become the sole security provider). With the signing of the SOMA, the security arrangements provided by EUPOL will not change. They will continue to be delivered as they are now but there will be an additional obligation on the part of GIROA to support EUPOL security provision - formally allowing the mission, and the FCO, to exercise its Duty of Care.

In response to your specific questions above: the majority of EUPOL officers are based in Kabul, though at present 73 are operating outside the capital, spread across 12 provinces. The UK has EUPOL personnel in two areas: Kabul and Helmand.

All UK police officers and civilians seconded to EUPOL are currently deployed under Foreign and Commonwealth Office Duty of Care standards. This specifies and ensures that all staff are provided with a baseline level of security, including protected (hard cover) accommodation, Close Protection and B6 armoured vehicles for road moves, as stipulated by Estates and Security Directorate (ESD) and enforced by Overseas Security Managers. Some of these security protection requirements are provided by EUPOL, rather than UK, as long as we are satisfied that they can provide an equivalent level of care to ourselves. We continue to monitor EUPOL procedures to ensure these standards are maintained.

Military teams and assets will, on occasion, provide security support to EUPOL personnel, but this would be a local and informal arrangement. The UK ensures that other arrangements are in place to meet FCO Duty of Care and does not depend on assistance from international military forces. This will remain the case following adoption of the SOMA.

21 September 2010

Letter from the Chairman to Alastair Burt MP, Parliamentary Under Secretary of State, Foreign and Commonwealth Office

Thank you for your oral evidence to the House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee at its meeting yesterday, during which you touched upon the relationship between the EU Police Mission (EUPOL) and NATO. The Committee considers this relationship to be crucial for the success of the Police Mission. Further to your evidence, I would be grateful if you could clarify why it has not been possible to adopt a formal agreement between NATO and EUPOL given that such an agreement exists between the two organisations in relation to their operational activities in Bosnia.

We look forward to hearing from you within the standard ten working days.

29 October 2010

Letter from Alastair Burt MP, Parliamentary Under Secretary of State, Foreign and Commonwealth Office, to the Chairman

Thank you for your letter following up on the evidence I gave to the Sub-Committee last week. I agree with your sentiment that the relationship between EU and NATO, particularly between the NATO Training Mission in Afghanistan (NTM-A) and the EU Police Mission (EUPOL) in country, is central to the success of reforming the Afghan National Police. Unfortunately, the arrangements for EU and NATO engagement in Bosnia and Herzegovina do not provide a precedent for EU-NATO co-operation in Afghanistan.

There are two EU-led missions in Bosnia and Herzegovina, the military mission – EUFOR Althea – and the civilian mission, the EU Police Mission in Bosnia. As both missions are commanded by the EU (the military one under the Berlin Plus arrangements), there are no formal barriers to co-operation. In contrast, the missions in Afghanistan are commanded by two separate organisations: NATO commands both ISAF and NTM-A, and the EU commands EUPOL.

However, EUFOR Althea in Bosnia and Herzegovina does draw on NATO assets. The basis for this arrangement is a much wider agreement, finalised in 2002, that NATO would make available to the EU its collective assets and capabilities when needed as part of the so-called “Berlin Plus” arrangements. This agreement is not applicable in the case of EUPOL Afghanistan. The issue in Afghanistan is not the need for NATO assets in support of an EU-commanded military operation, but rather, the need for a specific formal agreement for co-operation between an EU civilian mission and the NATO civilian and military missions in country.

The Treaty of Nice in 2001 set out the basic tenets of the EU-NATO relationship. Post-Nice negotiations between the EU and NATO threw up difficulties over implementation of the Berlin Plus arrangements. To secure Turkish agreement, the EU found a formula that would exclude Cyprus, if/when it acceded to the EU as a still-divided island, from the Berlin Plus arrangements. However, in the corresponding decision agreed in NATO, Turkey secured language that excluded Cyprus not only from Berlin Plus but also from “EU/NATO strategic co-operation.”

This has resulted in a stalemate in which the two organisations can only meet formally at the political level to discuss Berlin Plus operations (currently only Operation Althea in Bosnia and Herzegovina) where Cyprus is, by common agreement, excluded. Cyprus retaliates against this discrimination by blocking the Administrative Arrangement that should have been established between the European Defence Agency (EDA) and Turkey. As Cyprus does not participate in the Berlin Plus-based EU-NATO Capability Group (the only forum where the two institutions exchange information on capabilities), Cyprus and Greece have further obstructed closer co-operation on capability development.

These disagreements form the backdrop to the difficulties in reaching a formal agreement between NATO and the EU for co-operation in Afghanistan, though some co-ordination of operations at a practical level in theatre is taking place and has in fact improved. We will continue to push for further formal moves in this direction in both organisations.

5 November 2010

Letter from the Chairman to David Lidington MP

Thank you for your letter of 22 October on the security of personnel in the EU Police Mission in Afghanistan (EUPOL). Your letter was considered by the EU Sub-Committee on Foreign Affairs, Defence and Development Policy on 4 November. I should also mention that I wrote to Parliamentary Under Secretary of State Alastair Burt MP on EU-NATO relations following his oral evidence to the Sub-Committee on 28 October.

We received evidence on 4 November from Mr Kees Klompenhouwer, EU Civilian Operations Commander, that the Afghan government’s decision to ban Private Security Contractors (PSC) could have a highly detrimental impact on EUPOL’s ability to operate securely, especially in Kabul. We are very concerned about this risk and would like to receive detailed information about:

- The provisions of the ban on PSCs and its date of entry into force;
- The alternative solutions being contemplated by EUPOL; and
- The steps that the EU and the Government are taking to address the issue.

We are also concerned about the lack of a formal cooperation agreement between the NATO forces in Afghanistan and EUPOL. At present there is only a very limited agreement in place covering NATO assistance to EUPOL in case of an emergency. In addition EUPOL participates in the "blue tracking system" which allows NATO aircraft to identify EUPOL vehicles on the ground to prevent friendly-fire incidents, but this is also narrow in scope. From the evidence we have heard it is clear that the lack of a broad agreement, covering security issues in particular, is putting the lives of EUPOL personnel at greater risk than would otherwise be the case. In the view of the Committee this state of affairs is entirely unacceptable. The Government should make strong representations to the parties concerned with a view to lifting the obstacles to a NATO-EU agreement. We would also request that the Government raise the matter with the EU High Representative Baroness Ashton at the earliest possible opportunity.

We look forward to receiving a reply within the standard ten working days.

8 November 2010

Letter from David Lidington MP to the Chairman

I am writing in response to your letter of 8 November on the EU Police Mission (EUPOL) in Afghanistan – Security of Personnel.

In your letter you express concerns about the Afghan Government's decision to ban Private Security Companies (PSCs), and in particular the possibility that this could have a detrimental impact on EUPOL's ability to operate securely, especially in Kabul.

Since the signing of Presidential Decree 62 on 17 August 2010, which ordered the disbanding of PSCs from Afghanistan by 17 December, the International Community has been engaged with the Government of Afghanistan over its implementation. On 16 November 2010, agreement was reached between President Karzai, the Ministry of Interior and International Community on a phased approach to the implementation of the Decree.

The agreement states that PSCs protecting embassies, diplomatic missions and multilateral organisations, including EUPOL, will fall outside the remit of the decree and can therefore continue to operate. On development projects, there will be a gradual and orderly transfer of PSC activity to Afghan control, but no timelines have been imposed. Illegal PSCs, registered PSCs with outstanding legal issues and all PSCs linked to senior officials of Afghanistan are due to be dissolved by 17 December. The precise arrangements for the protection of diplomatic and other international missions such as EUPOL are still being negotiated with the Government of Afghanistan. As such, we will continue to work closely with the British Embassy, Kabul to monitor progress and assess any potential impact on EUPOL.

In your letter you also express concern about the lack of a formal cooperation agreement between NATO forces in Afghanistan and EUPOL. You recommend that the Government should make strong representations to the parties concerned, with a view to lifting the obstacles to a NATO-EU agreement, and also requested that the Government raise the matter with the EU High Representative, Baroness Ashton, at the earliest possible opportunity.

The Minister responsible for Afghanistan, Alistair Burt, explained the current situation in his letter to the Committee of 5 November. Whilst the relationship between EU and NATO, particularly between the NATO Training Mission in Afghanistan (NTM-A) and the EU Police Mission (EUPOL) in country, is central to the success of reforming the Afghan National Police, I would not support the assertion that the lack of a broad formal agreement between the two is putting the lives of EUPOL personnel at greater risk. EUPOL has its own life support arrangements in place, including close protection from Private Security firms, which fully meet the UK Duty of Care standards and the standards of the EU Council Security Office. EUPOL does not rely in any way on military support for protection. The clarification of the PSC Decree on 16 November provides assurances for the future of the security provision of EUPOL personnel.

29 November 2010

ATALANTA: COMBATING SOMALI PIRACY

Letter from the Chairman to Nicholas Harvey MP, Minister for the Armed Forces, Ministry of Defence

Thank you for your full response to our report (HL Paper 103) on “Combating Somali Piracy: The EU’s Naval Operation Atalanta”, which the Sub-Committee considered at its meeting on 24th June 2010.

We would be grateful for some clarifications.

INSURANCE INDUSTRY

In our report, we concluded that “the insurance industry must accept a great degree of responsibility for promoting adherence to best practice on deterring piracy by shipping companies. We strongly urge that the terms and conditions of insurance effectively reflect the need to discourage shipping companies from failing to follow recognised best practice”. You responded that you would welcome action by the insurance industry to reward compliance with best practice and penalise non-compliance. We believe that the insurance industry needs to be encouraged to adapt its policy and practices. Do you envisage a role for the Government in taking this forward?

WORLD FOOD PROGRAMME

Since we published the report we have received a letter from the WFP (attached) indicating that “even with naval escorts, the availability of vessels [to ship food to Somalia] is still restricted. This is partly due to the fact that naval escorts can only provide a service up to 2 nautical miles from the Somali ports. This means that the final approach, discharge and return trip happen without escort, so ship operators still bear a significant risk”. Why are naval escorts not permitted to approach within 2 nautical miles? We are concerned about the risk this poses to WFP ships and would welcome the Government’s views on how it can best be tackled.

RANSOM PAYMENTS

We welcome your view that it is important to continue to monitor potential links between ransom payments and terrorist organisations. Is there any direct or indirect evidence yet that funds from ransom payments are making their way into the hands of extremists or potential terrorists?

PROSECUTION OF PIRATES

We would welcome an update from the Government on arrangements between the EU and regional states for the prosecution of pirates.

UNMANNED AERIAL VEHICLES

We would be grateful for an update on the use of UAVs for intelligence-gathering on pirate activities.

We would appreciate a response by 19 July, in time for the last meeting of the Sub-Committee before the summer recess.

We look forward to hearing from you.

28 June 2010

Letter from Lord Teverson to Nicholas Harvey MP

Thank you for your predecessor’s letter of 12 April with attached statistics, responding to mine of 22 March.

The letter was considered at the EU Sub-Committee on Foreign Affairs, Defence and Development Policy’s meeting on 24 June. Members understand that Atalanta is an EU Operation, but they expressed surprise that the Government does not have access to all the figures they requested, given the extent of UK resources involved in the various Operations and the fact that Atalanta is run from Northwood.

30 June 2010

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

Thank you for your letter of 28 June requesting clarifications on counter piracy activity following the response that Nicholas Harvey and I sent to you in June.

INSURANCE INDUSTRY

You asked whether there is a role for the Government in encouraging the insurance industry to adapt its policy and practices in order to reward compliance with best practice and penalise non-compliance. As we said in our response to the Committee's report, the Government is keen to see action by the insurance industry to reward compliance with best practice and to penalise non-compliance. Dialogue is ongoing and the Minister for Africa, Henry Bellingham MP, will be meeting with representatives of both the shipping and insurance industries in the near future to discuss these issues amongst others.

WORLD FOOD PROGRAMME

In accordance with operational security guidelines, EUNAVFOR's escort duty ends at two nautical miles from the shore, where security forces will assume responsibility for the security of the vessel into Mogadishu. The handover of WFP and UNSOA vessels is executed between the escort unit and AMISOM. At no point are WFP and UNSOA vessels not escorted.

RANSOM PAYMENTS

There is no direct or indirect evidence of a link between pirates and terrorists, including through the payment of ransoms. This does, however, remain a real risk and the Government continues to monitor the situation. We are working closely with Interpol, the United States and others to focus attention and expertise on this issue so we are better able to pursue those responsible for the organisation and financial backing of Somali piracy.

PROSECUTION OF PIRATES

You requested an update on arrangements between the EU and regional states for the prosecution of pirates.

The EU, like the UK, currently has transfer agreements with Kenya and the Seychelles. Following the High Representative's visit, the EU is also exploring further agreements with Tanzania and Mauritius, as well as approaching other regional states.

The Government continues to encourage regional countries to fulfil their commitments under the Djibouti Code of Conduct and share the burden assumed by Kenya and the Seychelles in accepting suspect pirates for prosecution.

In June the Minister for Africa met the Hon Navin Ramgoolam, Prime Minister of the Republic of Mauritius where they discussed the issue of piracy in the Indian Ocean. Subsequently Mauritius has been offered UK support should they confirm they wish to move forward with prosecuting and detaining pirates.

The UK recognises within this context the importance of building up prosecution and especially penal structures. This is where the real development needs are, much more so than prosecution capacity. The EU is supporting the work of the UN in these sectors in Kenya, Seychelles and within Somalia itself.

UNMANNED AERIAL VEHICLES

There is no dedicated UAV capability provided by any nation involved in counter piracy operations off Somalia.

20 July 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your Explanatory Memorandum of 23 July on the above document at its meeting on 28 July 2010 and cleared it from scrutiny.

We are concerned that the Government and the EU are becoming complacent about the pirate threat. Although we believe the EU's anti-piracy mission has been a success, it is still under-resourced, as confirmed by Admiral Hudson in his evidence to us during our recent inquiry into the mission. We stated clearly in our report (HL Paper 103 of session 09-10) that "given the displacement of piracy further into the Indian Ocean, it is all the more important that Atalanta has the right capabilities, especially airborne surveillance" (para 21). We also referred to the lack of tanker and medical facilities (paras 28-9). Greater access to tanker assets, in particular, is crucial to allow the EU's warships to stay at sea for longer rather than spending valuable time returning to port to refuel. While we recognise that the UK's military capabilities are stretched due to the current war in Afghanistan and other operations, the Government should give the threat of piracy the attention it deserves. What representations has the Government made to other EU Member States and non-EU partners about addressing these capability shortfalls?

We look forward to hearing from you.

28 July 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 28 July concerning the response of this Government and the European Union to Somali piracy.

While the Government agrees with the points you raise on the provision of assets to counter piracy operations (specifically tankers, medical facilities and aerial surveillance), I can assure you that there is no complacency in the Government or the EU's approach to piracy.

As Nick Harvey and I said in our reply to your report of 21 June, we share 'the concerns of the Committee regarding shortfalls in airborne surveillance capabilities'. We also committed to 'encourage partners to provide tanker support to operations'. Finally, 'the Government recognises the shortfall in operational medical provision and continues to explore satisfying this gap with our partners'.

Your Committee is right to point out the shortfall in tanker capability, a problem which affects not only the EU, but NATO and Combined Maritime Forces as well. The UK already provides a tanker to counter piracy operations and, although it is assigned to Combined Maritime Forces, it serves warships from across the three multinational forces. The coalition forces are seized of the operational importance of these ships and are working to encourage their members to provide what they can.

Regarding airborne surveillance capabilities, again there is a real scarcity of these assets across coalition forces. In order to address this, the EU, NATO and Combined Maritime Forces have recently come together to form an Air Coordination Element, based in Bahrain, in order to best utilise air assets in the region. This group is currently led by EUNAVFOR. Due to the grounding of the Nimrod fleet, the UK has no maritime reconnaissance capability to offer and all unmanned aerial vehicles are currently required on other operations. The EU continues to look at all potential options to address this shortfall. Innovative solutions such as the MPRA commercially chartered by Luxembourg are very welcome.

The Government regularly takes the opportunity to press these issues with partners in the EU and more widely, notably through the Contact Group on Piracy off the Coast of Somalia. The UK ensured that these gaps were agreed as priorities of the Contact Group, which is leading partners to re-evaluate their future plans and deployments.

The UK is also keen to ensure a coherent and effective forward counter piracy strategy and wrote recently to EU Member States and NATO Allies to encourage the development of an internationally agreed strategy to focus activities towards an enduring solution. I have enclosed a copy of that letter.

The EU Operation Headquarters will raise these concerns in their Mid Period Review, which is due for publication shortly.

I would like to take this opportunity to stress again that this Government is committed to the international effort to counter piracy, not only through the provision of warships across coalition forces, but also through the command and running of Operation Atalanta. We are heavily engaged through activity at the diplomatic and political levels, focussing not only on containing the current threat but also on developing sustainable regional capacity and addressing the root causes of Somali piracy.

We also continue to work closely with the shipping industry to encourage maximum adoption of recommended self-protection measures in order to reduce the need for more assets.

I would further like to take this opportunity to inform you and the Committee of recent developments in the EU related to prosecution options for counter piracy. The Committee will be aware of the need to find sustainable prosecution options in order to ensure pirate suspects detained by naval forces are subject to a full and proper judicial process. To this end, the EU is currently negotiating a Prisoner Transfer Agreement with the Republic of Mauritius. Once negotiations have taken place and a draft text is ready, the Council will need to approve the Agreement and there will be a requirement for Parliamentary Scrutiny. As soon as we have an agreed text and a draft Decision to Act, we will ensure they are submitted to the Committee for your consideration.

6 September 2010

Letter from David Lidington MP to the Chairman

I am writing in response to your Committee's request for additional information relating to the above Joint Action. I will take each question in turn.

DATA COLLECTION:

We have used final negotiations in Brussels to clarify the ambiguities in the previous draft. The final version (attached) is now much clearer on these points. The previous reference to "dactyloscopic data" – i.e. fingerprint records - has been removed. EUNAVFOR will only be permitted to collect the following personal information:

- maiden name / given name / alias
- date of birth / place of birth
- nationality and gender
- driving license and ID documentation
- where necessary other characteristics likely to assist in identification e.g. photographs and fingerprints.

The technical amendment explicitly does not allow the collection of any form of DNA data.

APPLICABLE LAW:

The reference to "applicable law" (replacing "national and international law") was inserted into the document to make it clear that there must be a legal basis to undertake certain actions. However for any specific action by Operation Atalanta, different national and supernational laws may apply, depending on the activity of the suspected pirates, as well as the precise nature, action, geographical location and jurisdiction involved.

The term "applicable law" therefore clarifies that, whatever action is undertaken by the EU Operation, it must always be consistent with existing laws at all times.

The Commander of an EUNAVFOR vessel operating in international waters, like police officers in the UK, cannot compel suspects to share their personal information. I therefore agree if a suspected pirate refused to share their information the amendment would have little added value. However changing the mandate would allow EUNAVFOR the ability to act as a conduit, if an individual was willing to share their information with international organisations such as Interpol, Europol and the UN Eritrea/Somalia Monitoring Group.

EFFECTIVENESS OF OPERATION ATALANTA

I attach for your information the response given by Lord Howell on the floor of the House of Lords on 10 November 2010 providing the Government's response during the House of Lord's debate on Operation Atalanta. This sets out our assessment of the success of the Operation in delivering its mandate to protect World Food Program vessels delivering food aid to displaced persons in Somalia; protecting shipping assisting the African Union Mission in Somalia (AMISOM) and protecting other vulnerable vessels sailing in the Gulf of Aden and off the Somali coast.

Other reviews of Operation Atalanta's effectiveness are underway within the EU. The Operation Commander's input to the Seven Month Review of Operation Atalanta was presented to the EU Military Committee on 20 September, and the Political and Security Committee (PSC) in Brussels on 21 September providing an initial assessment of the success of the Operation. Whilst the actual report is classified, its main recommendations were those highlighted in the amending Joint Action. We expect to receive the High Representative's report on the review later this month ahead of

another PSC discussion, and will ensure officials circulate a copy of the report and the Government's opinions on it to the Committees.

OTHER ACTIVITY ON SOMALIA

The international counter-piracy effort is co-ordinated primarily by the Contact Group on Piracy off the Coast of Somalia (CGPCS), which includes more than 50 organisations and countries, including EU, NATO, UN, the International Maritime Organisation, the African Union, Arab League, Interpol, representatives of the shipping industry, the commanders of the military operations, the Transitional Federal Government and other regional countries and the key Flag States (e.g. Panama, Liberia, Marshall Islands, Bahamas). Although the chairmanship of the CGPCS rotates between member countries, the UK chairs the key working group on operational/military co-ordination and regional capability development, the US the working group on industry self protection, with Denmark leading important work on legal aspects and Egypt chairing a working group on strategic communications and messaging.

The CGPCS endorsed the key recommendations of a UK-led needs assessment report included supporting legal, judicial and penal structures in the region, including within Somalia. The report also highlighted the need for the establishment of an exclusive economic zone for Somalia to provide a basis for law enforcement in Somali waters. The CGPCS is taking forward this sensitive work in consultation with representatives of the various entities in Somalia. This should enable fisheries licensing to begin, supporting alternative livelihoods, and training and equipping of regional maritime police/ coastguards.

In relation to establishing civil affairs programmes and legitimate commercial livelihoods the international community supports Somalia through the United Nations, the European Union and through bilateral contributions. The United Nations takes the lead internationally on Somalia, working with international and regional actors, including the EU. The United Nations Political Office for Somalia aims to create the necessary political and security conditions in Somalia for increased international engagement. A new UN Special Representative of the Secretary General for Somalia, Dr. Augustine Mahiga, was recently appointed and is leading work to develop a UN political strategy which will drive the coordination and coherence of the international effort.

The European Union is contributing significantly in Somalia, leading the anti-piracy task force and providing €35.5M Euros of funding for AMISOM. The EU has provided development aid for security worth €13.3 million for rule of law since 2003. The European Commission has provided development aid worth €278 million since 2003. This is primarily focused on the following sectors: governance and security; social sectors; and agriculture, livestock, food security and early warning.

The EU Training Mission (EUTM) for Somalia, supported by the UK and the US, is a one year programme that contributes to strengthening the Somali Security Forces through the provision of military training, including the deployment of 2 UK military personnel. The mission is however time-limited (one year). Currently 2,000 troops are being trained in Uganda focusing on initial training, for units up to and including platoon level to complement the existing training programmes.

The International Contact Group on Somalia, which last met in Madrid in September, brings the international community together to discuss political, security, humanitarian, development and piracy issues. There was increased recognition at the last meeting that political reconciliation and embedding local and regional areas of stability to complement the transitional process in Mogadishu is a central part of building Somalia from the community-level up. The role of the private sector as a potential force for stability and progress was also recognised.

The importance of all of these activities was highlighted in the UN Secretary General's recent report (S/2010/556) on piracy off the Coast of Somalia (attached). I hope this provides the Committee with a sense of the range of activity underway to complement direct counter-piracy operations off the Coast of Somalia, and addressing its underlying issues.

19 November 2010

Letter from the Chairman to David Lidington MP

The EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your letter of 19 November on EU Operation Atalanta at its meeting on 25 November 2010.

Thank you for keeping the Committee up to date on this matter. We would be grateful for further information on two points.

Your letter indicated that a proposed reference in Operation Atalanta's draft mandate on fingerprint records had been removed. However, you also wrote that the EU Operation would be permitted to

collect certain kinds of personal information, including fingerprints (see last bullet point in your letter). We would be grateful if you could clarify whether Atalanta will be empowered to use fingerprint records as a law enforcement tool. The Committee felt strongly that identification methods such as fingerprints were of great importance.

We support the work that the UK is doing within the Contact Group on Piracy off the Coast of Somalia and note the proposal to establish an exclusive economic zone for Somalia to provide a basis for law enforcement in Somali waters. Would the establishment of such a zone facilitate the prosecution of pirates by other states in the region, such as Kenya? We understand that the Kenyan courts have questioned whether it is ultra vires for their courts to prosecute pirates from outside their own territory. I would be pleased if you could clarify this issue.

26 November 2010

CONGO: EUROPEAN UNION POLICE MISSION AND SYSTEM OF JUSTICE

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

Sub-Committee C considered this document at their meeting on 24 June 2010 and cleared it from scrutiny, noting that it was an override due to the dissolution of Parliament.

The Sub-Committee expressed concern about the continuing violence in the DRC, especially in the East of the country, and the difficulties the mission has had in fulfilling its mandate. In this situation it seems sensible to extend the EU mission for three months only. The Sub-Committee would be grateful if you would keep them in touch with developments with an update for the Sub-Committee's last meeting before the summer recess, which is likely to be 22 July.

28 June 2010

Letter from David Lidington MP to the Chairman

I am writing to you concerning the attached Explanatory Memoranda informing the Select Committee of the draft EU Council Decisions to extend to the two Common Security and Defence Policy (CSDP) missions deployed in the Democratic Republic of Congo.

I welcome the Committee's interest in CSDP missions and regret that the Select Committee will be unable to scrutinise the Council Decisions before they are agreed in Brussels. This is because planning discussions on the precise nature and focus of each extension were not concluded until early September. Delaying agreement of the Council Decisions to allow for scrutiny to take place on the Committee's return would have resulted in the temporary closure of both missions and, as I believe these missions will have a positive impact in the DRC going forward, I took the decision to approve both extensions.

EUSEC DRC will be extended for two years and continue to implement reform of the Congolese military. EUPOL DRC will be extended for one year and will be given a tighter focus to improve the mission's impact. Further details are provided in the Explanatory Memoranda. I look forward to engaging the Committee on these and other CSDP missions.

9 September 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your Explanatory Memorandum of 9 September on the above items at its meeting on 7 October 2010 and held both documents under scrutiny.

We support EU action to assist the Democratic Republic of the Congo to build up stable and democratically-accountable police and armed forces. However, I must emphasise that it is impossible for the Committee to properly scrutinise extensions of mandates for EU Common Security and Defence Policy missions without any substantive and fact-based evaluation of those missions to date. Another major omission in the EM was any context in terms of other states or international organisations involved in related operations, so we understand the whole picture and context.

As underlined in my previous letter of 19 October 2009, it is imperative that all future Explanatory Memorandums contain this information, including reference to any reviews that the EU has conducted to evaluate progress towards the mission's objectives. We would like an assurance that appropriate procedures have been put in place to ensure that this happens in future.

In relation to the above missions, the Committee expects to receive any EU evaluations that have been carried out on them within the last two years. If these documents are classified, I assure you that they will be treated in the strictest confidence by the Committee.

We look forward to hearing from you within the standard ten working days.

8 October 2010

COTONOU AGREEMENT: THE REPUBLIC OF NIGER (12664/10)

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I write to inform you that the European Union has proposed to close consultations with the Government of the Republic of Niger under Article 96 of the Cotonou Agreement and reach a Council decision. Consultations began between the European Union and the Government of Niger of former President Mahamadou Tandja on 8 December 2009 but were interrupted by the coup d'état of 18 February 2010.

Former President Tandja had repeatedly manipulated the constitution and institutions of the state (including the dissolution of the previous Constitutional Court and Parliament) in his attempts to extend his term in office. His actions represented a disquieting violation of democratic principles in West Africa and were met by censure from the African Union, ECOWAS and other international partners.

However, the coup d'état of February this year installed a transitional administration, who have made encouraging commitments to restore constitutional democratic order and agreed a timetable that will culminate in presidential elections in January 2011. The draft Commission decision proposes to resume incrementally EU development assistance in line with democratic progress by the Government of Niger as outlined in the timetable.

This decision comes at time of severe humanitarian crisis for the people of Niger with over half of the population in what is already the poorest country in the world facing moderate to severe food shortages as a result of drought leading to rising levels of malnutrition. Emergency humanitarian assistance is exempt from the restrictions of Article 96. The EU will continue to provide humanitarian assistance. In addition the British Government has also already given £13 million in bilateral emergency support. A gradual release of European development assistance in response to political progress will hopefully go even further towards accelerating the recovery of ordinary Nigeriens.

1 September 2010

Letter from David Lidington MP to the Chairman

I am writing about the Council Decision to conclude Article 96 consultations with the Republic of Niger (EM 12664/10 of 1 September 2010). The House of Lords Select Committee on the European Union referred the issue to Sub-Committee C on 20 September. I regret that because your Sub-Committee is not meeting during the recess, I will have to agree to the Decision at Council before your Committee has completed scrutiny on it.

The Decision approves the conclusion of Article 96 consultations under the Cotonou Agreement that have been open with Niger since December 2009. These conclusions recommend the gradual resumption of EU Development Funding under EDF10, which has been suspended since August 2009, on account of political progress in the country. Member States will reach agreement on the Decision at the European Council on 27 September 2010.

Failure to support re-engagement by the EU with the government of Niger would give the impression that the UK does not share the concern of the Commission and other Member States for the Sahel region. A recent kidnap of European nationals in northern Niger and the continued serious humanitarian crisis have reaffirmed the scale of the challenges the country faces. Development assistance will assist the government in addressing these challenges and improve conditions for ordinary Nigeriens.

The House of Commons European Scrutiny Committee cleared the decision on 15 September 2010.

24 September 2010

CROATIA: PROGRESS ON JUDICIAL REFORM AND COOPERATION ON WAR CRIMES

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to you with an overview of progress of the negotiations on the key chapter covering judicial reform, fundamental rights, tackling corruption and cooperation on war crimes (Chapter 23). Accession negotiations with Croatia are making good progress. Croatia has now opened 30 chapters out of 35 and 18 of these have been provisionally closed. Chapter 23 is one of the last chapters to open and may thus impact on the overall progress of the negotiations. We have now managed to secure agreement from our partners to an EU negotiating position that includes setting rigorous benchmarks in the areas we want - including on cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) - and propose to agree to open formal negotiations with Croatia on this basis.

You will recall that, in response to concerns about the readiness of Bulgaria and Romania to join the EU, the Council and the Commission introduced a number of measures to strengthen the accession negotiations process. A significant change was the introduction of a new chapter covering reform of the judiciary, corruption and fundamental rights. Over a number of years, the FCO have worked in close partnership with the Home Office, Ministry of Justice and other Whitehall Departments, the European Commission and the Government of Croatia to ensure that the issues covered by this chapter have been put at the centre of the accession negotiations. In line with this we have worked to secure agreement to a comprehensive and robust set of benchmarks which Croatia will need to meet before this chapter can close. We have now agreed a total of 31 benchmarks (most chapters have 3-6) covering a range of important issues including:

- judicial transparency, impartiality and efficiency;
- tackling corruption;
- protecting minority rights;
- resolving outstanding refugee return issues;
- protection of human rights.

We have also secured clarification that Croatia will need to show a track record of implementation across these areas.

The Government believes that it is essential that Croatia demonstrates full cooperation with ICTY and that the progress of the accession negotiations should depend on this.

The UK has consistently argued that cooperation with ICTY should specifically be taken into account in progress of Chapter 23. My predecessor wrote to the ESC on 12 January to inform them that, given the improvement in Croatian cooperation in relation to the trial of General Gotovina, the UK would start negotiations on opening the chapter.

The UK has sought and secured agreement to a closing benchmark on cooperation with ICTY. The agreed benchmark text states:

“Full cooperation with the ICTY remains a requirement for Croatia's progress throughout the accession process, including for the provisional closure of this chapter, in line with the negotiating framework adopted by the Council on 3 October 2005.”

The Government assesses that Croatia has continued to demonstrate commitment to progress the investigation in missing documents requested by the Chief Prosecutor for the trial of General Gotovina. Since December Prime Minister Kosor has chaired 3 inter-agency meetings to drive forward an investigation by a new Task Force. The Task Force is constrained by an order from the Tribunal which prevents them from accessing documents seized from the Gotovina Defence team in December. Despite this the Task Force has conducted approximately 40 interviews with new individuals and fresh searches of premises. Chief Prosecutor Brammertz briefed the Foreign Affairs Council on 14 June and expressed his increasing confidence in the Task Force. This is reflected in his latest report to the UNSC on 18 June (see Annex B).

On the basis of the agreement of a clear benchmark and this assessment of Croatian cooperation Ministers have agreed in principle to open this chapter when technical negotiations are concluded, probably on Wednesday 23 June. I spoke yesterday to Davor Bozinovic, State Secretary of the Croatian Ministry of Foreign Affairs, to advise him of this and impress on him the need for Croatia to continue to progress the investigation and demonstrate its commitment to full cooperation with the ICTY.

The Commission will monitor Croatia's progress on this chapter closely. I would be happy to provide updates on progress to the Committee should you find this useful.

Please find attached (in confidence) a copy of the latest draft of the EU negotiating position (the Common Position) at Annex A.

22 June 2010

DEVELOPING COUNTRIES: FOOD SECURITY CHALLENGES (8246/10, 8250/10)

Letter from the Chairman to Alan Duncan MP, Minister of State, Department for International Development

Sub-Committee C considered the above document at its meeting on 24 June 2010 and cleared it from scrutiny. We would like to express our thanks for the informal briefing by Tamsyn Barton and John Middlemiss of the Europe Department of DfID at the meeting.

The Sub-Committee was surprised to note that the Commission did not even mention Genetically Modified Organisms or the EU's Common Agricultural Policy in its Communication on food security in developing countries. These are surely important aspects of the debate and we would be grateful for your views. What discussions has the Government had with the Commission about these issues?

We were concerned to learn that due to the economic and financial crisis and other factors many countries are regressing in their efforts to achieve the Millennium Development Goal on malnourishment and severe poverty. We would be grateful for an update on recent trends in this respect. What are the current projections looking ahead to 2015?

We look forward to hearing from you.

28 June 2010

Letter from Stephen O'Brien MP, Parliamentary Secretary of State, Department for International Development, to the Chairman

Thank you for your letter of 28 June to Minister of State Alan Duncan requesting further information on the EU Policy Framework Paper addressing Food Security Challenges. I am responding as the Minister who cleared EM 8246-10 and with responsibility for the issues raised.

The Framework was necessarily short, and getting consensus language agreed on Genetically Modified Organisms (GMOs) or reform of the Common Agricultural Policy (CAP) across the EU was not possible in the time available. I fully agree these are important issues.

There have not been any recent discussions with the European Commission on the subject of GMOs. Although GMOs can contribute to food security, they are only part of the solution. Ultimately decisions on their use need to be made by national governments, based on the fullest information available.

The Commission will publish proposals for CAP reform in the autumn, and these will feed into negotiations on the next long-term EU budget starting in 2014. I understand the Secretary of State for Environment, Food and Rural Affairs, Caroline Spelman, had an opportunity to discuss CAP reform at the recent Agriculture Council meeting in Brussels. As you know, the UK continues to support reform of the CAP, to ensure EU markets function more efficiently, and to reduce the burden on the taxpayer.

Currently, Asia is on course to meet the poverty MDG target by 2015, but on present trends neither Asia nor Africa is likely to meet the hunger target. The MDG Summit in New York in September will provide an opportunity to reach international agreement on the urgent actions needed to get these back on track.

12 July 2010

Letter from the Chairman to Stephen O'Brien MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your reply of 12 July on the above document at its meeting on 22 July 2010.

The Sub-Committee would appreciate a fuller account of the situation on the achievement of the MDGs in response to paragraph 3 of my letter of 28 June, including an informal briefing by a senior

official on the EU's role at the MDG Summit in New York when the Sub-Committee reconvenes in October. The Sub-Committee Clerk will be in touch with your officials to agree an appropriate date.

We look forward to hearing from you.

23 July 2010

Letter from Stephen O'Brien MP to the Chairman

Thank you for your letter of 23 July seeking a fuller account of how the financial crisis is affecting the attainment of the Millennium Development Goal (MDG) on hunger and poverty.

The global economic crisis clearly poses a risk to recent development gains in poor countries. As a group, low-income countries have fared better than some, maintaining positive - albeit lower - growth rates through the crisis. However, the World Bank estimates that their economic growth may be lowered by between 0.2% and 0.7% annually over the next five to seven years, and we know that even small changes in very low incomes can have a profound impact on wellbeing. 64 million more people are thought to have fallen into, or remained in, poverty due to the financial crisis. And between 30,000 and 50,000 children may have died of malnutrition in 2009 in sub-Saharan Africa.

In terms of projecting 2015 outcomes, at the global level, the proportion of people living below the poverty line fell from 42% to 25% between 1990 and 2005 (the latest year for which data is available). Based on this trend, the world as a whole remains on track to halve poverty by 2015. However this is largely due to the rapid progress of countries such as China, India, and Brazil. Sub-Saharan Africa is unlikely to reach the target, as poverty there only fell from 58% to 51% over the same period. But even in Africa there are some success stories, with Ghana and Uganda likely to achieve the target by 2015.

It is difficult to disaggregate the impact of the financial crisis on hunger from that of the 2007-08 food price spike. But we know that over the period 2007 to 2009, the number of people with inadequate access to food increased by over 100 million. Since then the situation has improved and the latest FAO estimate, released on 14 September, suggested that the number of people going hungry has fallen by around 10% in the past year, from 1.03 billion to 925 million. This is largely as a result of household incomes starting to rise again as countries emerge from the economic downturn.

But by any measure, 925 million is still wholly unacceptable and this 10% annual rate of progress would need to be maintained over each of the next five years for the MDG hunger target of 570 million to be achieved. This will take a massive effort by the international community.

In your letter you asked for a follow-up briefing by a senior official on the EU's role at the MDG Summit when the sub-committee reconvenes in October. We would be happy to arrange this, and will wait for the Clerk to the Committee to get in touch to agree a date.

11 October 2010

EU-AFRICA JOINT STRATEGY UPDATE (11326/07)

Letter from Alan Duncan MP, Minister of State, Department for International Development, and Henry Bellingham MP, Parliamentary Under Secretary of State, Foreign and Commonwealth Office, to the Chairman

The Government wrote to your Committee in December 2007 confirming that African and European leaders at the EU-Africa Lisbon Summit had overwhelmingly approved the Joint EU-Africa Strategic Partnership and Action Plan. In that letter we proposed to write to update the Scrutiny Committees on progress following each of the expected EU-Africa Ministerial Troika meetings.

In line with the Joint Africa-EU Strategy (JAES) commitment to deepening dialogue, in April 2010, the Ministers exchanged views on peace and security issues of common concern. They highlighted in particular the importance of a smooth conclusion to the Comprehensive Peace Agreement in Sudan, assisting in the democratic transformation of the country. The EU expressed its continued support for and appreciation of the AU's political engagement in Somalia, and AMISOM its peacekeeping force. Ministers recognised the recent initiatives and measures taken by the AU on unconstitutional changes of government and expressed appreciation for the continued employment of the African Peace and Security Architecture.

Ministers exchanged views on the coming into force of the new Lisbon Treaty and its possible implications for the Africa-EU partnership.

Ministers agreed to pursue the development and the implementation of infrastructure priority projects and services as key drivers for regional integration and trade.

Ministers welcomed ongoing efforts in the implementation of the fast-start component of the Copenhagen Accord on climate change with a focus on Africa, and in building a common EU-Africa vision towards a global legally binding Agreement on Climate Change.

The joint efforts were acknowledged with regards to the ongoing African initiatives including the African Monitoring of the Environment for Sustainable Development (AMESD), and the Great Green Wall for the Sahara and Sahel Initiative as well as the Clim-Dev Africa Program.

Ministers highlighted the particular challenges facing African countries as a result of the ongoing difficulties caused by the economic and financial crisis and stressed the need to honour the commitments made, including those at the London and Pittsburgh G20 Summits.

Ministers launched the preparations for the 3rd Africa EU Summit which will take place on 29-30 November 2010 in Libya, agreeing that both sides will actively coordinate further preparations and report back for the next Ministerial meeting in October 2010 in Lilongwe, Malawi.

The progress report presented by Partnership leads of the Joint Africa EU Strategy (JAES) to the Joint Task Force preceding the High Level Ministerial Dialogue (ex-Troika) highlighted developments under the eight Partnerships and showed that progress in implementing the First Action Plan (2008-2010) has been mixed. Heads of State and Government planned to take note of progress and challenges in the implementation of the JAES and provide political guidance on how best to address those challenges and to deepen the partnership.

Ministers tasked everybody involved in the Joint Strategy to speed up implementation efforts, and to present a consolidated draft of the Second Action Plan (2011-13) to the next Ministerial meeting in October. The HLMD signed off a Joint Options Paper which states that the next Action Plan should be more focused, realistic, manageable, and effective. Key policy documents such as the AU Strategic Plan and work plans of the regional organizations should be taken into account. The intention is for the Activities in the action plan to have either a clear regional, continental or global dimension, which is where the added value of the Joint Strategy lies. Activities should have a proven buy-in of a critical mass of competent actors on both sides, including the necessary political, human and financial resources.

In the context of current activities under the JAES Partnerships, the ministers looked forward to the High Level Meeting (HPLM) in Vienna of the Africa-EU Energy Partnership in September and welcomed the forthcoming Africa-EU Renewable Energy Cooperation Program and encouraged the use of climate funding to support it.

On the MDGs, both sides committed themselves to pursue close consultations and a joint approach to secure a joint European African position ahead of the September MDGs High Level Political Meeting in New York and an ambitious action-oriented outcome from the HPLM for achieving the MDGs by 2015. Ministers stressed that the Africa-EU Summit in November 2010 will be an important opportunity to follow-up on the HPLM. They further stressed the need to honour their commitments on agriculture and food security made in the L'Aquila G-8 Summit.

26 July 2010

EU EXTERNAL ACTION SERVICE

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

You will be aware that the House of Lords has taken a keen interest in the establishment of the European External Action Service (EEAS) both in the EU Select Committee and its Sub-Committee on Foreign Affairs, Defence and Development Policy. We thank you and your predecessor in the previous Government for keeping us informed of developments, most recently in your letter of 13 July.

When the Committees were constituted after the election, the Sub-Committee decided to undertake an inquiry into the EEAS. You gave evidence to the Sub-Committee on 7 July and the UK's Permanent Representation to the EU gave us assistance in Brussels which enabled us to take evidence from witnesses on 14 July. In the light of this, the Sub-Committee on 14 July cleared the Proposal for a Council Decision establishing the organisation and functioning of the EEAS (document I1507/10) from scrutiny. The Proposals to amend the staff and financial regulations remain under scrutiny.

THE 21 JUNE AGREEMENT

During the evidence sessions in Brussels we heard that witnesses on the whole were satisfied with the document negotiated on 21 June, although they acknowledged that it was a compromise. We were satisfied with this outcome, but the success, or otherwise, of the EEAS will only become apparent as it is established and rolled out.

THE BUREAUCRATIC PROCESS

We were concerned to hear that the bureaucratic process of setting up the Service is already distracting the EU from policy and other activity. We fear that this could continue for some years while turf battles are fought and officials look inwards. How will you ensure that the EU collectively will remain focused on the external issues while the EEAS is set up and that it does not give the impression that it is solely preoccupied by internal procedures?

RECRUITMENT AND STAFFING

Recruitment and staffing were identified by all our witnesses as a key issue. We agree. The Service will need to recruit the best staff from day one and recruitment should be based on merit. Particular attention should be paid to Heads of Delegation, upon whom the credibility of the EU overseas and the quality of its analysis will depend.

However, we remain concerned that the right people should be appointed. We recognise that the draft Council Decision prescribes geographical and gender balance, but the history of appointments in the EU is that Member States will use EEAS appointments as consolation in wider deals over political appointments or that Member States will fight for “their turn” for a senior EEAS posting. This can be avoided by insistence that Member States provide their best candidates for the Service and by tough entry criteria to deter and eliminate the candidature of unsuitable candidates.

The Government should encourage high calibre candidates from the UK’s diplomatic service to join the EEAS which should be regarded as a career enhancing move. What is the FCO doing to ensure this?

We understand that the EEAS will be a service and not a new institution. This is an important point. The 40/60 balance for recruitment from national diplomatic services and the Commission and Council services was not thought to be a problem by any of our witnesses.

PERSONNEL MANAGEMENT

Personnel management will need skilful handling. Significant discrepancies in salaries between the diplomats of different Member States will make the EEAS a more attractive option for diplomats of some countries than others. The different cultural backgrounds in services in various Member States, and between them and those recruited from the Brussels bureaucracy may create tensions. Staff regulations will need to be drafted with clarity, including on the subject of discipline where attitudes may vary.

BUDGET

We have yet to scrutinise the amending budget. You and others have stressed that the UK intends the EEAS to be “budget-neutral” but we question how this will be achieved? We recognise that there is likely to be a spike in spending as the Service is set up, but increased funding will be needed to run the expanded Delegations. Which budget line will be tapped to provide the extra funding?

PERCEPTIONS OUTSIDE THE EU

There will be a risk, on the one hand, of blurred lines of responsibility for who does what on any given foreign policy issue - the EU or individual Member States. On the other hand, there may be a perception or belief that, once the EEAS is established, Europe should only have one representative on global organisations.

DEVELOPMENT AID PROGRAMMING

Relations between the High Representative and the Development Commissioner will be important in determining decisions on development aid programming. Personalities will be critical, as will close cooperation between the EEAS and the Commission services.

There is a risk that the division of the Commission Directorate-General (DG) for Development into geographical desks, (for programming, moving to the EEAS) and thematic desks (remaining in the DG), will weaken the Development Commissioner's ability to ensure that a development focus is maintained in country and regional strategies; and his ability to check that aid programming and EU external action is consistent with development policy. How do you propose to avoid compromising the coherence and focus of aid policy and programmes under the new arrangements? Is a senior post needed within the Service to focus on development?

THE EXTERNAL ASPECTS OF INTERNAL EU POLICIES

These will require coordination with the Commission as a whole, including its President, the European Council President, and the rotating Council presidency. It will be important for the Service, and its Delegations, to have sufficient capacity to communicate and promote all EU policies with an external dimension, including the EU's policies on climate change and migration.

REPORTING LINES

The Commission will be able to instruct EU Delegations directly to take forward matters which fall under their competence. The Head of Delegation will initially be tasked with resolving any inconsistencies between instructions received from the Commission and the Council. Ultimately, the Head of Delegation can refer the matter to the High Representative and she will therefore play a key role in resolving conflicts and inconsistencies in policy. However, the role of the President of the Commission in such an eventuality is unclear and should be clarified. We would be interested in the Government's view on the process for resolving a disagreement between the Council and the Commission on external relations matters that fall broadly within the competence of both institutions.

CRISIS MANAGEMENT

Our witnesses stressed the importance of using the EU's crisis management instruments more effectively and consistently in future. However, this remains a potential area of weakness. Alain Déléroz, Vice-President (Europe) of International Crisis Group, proposed the appointment of a senior figure within the Service to take charge of all aspects of conflict prevention and crisis response, reporting to Baroness Ashton. Christian Leffler (Deputy Director General Development) told us that the different elements of the EU's crisis management system would be brought together in the new Service. Could you confirm that this will enable them to work together more effectively than in the past?

EU SPECIAL REPRESENTATIVES

We understand that some of these posts could disappear, and their role be taken over by the Heads of EU Delegations. We recognise that some EU Special Representatives (EUSR) have been less effective than others, and that savings can be made, but the continuation of the EUSR posts should be considered pragmatically on a case-by-case basis, rather than abolished wholesale. Abolishing EUSRs could also send a negative signal to the country or region in question and encourage those who would seek to take advantage of the EU's ostensible lack of attention or interest.

PARLIAMENTARY OVERSIGHT

Parliamentary oversight will continue to be important after the establishment of the EEAS. Following the decision to phase out the WEU Assembly we would reiterate that future mechanisms for oversight of foreign, defence and security policies should be complementary and should not lead to a marginalisation of national parliaments by the European Parliament.

We look forward to your reply by 30 September with reassurance on these matters.

23 July 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 23 July regarding the European External Action Service (EEAS). I welcome the interest in the EEAS from your committee and will do my best to continue to keep you informed of developments in Brussels in a timely manner. You asked for my views on a number of matters raised in your letter.

THE BUREAUCRATIC PROCESS

It is inevitable that in the early stages of getting the EEAS up and running much attention will have to be paid to staffing and other administrative matters, including adoption of the financial and staff regulations. But I share your concern that the process of establishing the EEAS should not distract the EU from collectively remaining focussed on external issues. At last week's European Council, EU leaders discussed ways to improve the EU's external action, including through more systematic preparation of Summits with EU strategic partners such as China and India. We are also pressing for the EEAS to start acting in support of UK objectives as soon as possible. This will include conflict prevention and crisis response, strengthening strategic relationships with emerging powers, action in the EU's neighbourhood, external aspects of internal policies like energy security and climate change, and a development policy more closely joined up with other EU external policies. We will also work through the Foreign Affairs Council, the Political and Security Committee and other structures to set clear mandates for action by the EEAS. Some good examples of concerted action already exist, including the Iran sanctions package agreed in July and the recent UNGA resolution on Serbia/Kosovo. The High Representative and her team played an important role in both cases.

RECRUITMENT AND STAFFING

I agree with you that recruitment to the EEAS should be based on merit, in particular for heads of EU delegations, as you say, and also for senior EEAS officials in Brussels. We are working to ensure that the EEAS develops a robust recruitment policy to address its specific needs, enabling it to employ the best candidates with the appropriate skills and knowledge. We want a level playing field that ensures fair competition for jobs between a wide pool of applicants from both Member States and the EU institutions.

As the Foreign Secretary has made clear, it is important that UK nationals are well represented in the EU's institutions, including the EEAS. I am pleased that four of the most senior 20 jobs in the EEAS are currently held by UK nationals and that a senior FCO official (Dame Rosalind Marsden) was recently appointed as EU Special Representative for Sudan. The FCO is actively encouraging its staff to apply for other EEAS jobs and we have many strong candidates in the running for the positions currently being advertised both in Brussels and in delegations around the world. The FCO has also been active in encouraging applications from staff in other relevant Government departments, such as DFID.

PERSONNEL MANAGEMENT

I agree with you that the EEAS will be more attractive to some nationals than to others for financial and cultural reasons, and that staff regulations must be drafted with care. We understand that the High Representative is aiming for agreement on staff regulations for the EEAS by the end of October (see the final section of this letter for further details). The EU institutions already have significant experience in handling cultural differences so we expect it will be possible to agree staff regulations that address our and other Member States' concerns.

BUDGET

EU Member States have agreed an additional uplift to the EU budget of 9.5 million Euros to fund the establishment of the EEAS in 2010. On 15 September the Commission published an amending letter seeking an additional 34.4 million Euros for the EEAS in 2011, broken down as follows: "EUR 29.2 million requested as additional appropriations in relation to the full-year cost of the new human resources (100 new AD posts, 60 local agents in delegations and 10 contract agents at headquarters) requested in draft amending budget 6/2010, and EUR 5.2 million requested for 18 additional posts and strengthened security of the EEAS definitive premises in 2011." This uplift will come from Heading 5 (administrative spend). The amending letter will now be considered by both the Council and the European Parliament, culminating in a Conciliation Committee process due to conclude in mid-November. The Government does not believe that the increase proposed by the Commission is justified, especially at a time when all Member States are having to make difficult budgetary decisions and we are arguing vigorously for economy.

The Council Decision establishing the EEAS reaffirms the aim of budget neutrality. We are pressing hard for this. The High Representative has committed to seek efficiency savings of at least 10%, and this commitment is repeated in the amending letter for 2011, which also recalls that: "The establishment of the EEAS has to be guided by the principles of cost-efficiency, budget neutrality, and sound and efficient management, also taking into account the impact of the current economic crisis on national public finances and the required efforts for fiscal consolidation." I have urged the High Representative to be both more ambitious and more precise. We have requested a specific plan

showing how the savings will be found between now and 2013, for example through eliminating duplication of activity by the Commission and Council Secretariat. We are also seeking allies amongst other Member States to support us on these points.

PERCEPTIONS OUTSIDE THE EU

The EEAS must abide by the provisions of the Treaty, which does not change the balance of competences between the EU and member states. There will continue to be some areas in which we will find it helpful to have the EU speak with one voice, and others where this will not serve our interests and will not mandate EU delegations to act on our behalf. I refer the committee also to my letter of 15 September on this very question.

DEVELOPMENT AID PROGRAMMING

I agree that relations between the Commission and the EEAS will be important in terms of overseeing aid policy, programming and implementation work. We have consistently argued for the need of a senior post in the EEAS with responsibility for development. This person should oversee on a daily basis programming work whilst ensuring close links with the Development Commissioner and those officials in Brussels and in-country who coordinate delivery of aid. In order to be effective, this person would need to be supported by a development team. We consider that the EEAS provides the EU with the opportunity to take a more strategic approach to development aid, joining up resources at its disposal to achieve concrete objectives. One example is the building of prisons in East Africa, providing capacity to incarcerate Somali pirates while also making progress on broader development objectives regarding the rule of law. To cut duplication in the system, we would also support the Commission in merging the remainder of Directorate-General for Development with EuropeAid, responsible for overseeing aid delivery.

THE EXTERNAL ASPECTS OF INTERNAL POLICIES

I agree that it will be very important that the EEAS has sufficient capacity to promote all EU policies with an external dimension. The debate in Brussels must move on quickly to encompass this sort of strategic planning, including matching goals and resources. An early test will be to integrate issues like climate change and migration into forthcoming EU Summits with strategic partners such as China and India.

REPORTING LINES

The EEAS is intended to bring greater coherence to EU external action and this is reflected in the Chapters of the EEAS Decision on 'Cooperation' and 'Union Delegations'. As you say, the Head of Delegation will play a key role in reconciling the demands of different parts of the EU machinery, in much the same way as British Ambassadors manage competing demands from Whitehall. I see the High Representative as an effective arbiter should there be any persistent disputes, given her joint role as the Vice President of the Commission. Moreover, the establishment of the EEAS should diminish disagreements between the Council and the Commission regarding external relations, as those parts of each institution dealing with external relations will be brought together in the new service, working to the same objectives and with less duplication of roles.

CRISIS MANAGEMENT

It is our objective to ensure that the EEAS brings a step change in the effectiveness of EU crisis management. We are lobbying the High Representative on the importance of this and on the need to get the right staff in place quickly. We are also looking at other ways of increasing the effectiveness of crisis management, for example strengthening the links between CSDP activity and political levers or Commission spending. In particular we are working to enhance the impact of individual missions, for example through better benchmarking, and have pushed this very strongly in recent negotiations on civilian CSDP missions. This requires patient and persistent diplomacy with other Member States, some of which have different views.

EU SPECIAL REPRESENTATIVES

The High Representative is taking a pragmatic and case-by-case approach to EUSR roles. Some EUSRs are already double-hatted as the Heads of Delegations and, where this is the case, the EUSR role will disappear. Where the EUSR is responsible for a region, or a country where there is no delegation, the role may remain. We do not support the automatic retention of all EUSRs, nor

indeed all of their staff, but we envisage retaining some in their current roles, or in EEAS positions that make the best use of their talents. We expect the individuals to be considered case by case, matching appropriate resources to posts that need filling. As each EUSR is assessed, we will ensure that attention is paid to the possible impact on perceptions of the EU that eliminating the post might create.

PARLIAMENTARY OVERSIGHT

The Government strongly supports the primacy of national parliamentary scrutiny of EU Common Security and Defence Policy (CSDP). This should be informed by contacts between the national parliamentarians of Europe. I am clear that there should be no expansion of the European Parliament's competences in this area. I continue to welcome the depth of knowledge and experience that your Committee brings to these debates and have underlined to FCO officials the need to ensure that Parliament has a proper opportunity to scrutinise government decision-making. We are working hard to ensure that this is the case.

STAFF AND FINANCIAL REGULATIONS

Finally, I would like to take the opportunity of this letter briefly to update you on progress on the draft staff and financial regulations for the EEAS. We will submit an updated EM for each of these shortly to bring the Committee up to date on all recent developments.

The draft staff regulation was discussed in COREPER before the summer as well as by the European Parliament's Legal Affairs Committee. The EP's draft report of 14 July is expected to be adopted by the Legal Affairs Committee at an extraordinary meeting in October, followed by a plenary vote in the same week (19-21 October). As with the EEAS Decision before the summer, we will be urging the High Representative to maintain a strong position in her negotiations with the EP.

The draft financial regulation will be agreed by the EP's two budget committees on the 28 September, following the Foreign Affairs committee (AFET) adoption of their opinion on 20 September. AFET are also expected to agree their opinion on the staffing regulation in coming weeks. This would give the green light to the budget committees, as leads, to agree and sign off both regulations by the 19-21 October plenary.

24 September 2010

Letter from the Chairman to David Lidington MP

Thank you for your full letter of 24 September on the above matter, which the House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered at its meeting on 7 October 2010.

We continue to be very concerned about the issue of recruitment to the Service. On this point we have a similar view to the Government and the Committee is therefore very supportive of your position. However, recent media reports have indicated that the European Parliament may vote to include indicative quotas or targets for the recruitment of nationals from certain Member States in the Amending Staff Regulation which is currently being negotiated in Brussels. While we accept that geographical and gender balance need to be taken into account, we would like to reiterate our strong opposition to any proposal that would undermine selection on the basis of merit.

We look forward to hearing from you within the standard ten working days.

8 October 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 8 October on the issue of recruitment to the European External Action Service.

We agree with you that recruitment to the EEAS should be based on merit, taking into account geographical and gender balance. We believe that a merit-based system is crucial to ensure that the right people are recruited to deliver a strong and effective Service. We argued this point strongly in final negotiations on the Council Decision establishing the EEAS and were satisfied with the text adopted on 26 July 2010.

The European Parliament has sought to include in the Amending Staff Regulations additional language allowing priority to be given to candidates from less represented Member States "provided that they have substantially similar qualifications". We have argued that such language was not acceptable and

that the Presidency should stick to the text of the EAS Decision in its negotiations with the Parliament. Those negotiations concluded last week with no inclusion of references to quotas or positive discrimination. The EP will vote on it during their 18-20 October plenary. I will be writing soon to inform the Committee of the outcome.

18 October 2010

Letter from David Lidington MP to the Chairman

I am writing to update your Committee on progress in Brussels regarding proposals for amendments to the Staff and Financial Regulations, to reflect the establishment of the European External Action Service. While there is not yet a finalised position, following two weeks of negotiations between the Belgian Presidency, European Commission, and the European Parliament, I am able to provide an update to the Explanatory Memorandum presented by then Minister for Europe Chris Bryant on 30 March. Both proposals remain largely unchanged from the ones shared earlier this year with the Committee, and which were debated in the House of Commons on 14 July.

I expect the proposals to be adopted by the European Parliament during this week's plenary in Strasbourg (18-20 October). The Presidency and High Representative are then likely to seek adoption by the Council, possibly as early as 25 October at the GAC/FAC (or otherwise as an "A" Point at a Council in early November). We will make every effort to delay the Council decision for as long as possible, but your early feedback on the proposals would be much appreciated in case adoption is scheduled for 25 October.

The High Representative is keen to see the Regulations adopted quickly. She wants to appoint her top team by early November to help her manage the growing number of foreign policy challenges on her plate (e.g. Western Balkans, Pakistan, Iran) but is reluctant to do this until the proposed amendments to the Staff Regulations have been adopted.

The Government agrees that prolonged internal wrangling over structures and appointments risks distracting attention from the larger challenge of increasing the EU's impact on external policy issues of shared concern. Serious discussion and agreement of EAS policy priorities is overdue, but remains difficult without the top team in place.

I know that you share the Government's concern that a credible plan to achieve cost efficiencies in the short-term, and budget neutrality in the longer term, must be put in place as quickly as possible. Baroness Ashton wants this work to be led by the EEAS' Chief Operating Officer (COO), who will be appointed along with the rest of the top team. Until the proposed amendments to the Financial Regulation are adopted, the EAS does not have the authority to spend EU budget funds and the Commission and Council are therefore making disbursements on the EEAS' behalf. We would like to see the amendments finalised, and the COO appointed, to enable rapid progress to be made on a plan for cost savings and eliminating duplication.

THE STAFF REGULATION

A compromise text (attached) has now been reached following Triilogue negotiations between the European Parliament, Commission and Council. There had been three particular points of contention.

GENDER BALANCE AND GEOGRAPHICAL BALANCE

The EAS Decision states that candidates should be appointed 'on merit, while ensuring adequate gender and geographical balance'. MEPs had tabled amendments stating that: 'candidates from the less represented Member States and the less represented gender may be given priority, provided they have substantially similar qualifications'. We agreed with the Presidency that this demand should be resisted firmly. The revised text does not include provision for positive discrimination, but does include two Statements by the High Representative, (Addenda 1 and 2) undertaking to seek opportunities to improve representation, within the provisions of the regulations.

DATE OF OPENING-UP OF VACANCIES TO OTHER INSTITUTIONS

The EAS Decision states that 'before 1 July 2013, the EAS will recruit exclusively officials originating from the General Secretariat of the Council and the Commission, as well as staff coming from the diplomatic services of the Member States'. The EP wanted to bring this date forward, as that would allow its own staff to apply for EAS vacancies, but were not successful

A related point was on the transitional period during which priority may be given to candidates from Member States in case of substantially equal qualifications (in order to meet the one-third target). Here the EP was unsuccessful in shortening this period from 1 July 2013 to 1 January 2012.

MODALITIES OF APPLICATION OF ARTICLE 29 OF THE STAFF REGULATIONS

The EP successfully effected a change to Article 29, to allow its own staff (and those from other institutions) to be treated as internal candidates from the date of their eligibility to apply for EAS vacancies. We did not favour this, but agreed that a concession on this point was acceptable in order to defend our position on the points mentioned above.

THE FINANCIAL REGULATION

The EAS requires a revision to the Financial Regulation in order to be able to spend EU budget funds, and to ensure that the correct financial management arrangements are in place. The negotiations on this in Council were relatively straightforward, technical in nature and largely followed the steer laid down in the EAS Decision. The Presidency was given a strong mandate by COREPER to defend the original proposal against further amendments by the EP. On 12 October, the Presidency circulated the compromise text attached here for agreement by COREPER. We are satisfied that the Presidency followed the mandate from the Council and successfully held their ground on 3 of the 4 outstanding points, as set out below.

LIABILITY OF TEMPORARY STAFF COMING FROM DIPLOMATIC SERVICES

The EP wanted controls on seconded national experts (SNEs) to be tighter. The Presidency believed this was unnecessary. It was agreed that Article 66 of the Financial Regulation covers all eventualities, and more controls were therefore not required.

MEMBER STATE EXPENDITURE UNDER CFSP

The EP wanted more detailed information on how CFSP funds are spent. The Presidency argued that the EP had no right to be involved in cooperation that occurs under CFSP between Member States (under the 'athena' mechanism). We strongly disagreed that the EP should have any such role, and fully supported the Presidency's firm stance on this point. There are some changes to the final compromise text, which reflect the way information on CFSP spending is presented, but we do not consider them to be substantive.

THE DISCHARGE PROCEDURE

The EP wanted Heads of Delegation to be accountable to the EP under the annual discharge procedure. The Presidency believed this breached the Financial Regulation: the line of accountability lies with Director Generals, and ultimately the High Representative, not with Heads of Delegation. We have fought consistently against attempts by the EP to have specific rights of control over Heads of Delegation. This point was successfully defended by the Presidency.

EAS INTERNAL AUDITOR

The Council wanted an independent EAS internal auditor, on the grounds that all other Institutions have one, and that they consider it to be generally good financial management. The EP (and the Commission) wanted the EAS to use the Commission auditors, which would be more cost effective – especially as the Commissioner auditors will still need to audit most of the operational expenditure flowing through EU Delegations around world. An EAS auditor would, in effect, only be auditing administrative spend, which is low risk.

We did not consider this a priority. Provided that there is a transparent and effective audit process we would like to see the best value for money solution implemented. We were content for the Presidency to cede to the EP on this point.

A final outstanding point is that the Commission has adopted a declaration as part of the Triologue agreement stating that they will address the issue of integrating the European Development Fund into the EU Budget. Such a budgetisation of the Fund would require unanimity in the Council. We and many other Member States would oppose.

I look forward to hearing the Committee's views on this matter.

19 October 2010

Letter from the Chairman to David Lidington MP

Thank you for your letter of 19 October on the above documents, which relate to the establishment of the European External Action Service. Your letter was considered by the EU Sub-Committee on Foreign Affairs, Defence and Development Policy on 21 October.

The Sub-Committee granted the Government a waiver under article 5b) of the Scrutiny Reserve Resolution for both the Staff and Financial Regulations (see above for full titles). This waiver does not clear the documents from scrutiny but gives the Government permission to agree to them in the Council; in other words, agreement will not count as an override. However, we would be grateful if you could inform us of the final outcome of the negotiations.

We look forward to hearing from you as soon as the Regulations have been adopted.

22 October 2010

EU EXTERNAL REPRESENTATION

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

With a clearer timetable towards agreement of a Council decision establishing the European External Action Service (EEAS) and the beginning of the Belgian Presidency, we will soon see the EU begin to implement the external action provisions of the Lisbon Treaty. This letter provides a further update to your Committee on the progress of that implementation work

As you are aware, the Lisbon Treaty brings together both the former external work conducted by the European Community and the classic foreign and security policy tools under the CFSP. Responsibility for the conduct of the EU's external action will fall to the High Representative, Baroness Ashton, who fulfils the dual roles of High Representative and vice-President of the Commission and who will be supported by the EEAS. She is ultimately responsible to the Council. EU Delegations, staffed by members of the EAS – including secondees from the Member States – replace the former Commission and Council delegations around the world and will support the High Representative in both her roles. EU Delegations will represent agreed EU positions on ex-Community matters on which the Commission formerly represented the EU, as well as taking over the rotating Presidency's former responsibility for representing the EU on CFSP matters.

Some Member States and the European Parliament wanted to go further, for example to see the EU Delegations take on a wider role in the provision of consular services, or to make the EEAS part of the Commission. We argued successfully against such proposals.

Our view is that through negotiation we have secured a draft EEAS Decision which respects the UK Government's aims. Those aims are clear: where we have agreed a position with our EU partners, the EEAS should allow the EU to use its collective weight more effectively to make that voice heard. It should support, supplement and strengthen our role. However, in doing so we firmly believe that the existing division of competences between the EU and Member States must be respected.

Member States remain free to determine how they are represented when they decide to coordinate on matters falling within their competence.

In relation to consular services the EEAS role is limited to coordination work in support of Member States' consular assistance. The provision of frontline consular services remains strictly a Member State responsibility. There is no role for EU Delegations in this regard.

The Committees have engaged over recent months with the evolving negotiations towards a Council Decision establishing the EEAS. I deposited an Explanatory Memorandum on the final draft of the Decision establishing the EEAS on 9 July and I gave evidence to your sub-Committee C on 7 July. The Committees have also received the evolving drafts of the EEAS Decision on an 'in confidence' basis.

Once the EEAS Decision is agreed, we are likely to see some administrative restructuring of EU Delegations by the High Representative to fulfil the tasks assigned to the EU Delegations by the Treaty. We want to ensure that such changes fit with the cost-neutral objective in the text of the draft EEAS Decision:

"The establishment of the EEAS should be guided by the principle of cost-efficiency aiming towards budget neutrality. To this end, transitional arrangements and gradual build-up of capacity will have to be used. Unnecessary duplication of tasks, functions and resources with other structures should be avoided. All opportunities for rationalisation should be used."

I am keen to ensure that the Committees and Parliament as a whole are kept fully informed of the progress of this implementation work. I have also made a Written Ministerial Statement on the additional rights for the EU as an observer in the UN General Assembly (UNGA), which will enable the EU Delegation to fill the role previously played by the rotating Presidency in the UNGA. As is currently the case, the EU will not have the right to vote, it will not be a full member of the UNGA, nor will it be seated among the UN Member States. The granting of such rights to the EU will not affect the UK's position as a member of the UNGA or of the UN Security Council.

I will ensure that the Committees are kept fully informed and consulted as we pursue our goals for the EU to use its collective weight more effectively on the external stage.

13 July 2010

EULEX: RULE OF LAW MISSION IN KOSOVO

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

Thank you for your letter of 8 October 2010 about the European Union Rule of Law Mission in Kosovo, EULEX. I would also like to express my gratitude to your Committee for looking at the Explanatory Memorandum (EM) in your first meeting after Recess.

You asked about what steps the Government proposes to take to address the gender imbalance in EULEX Kosovo. The UK is committed to seconding high quality male and female secondees to international missions, including EULEX. It is important that there is a balance of both genders across all missions. Officials have raised the issue of gender balance in the relevant EU fora, and are pushing for the EU to explore how to improve women's participation in CSDP missions, including at managerial level. The UK currently seconds six female secondees to EULEX and will continue to look to deploy skilled female personnel.

In response to your question regarding the cost of air medical evacuation; air medical evacuation is required in mission as part of the medical support facilities. Given the executive mandate of EULEX, staff have to deploy into potentially dangerous situations, in areas where medical facilities are limited. Air medical evacuation is therefore required to ensure staff are adequately protected in the event of a medical emergency. The cost of this is significant because it consists of two medical evacuation helicopters, which are available to EULEX 24 hours a day. These helicopters have been operational since February 2010 and are fully equipped with all the required material for conducting air medical evacuations. The mission also has a medical crew, which includes several doctors and nurses. The air medical evacuation is also available to the International Civilian Office and the EU Special Representative, who have signed a Memorandum of Understanding with EULEX.

You also asked about the cost of third party liability insurance. EULEX Kosovo is the only civilian CSDP mission with an executive mandate and the third party liability insurance is in place to mitigate and balance the risks of this executive mandate. The third party liability insurance covers any damages caused to third parties related to the use of weapons and other security equipment, by contracted and seconded mission personnel when exercising the mission's executive mandate.

It extends to all passive and active responsibilities for accidents involving third parties that may arise. For example, it covers someone injured as a result of operational actions, as well as those injured or whose property is damaged by the discharge of weapons or use of security equipment. It also includes damage caused to persons or properties as a result of EULEX responding to acts of serious public disorder and acts of terrorism.

I hope you find this information useful.

22 October 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your Explanatory Memorandum of 9 September on the above item at its meeting on 7 October 2010 and cleared the document from scrutiny.

We support EU action to assist Kosovo to build up a stable and democratically-accountable security sector. However, we have certain concerns for which we would like some explanation.

First, it is striking that women make up only 244 of the 1633 international staff participating in the EULEX mission. What action does the Government propose to take to address this gender imbalance?

Second, we do not understand a number of the mission budget lines. Although the safety and health of EU staff is paramount we do not understand the figure of €5m on air medical evacuation and even more so almost €3m on third party liability insurance. We would welcome some explanation of these levels of expenditure.

We look forward to hearing from you within the standard ten working days.

8 October 2010

EU – CHINA SUMMIT: BRUSSELS, 6 OCTOBER 2010-12-06

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to give your Committee a read-out of the thirteenth EU China Summit that took place in Brussels on 6 October 2010. As always a summary of this kind comes with the caveat that, as this was an event where we were represented by the EU, we are reliant on those present for a read-out.

The first EU-China Summit took place in 1998, in London during the UK Presidency of the EU. Since then the summits have been held on an annual basis, alternating between Beijing and the country holding the EU Presidency. This was the first summit to take place under post-Lisbon arrangements. The EU was represented by the President of the European Council, Herman Van Rompuy, and by the President of the European Commission, José Manuel Barroso. China was represented by the Premier of the State Council of the People's Republic of China, Wen Jiabao.

During their opening statements, the EU side underlined the scope for both parties to address global challenges and for enhanced bilateral cooperation. The EU and China had many areas of common ground, even if some differences remained. As strategic partners, the EU and China had a growing interest to be more coordinated on international issues. Economic issues were of utmost importance for the relationship because China is among the EU's biggest trading partners. In moving forward, the EU and China could build on the more than 56 sectoral dialogues and the newly established High Level Strategic Dialogue.

During his opening remarks, Premier Wen said that a stable EU was in the interest of China and the world. He was pleased to see that the EU had passed through the most difficult part of the world economic crisis. He noted that the strategic partnership had made many achievements. This year, bilateral trade would reach USD 500 billion, three times more than 6 years ago. He proposed to coordinate bilateral cooperation and dialogue in all sectors and at all levels. Both sides agreed the need to continue their strategic dialogue between summits.

In the joint press communiqué that followed the Summit (please see attached), both parties agreed to further strengthen their strategic partnership. They also agreed to look for ways of improving bilateral trade and investment. Both sides welcomed the sixth EU China Business Summit. The EU and China remained committed to promoting a positive outcome at the Cancun conference later this year. Both sides welcomed areas of cooperation, including anti-piracy operations in the Gulf of Aden.

Following the Summit, President Van Rompuy and President Barroso issued some additional remarks:

“On trade and investment, they had expressed their desire to expand trade and investment and the need for a level playing field in China for EU businesses. They stressed the importance of improved market access, a better environment for investment, more effective enforcement of intellectual property rights and the opening up of public procurement. The two sides had addressed the global economic situation and agreed on the need for sustainable growth in a post-crisis world economy. Both parties underlined the importance of rebalancing global growth and reducing global imbalances. They stressed that structural reforms in Europe and in China were essential, and highlighted the role of appropriate exchange rates.

“Cooperation at the global level is essential to reach these goals. The G20, which worked very well during the crisis, should continue to deliver in a post crisis period. The EU remains committed to cooperate closely with its partners. IMF reform, in a package including quotas and its internal governance, is an important step in the reform of global governance. Europe fully supports a better representation for emerging countries and a shift of quota shares from over to under represented countries to improve the IMF governance. The EU underlined that enhanced representation should go hand in hand with enhanced responsibilities in global governance”.

Both parties had an open discussion about the rule of law and human rights, which for the EU remains an important element of the dialogue with China. The EU called for progress in this area, notably in the ratification of the International Covenant on Civil and Political Rights. They noted that the two sides also discussed security issues including non proliferation, Iran, North Korea, Pakistan and Afghanistan.

9 November 2010

EU – RUSSIA SUMMIT: ROSTOV-ON-DON, 31 MAY – 1 JUNE 2010

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to update you and your Committee on the 25th EU-Russia Summit that took place in Rostov-on-Don on 31 May – 1 June 2010. Historically your Committee has been interested in EU-Russia interaction and I am keen to keep you as up to date as possible. I must stress however that the following impressions come via the Spanish Presidency, which represented Member State views.

The Summit was hosted by President Dmitry Medvedev, accompanied by Sergey Lavrov, Minister of Foreign Affairs; Mr Alexander Konovalov, Minister of Justice; Ms Elvira Nabiullina, Minister for Economic Development and Trade; Mr Alexander Grushko, Deputy Minister of Foreign Affairs; and Ambassador Vladimir Chizov, Permanent Representative of the Russian Federation to the EU. The European Union was represented by President of the European Council, Mr Herman Van Rompuy, and President of the European Commission, Mr Jose Manuel Barroso, accompanied by High Representative for Foreign Affairs and Security Policy, Baroness Catherine Ashton, and Trade Commissioner Karel De Gucht. In reporting the discussions below, I refer to the 'EU' side, covering the input of Council, Commission and European Action Service.

OUTCOMES

- The EU-Russia Partnership for Modernisation was launched, and a Joint Statement issued (attached). The Partnership for Modernisation was first proposed at the EU-Russia Summit in Stockholm in November 2009. It seeks to promote closer EU-Russia relations through EU support to Russia in her attempts to modernise. Both sides saw great potential for the partnership. They agreed it was important that the Partnership incorporated rule of law and civil society elements: in this way, efforts to modernise would be more likely to succeed and endure. Within this agreed approach, the focus would be on concrete activities, including satellite navigation; energy efficiency; joint programmes to strengthen the judiciary and fight corruption and strengthening dialogue with civil society.
- The Russians signed the Agreement on the Protection of Classified Information in the margins of the Summit (signed by the EU in 2009). Your Committee cleared an Explanatory Memorandum covering the Agreement on the Protection of Classified Information in December 2009.

SUMMIT DISCUSSIONS

The Summit focused on EU-Russia relations; climate change and energy; the global economy and trade; and a range of international issues.

EU-Russia Relations

Both sides noted progress in the negotiations for the New Agreement following the recent closure of the ninth round. The EU emphasised the importance of substantial trade and investment provisions as a central tenet of the Agreement.

The EU welcomed a number of positive developments on human rights issues and the rule of law, including the ratification in the Duma of Protocol 14 of the European Convention on Human Rights, the extension of jury trials nationwide and the confirmation of the moratorium on the death penalty. The EU raised concerns about the situation of human rights defenders and journalists in Russia and about worrying developments in the North Caucasus.

On visas, Russia said it was ready to move reciprocally and immediately towards visa-free travel. President Medvedev presented a draft visa waiver agreement. The EU called for realism and understanding. There was scope to move forward gradually, focusing on results and concrete

progress. The EU side added that the implementation of both the readmission and visa facilitation agreements were crucial factors with regard to further progress in the visa dialogue.

The EU stressed that crisis management cooperation could contribute to finding solutions to protracted conflicts in the common neighbourhood. It welcomed good cooperation in Chad and coordination in the framework of the EU operation ATALANTA, and looked forward to a new round of experts' talks on a Framework Participation Agreement in the coming weeks.

In this context, you will no doubt be aware of the recent joint announcement by President Medvedev and Chancellor Merkel on proposals for a new EU-Russia Political and Security Committee. This was not discussed at the Summit. Discussions will now be taken forward in the Council with a view to an outcome at the next Summit under the Belgian Presidency. I will update the Committee with further information on the EU-Russia PSC, as events develop.

Climate Change and Energy

The two sides noted that Cancun would be an important stepping stone towards a binding agreement. The EU pressed Russia to be more ambitious on unused carbon allowances and on reducing greenhouse gas emissions. Russia indicated it would be prepared to discuss its position on targets for emissions reductions but stated that its final decision would depend on moves by other big emitters.

On energy the Russian side said that the Energy Charter Treaty was a useful framework but that work was needed to better reflect the relations between producers, transit countries and consumers. The EU agreed that the Energy Charter was the right context for discussion on a multilateral energy framework. On Ukraine, Russia said that the new momentum on Russia-Ukrainian relations was 'good for Europe'.

Economy and Trade

Exchanges on the economy focused on recent developments in the Euro zone and global financial governance issues. Both sides stressed the need for international coherence in working through the global financial challenges still at play. A step by step approach was needed.

The EU side pressed Russia to withdraw its remaining protectionist measures, introduced as part of its response to the economic crisis, and added that trade provisions were to be a key element of the New Agreement between the EU and Russia. The Russian side gave no response on the issue of tariff hikes.

The EU emphasised that Russia joining the WTO was a key aspect of modernisation. President Medvedev confirmed Russia's intention to join the WTO. The EU was fully supportive of Russia's accession. Russia would not be slowed down by Kazakhstan or Belarus (although it remains to be seen whether Belarus will eventually join).

International Issue

HR Ashton and FM Lavrov agreed a Joint Statement on the Gaza flotilla. The Middle East Peace Process was given particular focus during the lunch time discussion on 1 June. The sides also discussed the Iranian nuclear issue; Afghanistan and Pakistan; Western Balkans; European Security; and stability and security in the EU-Russia common neighbourhood. The EU called on Russia to comply fully with its commitments under the Sarkozy/Medvedev agreements following the August 2008 war in Georgia; and for EUMM to be able to access South Ossetia and Abkhazia. Russia recalled the Tagliavini report and stated that Georgian drones were frequently deployed along the Administrative Boundary Lines [Russia used the term 'borders'] of South Ossetia and Abkhazia.

ASSESSMENT

The Summit was balanced and measured, with the Partnership for Modernisation as the centrepiece. The launch of this initiative gave new impetus to discussions on the New Agreement and Russia's WTO accession which both sides acknowledged as key tenets of Russia's modernisation.

I hope you will find this readout useful. I am writing in similar terms to the Chairman of the European Union Select Committee in the House of Lords. I will place this letter in the Library of the House.

17 June 2010

EU STRATEGY AGAINST WEAPONS OF MASS DESTRUCTION

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered the above document at its meeting on 22 July 2010 and cleared it from scrutiny.

The Sub-Committee support the Council Decision to establish a network, but questioned whether €2.2 million was necessary simply to hold meetings and create a website. We would also welcome your views on whether the network will be in a position to provide independent advice if it is receiving a significant amount of funding from the EU.

We look forward to hearing from you.

22 July 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 22 July 2010 in which you say that the above document has cleared scrutiny.

You queried the cost associated with the Council Decision. I therefore attach a breakdown of how the €2.2 million will be spent and hope that this will provide some clarification. You will see that almost half of the funding (€918k) will be used to organise two major non proliferation conferences, with 200 attendees each. The first will produce an action oriented report with recommendations that can be followed up at the second. The funding will cover costs relating to the logistical and operational aspects of each conference (e.g. conference materials and administrative support). It is clear that value for money has been considered, e.g. the Council Secretariat will provide translation, saving on hiring interpreters.

Your letter referred specifically to the web site. The site will cost €232k, which includes not only the cost of creating the site (including purchasing the necessary computer equipment and software) but also the cost of maintenance for three years.

The think tanks themselves are unpaid, meaning that their independent thought will not be impaired despite the fact that funding to enable them to meet and share ideas comes from the EU. The budget also allows for scientific peer review, which further strengthens the independence and robustness of the conference conclusions.

I hope this answers your queries fully. Should you require any further information on this particular Council Decision of the EU WMD Strategy more broadly, please let me know.

17 August 2010

Letter from the Chairman to David Lidington MP

Thank you for your letter of 17 August on the above scrutiny item, which the House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered at its meeting on 7 October 2010.

We are still not satisfied that value for money has been taken fully into account in the budget for this network. For example, the hourly remuneration (up to €85/hour) for the “unpaid” think tank personnel involved in the organisation of the two conferences, and particularly the provision for the setting up of what is effectively a specific one-subject website (€232k), appear exceedingly generous.

We would welcome your further thoughts on these items.

We look forward to hearing from you within the standard ten working days.

8 October 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 8 October 2010 regarding the above Council decision implementing the EU's WMD Strategy. I am pleased that the Select Committee continues to show strong interest in the EU WMD Strategy.

In a previous letter to the Committee (dated 17 August 2010), I wrote that the network of think tanks would be unpaid and therefore free from any conflict of interest, whether real or perceived. As you correctly point out, the Council Decision does make provision for the small group of staff

involved in planning and organising the conference to be paid. In this case these are services of the London-based International Institute for Strategic Studies (IISS).

The unit costs for personnel were determined on the basis of staff salaries within the implementing organisations and were not adjusted to take account of the fact that costs in London are higher than in some other EU capitals. The costs are consistent across the three elements of the project. The amount of staff time required is based on IISS's previous experience of convening international events of this type, for example, the annual Shangri La dialogue in Singapore and the Manama Dialogue in Bahrain. The Council accepted that 10 weeks of senior leadership time and 16 weeks of managerial work, spread over a year, was the minimum required to make the project a success.

The Fondation pour la Recherche Stratégique (FRS), a French think tank and part of the network, has been asked to create an online system to facilitate the secure exchange of information. The €232k expenditure is broken down into its creation (€78,270) and daily management over two years (€153,530). FRS will provide the level of security required to allow the network to discuss sensitive policy issues freely outside of the formal conference setting thus maximising the value of the conferences and the sustainability of the network.

More generally, my officials have received assurances that the European Commission took measures to ensure value for money of the project during the detailed budget negotiations. The Commission pushed back on the think tanks' initial funding proposal, cutting it substantially. They are also making use of existing resources, such as Council Secretariat translation services.

I remain ready to provide further information on request.

22 October 2010

EUROPEAN INVESTMENT BANK: EU GUARANTEE (9046/10)

Letter from the Chairman to Stephen O'Brien MP, Parliamentary Secretary of State, Department for International Development

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered the above document at its meeting on 1 July 2010 and held it under scrutiny. We would be grateful for further information on the following points:

CONCERNS

The Decision would provide for the activation of European Investment Bank (EIB) lending to Iraq, Iceland, Belarus, Libya and Cambodia. Is there a requirement in the EIB's rules of procedure to consider the human rights situation in countries to which it lends? In particular, does the present draft Council Decision take into account that, with the exception of Iceland, these countries have poor human rights records; and is the ability of these countries to use and monitor EU funds effectively taken into account? Given these political aspects, we were puzzled that the FCO was not consulted on the Government's position.

The Commission proposes making available €2bn under the EIB's External Lending Mandate for climate change mitigation and adaptation projects. The Committee would be grateful for information on how these funds will be used and what financial management, monitoring and evaluation mechanisms are in place to ensure that they achieve their intended objectives.

QUALITY OF THE EIB'S LOAN BOOK

There was no information in the Commission documents about the quality of the EIB's loan book and the frequency with which countries default. We understand that the EU, as the guarantor, must cover any defaults on EIB loans, resulting in a cost to British taxpayers. We would be grateful if you could provide us with 1) the volume of loans that have gone bad in the last three financial years and the cost that the EU or the Member States have had to bear as a consequence; and 2) the percentage of overall EIB lending that these figures represent.

SUBSIDIARITY

We would be grateful for further explanation why you consider that the principle of subsidiarity does not apply to this proposal. In your Explanatory Memorandum you follow the Commission in asserting that subsidiarity is not applicable as the EU has exclusive competence. However, the proposal would be adopted using legal bases in the parts of the TFEU concerning development cooperation and

concerning economic, financial and technical cooperation with third countries, neither of which is an area of exclusive EU competence. It would also be adopted in accordance with the ordinary legislative procedure. On this basis, not only would the principle of subsidiarity apply but the measure would also be subject to the procedures set out in the Protocol on the application of the Principles of Subsidiarity and Proportionality.

Please could you also update us on the timetable for the agreement of this proposal.

We look forward to hearing from you within 10 working days.

6 July 2010

Letter from Stephen O'Brien MP to the Chairman

The Proposal above concerns the mid-term review of the European Investment Bank (EIB)'s External Lending Mandate (ELM), covering lending activity in countries outside the EU but excluding Africa Caribbean and Pacific (ACP) countries and Other Countries and Territories (OCTs). Lending to ACP and OCTs is governed by the Cotonou Agreement, which is not covered by this proposal. In 2009, signed loans to partner countries outside the EU represented some 10% of the EIB total portfolio (€79bn), of which only 863m (1% of the portfolio) was to ACP/OCT countries.

In its meeting of 6 July 2010 the House of Lords have asked for further information on the following:

DO THE EIB'S PROCEDURES CONSIDER HUMAN RIGHTS ISSUES

A distinction needs to be made between the assessment of human rights (i) at country level and (ii) at project level.

(i) The EIB operates in countries which are eligible under the ELM and the Cotonou Agreement, and thus takes its lead on where to operate from the Council and the European Parliament (for the ELM). It is up to these bodies to decide, based on proposal from the Commission, on a case-by-case basis whether to activate EIB financing. The EIB does not make its own assessment of the human rights situation at country level.

For ACP countries, EIB follow the so-called Article 96 consultation in the Cotonou Agreement as regards human rights, democratic principles and the rule of law. EIB activities in a country subject to this consultation process are usually suspended and can only be resumed upon positive outcome of such process. Guidance from the Council is required for the EIB to operate in these countries.

(ii) At project level, the Environmental and Social Statement and the Handbook – which are public documents – apply a human rights-based approach to social assessment.

Furthermore, the EIB provides for a grievance mechanism which covers human rights. This mechanism comprises in the first instance the Complaints office of the EIB, and in the second instance, the option of the European Ombudsman. In this regard the EIB is unique amongst International Finance Institutions.

POOR HUMAN RIGHTS CONDITIONS IN SEVERAL OF THE TARGETED COUNTRIES

The Commission proposal is accompanied by a Staff Working Document (SWD) with background information on Iraq, Belarus, Libya and Cambodia, including on recent reforms on democracy, human rights and fundamental freedoms. The inclusion of these countries is justified by the Commission's engagement in the ongoing reform process, and is meant to contribute to the EU's broader strategic and political objectives towards them.

The activation of the EIB's mandate in these countries would make them eligible for EIB lending in principle, although the EIB would still need to undertake its own social assessment at a project level, which includes human rights considerations (see above).

ABILITY OF THE BENEFICIARY COUNTRIES TO USE AND MONITOR EU FUNDS

The Bank uses its own rules and procedures when approving loans covered by the EU Guarantee, including an economic and financial appraisal of the project. Project proposals are approved by the Board of Directors (made up of Member States' representatives). EIB also applies its own monitoring and evaluation policy to assess the borrowers' compliance with the conditions of the loans and to assess the relevance, effectiveness, efficiency and sustainability and environmental impact of the projects. Evaluation reports are published under the authority of the Board of Directors.

The effective use and monitoring of EU funds is guaranteed by the Bank's (ex-ante) appraisal, (ongoing) monitoring, and (ex-post) evaluation activity. This takes into account issues such as borrowing countries' absorption capacity.

CONSULTATION WITH FCO

We can confirm that all appropriate FCO policy desks have been consulted, and are supportive of the activation of EIB lending in Iraq, Belarus, Libya and Cambodia, with acknowledgement of the human rights situations in these countries. We can also confirm that FCO supports the activation of the mandate for Iceland.

Other member states were also consulted, none of which expressed particular concerns about the introduction of these countries to the ELM, with the exception of Iceland where the UK worked with the Netherlands to coordinate a joined up response and secure acceptable conditions.

In the case of Belarus, FCO have some concerns regarding the human rights implications of the forthcoming election, but are satisfied by wording in the Commission's Staff Working Document accompanying this proposal, which states that "...the start of EIB operations in the country will not be automatic but will continue to be linked to progress toward democracy".

USE OF THE CLIMATE CHANGE MANDATE

The Commission's SWD describes the types of projects eligible for these EIB funds, including projects on energy efficiency, renewable energy, transport, forestry and land use, research, development and innovation, adaptation, etc.

The Climate Change mandate should form part of an overall European Platform for Climate Action financing, together with the EIB own-risk facility for energy sustainability and security of supply (€3bn for 2007-2013) and with concessional funds from the EU, Member States and other European actors.

Operational guidelines will need to be defined by the Commission and the EIB for the entire mandate including the Climate Change mandate. They should help link the EU policy objectives with EIB financing operations.

General reporting requirements for the mandate will also apply to the Climate Change mandate. The annual report will include an assessment of EIB operations at project, sector, country and regional level as well as the contribution of EIB's operations to the fulfilment of the external policy and strategic objectives of the EU. The Bank's general monitoring and evaluation policy will also apply to operations under the Climate Change mandate.

QUALITY OF THE EIB'S LOAN BOOK

Under the ELM as covered by the EU guarantee, there were no calls on the EU guarantee in the last 3 years. If we consider arrears as bad loans, the EIB reports that at mid year 2010, one private sector loan in Gaza showed long lasting (more than 180 days) arrears, equivalent to 0.01% of total disbursed capital (€7.6bn). However, the Bank does not envisage a call on the EU guarantee in this case but rather a restructuring of the loan.

For ACP/OCT countries (which this proposal does not cover), the total amount of arrears called on the Member State guarantee in the last 3 years (capital and interest) is approximately €0.13bn or 6.79% of the total disbursed capital outstanding as at mid-2010 (€1.9bn).

SUBSIDIARITY

On the subject of subsidiarity the Committee is correct in saying that there is a mistake in the Commission's proposal. Although the legal bases in the proposal are correct, there has been a mistake in the Commission's analysis of these legal bases. Article 4(4) TFEU provides that development cooperation is an area of shared EU and Member State competence and therefore not an area of exclusive competence for the EU as the Commission states in paragraph 3. Article 212(3) TFEU provides that economic financial and technical cooperation with third countries is also an area of shared EU and Member State competence and therefore not an area of exclusive competence for the EU.

It follows that the House of Lords Select Committee was correct in stating in its letter that the principle of subsidiarity does therefore apply to the proposal. The measure would indeed therefore be subject to the procedures set out in the Protocol on the application of the Principles of Subsidiarity and Proportionality.

TIMETABLE FOR THE AGREEMENT OF THIS PROPOSAL

On the 8 June 2010, the Council (ECOFIN) provisionally agreed on the draft decision aimed at adjusting the European Investment Bank's current mandate for lending, under guarantee from the EU budget, for projects outside the EU. The Council asked the Presidency to start negotiations with the European Parliament with a view to adopting the decision at first reading. The deadline for final agreement is October 2011.

22 July 2010

FII: PARTNERSHIP AGREEMENT

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing with regard to my Explanatory Memorandum for amending Decision 2007/641/EC on the extension of the Article 96 measures in respect of Fiji for a period of six months. I regret that time constraints, and the need to maintain a legal basis for the current EU measures being taken against Fiji, necessitate my agreeing this Council Decision before Scrutiny clearance can be obtained.

No changes to the current arrangements will take place during this six month extension. Member States are in agreement. Any documents on new arrangements will be put before the Committee, for scrutiny in the normal way, prior to agreement.

24 September 2010

GENERAL AFFAIRS COUNCIL

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to inform you of the outcome of the General Affairs and the Foreign Affairs Councils in Brussels on 10 May. The UK was represented by Sir Kim Darroch, UK Permanent Representative to the EU, at both Councils whilst these met in Foreign Ministers' format. Anthony Smith, Director for Europe and Development Relations DIFD, attended the Development Ministers' Foreign Affairs Council.

The agenda items were as follows:

FOREIGN AFFAIRS COUNCIL

The provisional summary of Conclusions adopted, including 'A' points, can be found at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/114366.pdf

Somalia and Piracy

Ministers discussed the prosecution of pirates captured by ships taking part in Operation EU NAVFOR Atalanta. There was a broad welcome for Baroness Ashton's plans to visit the affected region. Ministers also noted that the UN Conference on Somalia, to be held in Istanbul on 22 May, was an opportunity to work with other interested groups and organisations.

Nuclear Non-Proliferation

There was a discussion on nuclear issues focusing on the new START treaty, the Washington Nuclear Security Summit in April and the Nuclear Non-Proliferation Treaty (NPT) review conference that is taking place in New York (3-28 May). Ministers broadly welcomed the comments made by Baroness Ashton at the beginning of the New York meeting.

Iran

The discussion on Iran focused on its nuclear programme, including the EU's support to the UN Security Council process on new restrictive measures against Iran. Ministers also discussed human rights in Iran.

EU-Russia Summit

The Council looked at priorities for the 25th EU-Russia Summit to be held in Rostov-on-Don on 31 May to 1 June. These include the Partnership for Modernisation; possible progress towards visa

liberalisation (for Schengen countries only); the global economic crisis; climate change; energy issues; and Russia's accession to the World Trade Organisation.

EU Relations with Strategic Partners

Over lunch, Ministers continued their series of discussions on the EU's relations with strategic partners, this time focusing on China. Baroness Ashton noted these discussions would continue in the lead up to September's European Council.

Middle East Peace Process

Baroness Ashton issued a declaration on behalf of the EU welcoming the launch of proximity talks between Israel and the Palestinians. The text can be found at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/cfsp/114343.pdf

Madagascar

The Presidency (Moratinos) raised the European Parliament's concern about the ongoing crisis and the need for the EU to work closely with the African Union and the Southern African Development Community.

Meeting of Development Ministers

EU Development Ministers discussed the EU's engagement in Haiti, the EU position for the UN High Level Meeting on the Millennium Development Goals (MDGs) in September and the External Action Service.

Development Commissioner Piebalgs and Baroness Ashton briefed Ministers on EU reconstruction efforts in Haiti. During an orientation debate on the MDGs, the Commission set out proposals for a joint EU position including a mechanism for improved transparency on aid volume commitments. These will be explored in the June Foreign Affairs Council. On the EAS, Baroness Ashton and Commissioner Piebalgs briefed Ministers on plans for the new EAS structures and restated their commitment to work together.

GENERAL AFFAIRS COUNCIL

The provisional summary of Conclusions adopted, including 'A' points, can be found at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/genaff/114364.pdf

June European Council

The Presidency (Moratinos) presented a draft agenda for the 17 June European Council. The agenda includes the Europe 2020 strategy, the G20 Toronto Summit, UN millennium development goals and climate change.

19 May 2010

GREEN PAPER: EU BUDGET SUPPORT TO THIRD COUNTRIES

Letter from the Chairman to Stephen O'Brien MP, Parliamentary Secretary of State, Department for International Development

The EU Foreign Affairs, Defence and Development Policy Sub-Committee considered the above document at its meeting on 25 November and cleared it from scrutiny.

We welcome the EU Commission's decision to review its approach to budget support and look forward to being kept informed on progress during the various stages of the review. We would also be grateful if you could send us copies of the following documents when they become available:

- DFID's updated guidance on budget support;
- DFID's response to the Commission Green Paper; and
- DFID's review of multilateral aid.

We look forward to hearing from you in due course.

26 November 2010

GUINEA-BISSAU: SECURITY SECTOR

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

Sub-Committee C considered the above document at its meeting on 24 June 2010 and cleared it from scrutiny, noting that it was an override due to the dissolution of Parliament.

The Sub-Committee were interested to learn of the problems experienced with security sector reform in Guinea-Bissau which have led to the Decision to extend the mission for a limited four months and to put on hold the proposed new smaller EU mission which would focus on reform of the armed forces. The Sub-Committee would be grateful if you would keep them in touch with developments with an update for the Sub-Committee's last meeting before the summer recess, which is likely to be 22 July.

28 June 2010

Letter from David Lidington MP to the Chairman

I am writing in response to your two letters of 28 June in which you informed me of the Select Committee's decision to clear the extensions of two civilian CSDP missions in Africa – EUSSR Guinea Bissau and EUPOL DRC. You also requested an update on each mission ahead of the summer recess.

Since my appointment as Minister for Europe I have been keen to push for CSDP missions to be better able to demonstrate their impact and value for money. To date, both EUSSR Guinea Bissau and EUPOL DRC have struggled to fulfil their mandates. I have been keen to address this in recent discussion in Brussels during which the UK has frequently expressed the importance we place on impact and effectiveness.

On 9 July the Political and Security Committee (PSC) decided that EUSSR Guinea Bissau should be closed as soon as feasible. The main reasons for this decision was that the Guinea Bissau Government had not met the conditions set out in the EU demarche for continued engagement and the conclusions of the EU's own strategic review which stated that conditions do not currently exist in-country for meaningful security sector reform (SSR) to take place.

It should also be noted that, on 25 June, President Sanhá confirmed the appointment of the former Deputy Chief of Defence Staff (Major-General Indjai, who was directly involved in the military mutiny of 1 April) to the position of Chief of Defence Staff. Major-General Indjai has been implicated in the drug trafficking business, and his appointment suggests that the Guinea Bissau civilian Government does not have effective control over the military. President Sanhá's decision was met with widespread international condemnation. The United States has been particularly vocal in their objections and has decided to disengage from the SSR process in Guinea Bissau until further notice.

Work will now begin on winding down EUSSR Guinea Bissau and ensuring that any handover of tasks to other actors is completed before the end of the current mandate (September 2010). In light of the EU's agreement to close the mission, some other Member States have expressed a desire to maintain some expertise in the country to monitor the situation, looking at wider security sector issues, or at the issue of narcotics and other trafficking. In line with the values I have highlighted, the UK expressed a strong view that any possible continued EU presence, for example as part of the EU delegation, must have a clear rationale for its presence and a view of proposed impact. The PSC has therefore requested proposals on a possible strengthening of the EU delegation in-country with SSR advisors and will revert to the issue at a later date. In the meantime the UK will look into (bilaterally) opportunities to continue to work with Guinea Bissau on SSR issues.

The EU recently released a strategic review of engagement in the Democratic Republic of Congo (DRC) to allow for a more informed decision to be made on the future of the two CSDP missions based in-country before their mandates expire on 30 September. The strategic review recommended that EUPOL DRC be extended for two years with a revised mandate that would be more focused on implementation and project work than strategic advice. This review and its proposals were strongly supported by a large number of other EU member states (particularly France and Germany) and the Belgian Presidency, as well as the EUSR for the Great Lakes.

In my explanatory memorandum of 10 June I informed the committee that if the strategic review did not identify an acceptable area in Police reform where EUPOL DRC could add value to going forward, the UK would push for the mission to be closed. The reason for this is that, to date, EUPOL DRC has struggled to fulfil its current mandate. The mission has continually suffered from under staffing and has been operating in a field populated with many other, better resourced actors (the UN). These two factors have significantly limited EUPOL DRC's visibility and overall impact.

The UK believes that the EU's strategic review does not go far enough in addressing our concerns about the impact of EUPOL DRC. Discussions in Brussels are still ongoing and no formal agreement has yet been reached regarding the future of the mission. The UK has continued to emphasize the importance we place on CSDP missions needing to be as effective as possible and I expect a final decision to be made on the future of EUPOL DRC in the coming weeks. Once a final decision is made I will inform Parliament accordingly.

I will respond separately to your letter regarding the EU's Border assistance mission for the Rafah crossing point (EUBAM Rafah).

21 July 2010

Letter from the Chairman to David Lidington MP

The above document was considered by the EU Sub-Committee on Foreign Affairs, Defence and Development at their meeting on 11 November, and cleared from scrutiny.

Given the continuing problems in Guinea-Bissau and the EU's involvement in the country, the Sub-Committee would have been interested to hear the fate of the EUSSR mission about which you wrote to me on 23 July. Has this mission, in fact, been disbanded? When was the decision taken and when implemented? Were there any remaining tasks and, if so, do any EU officials remain in the country to implement them?

We would be grateful if you would also tell us whether there has been, or will be, an ex-post appraisal of the mission by the EU. In particular we would like to understand what lessons will be taken from the performance of the mission and how these will be applied to future similar exercises; together with the reasons for which this particular mission did not succeed.

We look forward to hearing from you within the standard ten working days.

15 November 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter requesting more information on the EU's security sector reform (SSR) mission in Guinea Bissau (EUSSR Guinea Bissau).

As I wrote to you on 23 July, the Political and Security Committee took the decision to close EUSSR Guinea Bissau on 9 July 2010. The mission was subsequently closed at end of its mandate on 30 September 2010. This is the first civilian CSDP mission to close (without a follow on mission) since 2006.

Under its mandate EUSSR Guinea Bissau provided local authorities with advice and assistance on SSR in order to establish an environment to implement the National SSR Strategy. The mission focused on all three security sectors (police, military and judiciary). It mentored and advised local officials on tackling organised crime, combating illegal narcotics and improving military logistics as well as working with the local authorities to draft a number of organic laws related to SSR.

Prior to the military mutiny of 1 April the mission enjoyed a good working relationship with various officials, including the Chief of Defence. Meetings took place on a regular basis and the Guinea Bissau authorities showed positive signs of meaningful SSR engagement. However, following the military mutiny, key figures in the mutiny were formally approved in their positions. Engaging with these personnel would have undermined the credibility of the SSR process and was one of the main reasons that the mission was closed.

The mission had assisted the local authorities in drafting organic laws to reform and restructure the Guinea Bissau military. However, following the military mutiny these laws remain to be formally approved. The mission also mentored key security sector officials to provide them with the skills to take forward SSR. However following the military mutiny these officials are no longer in a position to deliver this.

Although EUSSR Guinea Bissau has been closed, the EU Delegation remains in country. While not continuing the work of EUSSR Guinea Bissau, it is helping to implement some of its recommendations, such as the creation of a pension fund for senior military personnel within the Guinea Bissau military.

The objective of this work is to allow officers to "retire with dignity" and allow for more reform minded individuals to take their place. Broader discussions on how the EU should continue to engage in Guinea Bissau are ongoing in Brussels. I will write to the Committees once a final decision has been taken.

EUSSR Guinea Bissau's was hampered by two key factors (both outside the direct control of the mission) which contributed towards its closure:

- The first was logistical. It was difficult for the EU to staff the mission fully. This was partly due to Member States' capacity to deploy personnel with the appropriate skills (there are few Portuguese-speaking SSR experts).
- The second was the political/military environment in which EUSSR Guinea Bissau had to operate. Three of the previous five Chiefs of Defence Staff were murdered, and the President was assassinated in 2009. Against this background long term political engagement was difficult to achieve.

The former Head of Mission presented his final conclusions to the PSC on 5 November. He gave a positive appraisal of the performance of EUSSR Guinea Bissau and concluded that, given the circumstances under which the mission was operating, it was successful. He also provided a number of lessons learned from the mission's experiences:

- The EU needs to assess better local commitment to reform prior to the deployment of a CSDP mission. Host countries' buy-in to the overall reform process was crucial. Without this little real progress on the ground is possible.
- Better coordination is required between the different branches of the EU operating in-country and with other international actors. There were a number of other actors engaged in Guinea Bissau and SSR activity could have been better coordinated.
- Once CSDP missions are deployed they should try to deliver "quick wins" to better demonstrate their activity. The objective would be to improve the understanding of the local population about CSDP engagement at an early stage.
- The fact that SSR is a long process and can only be completed through multiple stages should also be expressed at an early stage. This will help to CSDP mission to better manage relationships and the expectations of the local authorities.

These lessons will serve as an important guide for future policy formulation on deploying CSDP missions. The Government will ensure that these lessons are appropriately considered in the future.

29 November 2010

ILLICIT TRADE OF SMALL ARMS AND LIGHT WEAPONS (SALW)

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your Explanatory Memorandum of 11 November at its meeting on 18 November 2010 and cleared the document from scrutiny.

We strongly support the proposed pilot projects to combat the illicit trade of Small Arms and Light Weapons (SALW) by air and would appreciate being kept informed of any evaluations that are carried out on them.

We look forward to hearing from you in due course.

22 November 2010

IRAN: PARLIAMENTARY SCRUTINY OF COUNCIL DECISION

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to you to provide advanced notice of EU negotiations on a Council Decision that will impose further restrictive measures on Iran, as well as implementing recent UN measures.

On 17 June the European Council invited the Foreign Affairs Council (FAC) to adopt new sanctions measures on Iran at its next meeting on 26th July, with a view to supporting the resolution of all

outstanding concerns regarding Iran's development of sensitive technologies in support of its nuclear and missile programmes. The Council stated that these measures should focus on the areas of: trade, especially dual use goods and further restrictions on trade insurance; the financial sector, including freeze of additional Iranian banks and restrictions on banking and insurance; the Iranian transport sector, in particular the Islamic Republic of Iran Shipping Line (IRISL) and its subsidiaries and air cargo; key sectors of the gas and oil industry with prohibition of new investment, technical assistance and transfers of technologies, equipment and services related to these areas, in particular related to refining, liquefaction and LNG technology; and new visa bans and asset freezes especially on the Islamic Revolutionary Guard Corps (IRGC).

The Government supports this approach and is committed to ensuring that Europe agrees a strong package of measures at the FAC. The European Council Declaration sent a clear and strong signal of Europe's unity and resolve. It made clear that Iran cannot ignore its international obligations, and that we are determined to resolve this issue through diplomatic means.

European officials are currently negotiating the text of a Council Decision, with the aim of getting it adopted by the FAC on 26th July. However, given the complexity of negotiations, it is unlikely that a final text will be ready much before then.

The Government is committed to ensuring that the Scrutiny Committees have an opportunity to express its views on texts, so that it can hold the Government to account on EU decision making.

Therefore, I am sending you the Decision in its current form, along with an unnumbered EM, so that the Committees have time to scrutinise the proposals. Given that the Decision is a working document, please could you treat it in confidence.

I will submit the final Decision to you as soon as it has been agreed at officials' level and I will write to you in advance of the adoption, outlining the main differences from the draft text. We expect any differences to be on the detail of the text rather than the substance of the policy covered by the draft Decision.

Given the importance of fulfilling both our scrutiny obligations, and the Council's commitment to adopt new sanctions measures on Iran at the FAC on 26th July, I would welcome your views on whether this meets your Committee's requirements.

9 July 2010

Letter from David Lidington MP to the Chairman

The update was necessary to allow Member States to implement the asset freeze and travel ban against newly designated individuals and entities contained in the Council Decision with immediate effect. It was imperative that the Regulation update was agreed along with the Council Decision on restrictive measures against Iran to prevent asset flight. There would have been a real threat if action had been delayed until adoption of a new Regulation in the autumn and would have weakened the impact of the new measures agreed. I regret that your Committee was not able to scrutinise the update to the Regulation before it was adopted. The final list of agreed names was only agreed and circulated on 23 July. As a result, I had to agree to the adoption of the Regulation amendment at the Foreign Affairs Council, before the Committee has cleared it from scrutiny.

This is not a decision I have taken lightly. I am fully committed to the rigorous parliamentary oversight of the Government's policy in the EU. However, given the exceptional nature of this particular case, I believe that on balance was in the national interest to proceed without clearance. The Government, together with EU and international partners, has been clear that it is imperative to adopt tough additional EU sanctions against Iran in the shortest possible timeframe. The Government's approach to Iran has enjoyed consistent cross Party support in the House.

As you know, I have attempted to keep the Committees fully informed on EU action against Iran. I submitted an Explanatory Memorandum on the draft Decision and I wrote to you separately on 9 July, where I raised the likelihood of further designations. My officials also updated the Clerk of the Lords Committee on 21 July, inter alia, that the EU would need to update the existing Regulation.

Now that the Decision has been adopted, this will need to be translated into a Council Regulation, which we expect to be completed by the end of September. I will submit the draft Regulation to be scrutinised by your Committee in due course.

26 July 2010

Letter from David Lidington MP to the Chairman

I am writing to you to provide advanced notice of EU negotiations on a Council Regulation that will impose further restrictive measures on Iran, as well as implementing recent UN measures.

On 26 July the Foreign Affairs Council (FAC) adopted new sanctions measures on Iran, with a view to supporting the resolution of all outstanding concerns regarding Iran's development of sensitive technologies in support of its nuclear and missile programmes. These measures are focussed on the areas of: trade, especially dual use goods and restrictions on trade insurance; the financial sector, including freeze of additional Iranian banks and restrictions on banking and insurance; the Iranian transport sector, in particular the Islamic Republic of Iran Shipping Line (IRISL) and its subsidiaries and air cargo; key sectors of the gas and oil industry with prohibition of new investment, technical assistance and transfers of technologies, equipment and services related to these areas, in particular related to refining, liquefaction and LNG technology; and new visa bans and asset freezes including on the Islamic Revolutionary Guard Corps (IRGC).

European officials are currently negotiating the text of a Council regulation to put into effect elements of the Council Decision which fall under EU competence, with the aim of getting it adopted by the end of September. However, given the complexity of negotiations, it is unlikely that a final text will be ready much before adoption.

The Government is committed to ensuring that the Scrutiny Committees have an opportunity to express their views on texts, so that it can hold the Government to account on EU decision making. Therefore, I am sending you the Regulation in its current form, along with an unnumbered EM, so that the Committee has time to scrutinise the proposals. As your Committee will not meet in September I will unfortunately have to override the scrutiny requirement in this instance.

I will submit the final Regulation to you as soon as it has been agreed at officials' level and I will write to you in advance of the adoption, outlining the main differences from the draft text. We expect any differences to be on the detail of the text rather than the substance of the policy covered by the draft Regulations. If the current timeline for adoption slips and there is an opportunity for your Committee to scrutinise the text in full, I will alert you as soon as this becomes clear

Given the importance of fulfilling both our scrutiny obligations, and the Council's commitment to adopt new sanctions measures on Iran as soon as possible, I would welcome your views on whether this meets your Committee's requirements.

9 September 2010

Letter from David Lidington MP to the Chairman

I am writing to update you on progress with the EU Iran Regulation, as promised in my letter of 9 September.

The Regulation was finalised at official level today and is due to be adopted at the Foreign Affairs Council on 25 October. This delay from the informal deadline of the end of September was due to complex negotiations on unprecedented EU measures. I have attached the text that will be discussed by Foreign Ministers. I would be grateful if you could treat it in confidence until its adoption. I do not anticipate any further changes to be made at the Foreign Affairs Council, although this remains a possibility.

We believe that the Regulation represents a significant achievement that will help ratchet up the pressure on Iran to return to dialogue with the E3+3 and comply with its international obligations. The measures that the Regulation imposes are the most stringent and broad ranging that the EU has adopted to date. The sanctions are the first to target the energy sector, which UN Security Council resolution 1929 noted was a key source of finance for Iran's proliferation-sensitive activity. The Regulation also extends the financial sanctions into new areas and, inter alia, requires the EU to monitor and authorise payments being made to Iran over a threshold of forty thousand Euros; places prohibitions on the opening of new Iranian banks in the EU; and restricts the provision of insurance and reinsurance to Iran. The transport sector has also been targeted through additional asset freezes of IRISL, the Iranian state shipping line, and its subsidiaries and additional inspections of Iranian cargo entering the EU.

The finalised Regulation does not deviate from the substance of the measures agreed in the Council Decision. However, the text that has been agreed at official level has inevitably changed during the course of negotiations from the first draft which I deposited with your Committee. The nature of these changes is largely technical or legal in nature and will enable Member States to implement measures more easily and effectively. One example is the decision to move to a purely list based prohibition for goods for use in Iran's energy sector.

Other changes have been made to ensure that business within the EU were not unfairly disadvantaged or unintentionally caught by sanctions.

As such, clarifications have been made on existing contracts and joint ventures with Iranian companies to ensure that EU businesses would not be liable for legal action or faced with unintentional environmental consequences.

The UK has been at the forefront of upholding the case for the most stringent possible sanctions that are clearly and consistently implementable by EU Member States. We believe that the Regulation has met our objectives.

22 October 2010

MOLDOVA: ENLARGEMENT (9362/10, 9363/10)

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

The EU Sub-Committee C considered the above documents at their meeting on 24 June 2010 and cleared them from scrutiny.

We would be grateful if you could let us know which specific programmes and activities are envisaged for Moldova. Has the Transnistria region has been included in the arrangements? Could you also let us know how the Government sees this frozen conflict: has there been any progress in resolving it?

We look forward to hearing from you.

28 June 2010

Letter from David Lidington MP to the Chairman

Thank you for letter of 28 June letting me know that your committee has cleared from scrutiny the proposed conclusion, signature and application of a Protocol to the Partnership and Co-operation Agreement (PCA) between Moldova and EU Member States which will allow Moldova's participation in Union Programmes.

This proposal relates to the programmes and activities of FP7 (7th Framework Programme) for EU Research and Technological Developments, which is the EU's main instrument for funding research in Europe until 2013. It will allow Moldova to take the lead in certain research programmes, though it is difficult at this stage to be specific about details.

The EU and Moldova PCA covers the whole of Moldova including the separatist Transnistrian region. This by implication applies also to the Protocol. But it can be expected in practice to be difficult to run activities or programmes in Transnistria because of resistance from the Transnistrian 'authorities'.

It is true that progress in resolving the protracted conflict in Transnistria has stalled. The principal negotiating mechanism of the 5+2 has not met formally since 2006 and the suspension of the EU travel ban on selected Transnistrians has not had the success we had hoped in prompting more active engagement. There have been several recent initiatives that have raised the profile of the Transnistrian conflict, primarily the joint German-Russian proposal, which suggested that in exchange for a more intensified EU-Russia security dialogue Russia would be more active in helping to resolve the matter. This still is being discussed in Brussels and may provide an opportunity for a new approach towards Transnistria. But I fear that, whatever the outcome, it is unlikely that a sustainable solution will be achievable in the short term.

I discussed these issues with the Moldovan Deputy Foreign Minister in the margins of the OSCE Informal Ministerial held in Almaty, Kazakhstan on 16-17 July. I underlined the British Government's continued support for Moldova's European perspective, our hope that the Moldovan Government would continue its reform programme and the need for the 6 September referendum (on the election of the President by popular vote) to respect international democratic standards. I also emphasised the EU's continued focus on practical progress between Moldova and Transnistria, in particular through confidence building measures such as the launch of a rail route between Chisinau and Odessa.

21 July 2010

Letter from David Lidington MP to the Chairman

I am writing with regard to the Council Decision amending Council Decision 2010/105/CFSP concerning restrictive measures against certain officials in Transnistria.

I regret that we have not been able to provide you with the Explanatory Memorandum in sufficient time for it to be considered by your Committee before the Decision must be adopted in the EU. The draft Decision was only provided on 9 September and it is necessary to adopt the measures in this Council Decision by 30 September so they are in effect before the current measures expire. As a result, I will have to agree to the adoption of this Decision before your Committee has cleared it from scrutiny.

The Decision further extends the restrictive measures imposed on the Transnistrian Region of Moldova for a further 12 months, whilst at the same time extending the suspension of the travel ban until 31 March 2011. This is in line with the UK's negotiating position. If this Decision were not to be updated by 30 September, sanctions would automatically lapse, an outcome that we do not wish to see. I enclose an Explanatory Memorandum, which provides more detail.

This failure to allow your Committee to fully scrutinise the Decision has come about as the draft Council Decision was only deposited on 9 September. There was not sufficient time to provide an Explanatory Memorandum and the proposed draft Council Decision prior to your last Committee meeting on 15 September.

However, as you know, the responsibility to keep your Committee informed on issues concerning sanctions is something I take seriously. I wrote to your Committee on 22 July of this year, prior to the recess, advising of the measures likely to be adopted during that period, including on Moldova. I followed this up with a letter to your Committee on 8 September, updating you on the upcoming sanctions negotiations, including the measures to be adopted against Moldova, and the Government's position.

I will be writing to Cathy Ashton, the EU High Representative for Foreign Affairs, to emphasise the EU's responsibility to provide draft decisions in a timely fashion, to ensure that national parliaments have a proper opportunity to scrutinise EU legislation.

15 September 2010

NEGOTIATING FRAMEWORK FOR ICELAND

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to inform you that the EU Negotiating Framework for Iceland is expected to be agreed at the General Affairs Council on 26 July. Practical negotiations will then be launched at a first formal Ministerial level meeting with Iceland on 27 July. As you may be aware, the EU agrees a Negotiating Framework for each country aspiring to join the EU. The Framework establishes the general guidelines for the accession negotiations and identifies in broad terms the reforms and adaptations that the candidate country must undertake to join the EU.

The Negotiating Framework for Iceland is similar to those drafted for previous EU candidate countries. Of particular note is that the UK has successfully lobbied to include language building on the European Council Conclusions of 17 June that makes clear that the pace of the negotiations will depend on Iceland fulfilling its obligations under the European Economic Area Agreement. This includes fulfilling its obligations under the Deposit Guarantee Directive. In its letter of 26 May, the EFTA Surveillance Authority made clear that in order to bring itself into compliance with this EU Directive Iceland would need to reach agreement with the UK and Netherlands on repayment of the Icesave loan (worth £2.3bn).

The relevant extract of the Negotiating Framework reads:

The advancement of the negotiations will be guided by Iceland's progress in preparing for accession, within a framework of economic and social convergence. This progress will be measured in particular against the following requirements:

The fulfilment of Iceland's obligations under the European Economic Area Agreement, taking full account, inter alia, of the European Council conclusions of 17 June 2010, the Agreement associating Iceland with the implementation, application, and development of the Schengen acquis, as well as Iceland's progress in addressing other areas of weakness identified in the Commission's Opinion.

This language should enable the UK to negotiate more detailed criteria requiring Iceland to address its breach of the EU Deposit Guarantee Directive at an early stage.

The Government will keep the Committee informed of the progress of Iceland's accession negotiations.

22 July 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your letter on the above subject at its meeting on 28 July 2010.

We would welcome Iceland's membership of the European Union but believe that the issue of the Icesave loan to which you refer in your letter must be resolved before Iceland can accede to the EU. We therefore believe the Government should continue to take a firm stance in the negotiations.

We look forward to hearing from you.

28 July 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 28 July highlighting the Committee's view that the issue of the Icesave loan must be resolved before Iceland can accede to the European Union.

The Government agrees. We will use the EU accession process to make sure that Iceland repays the £2.3bn owed to the UK. As the Prime Minister said during his post-European Council statement on 21 June, "We will use the application process to make sure that Iceland meets its obligations." We hope it will be possible to make progress on this issue during the next round of negotiations with Iceland in September.

12 August 2010

PARLIAMENTARY SCRUTINY OF THE ROLLOVER OF THE MANDATES OF 12 EUROPEAN UNION SPECIAL REPRESENTATIVES (EUSRS)

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office to the Chairman

I am writing with regard to the rollover of the mandates of all twelve EUSRs (for Afghanistan, the African Great Lakes Region, the African Union, Bosnia and Herzegovina, Central Asia, the former Yugoslav Republic of Macedonia, the crisis in Georgia, the Middle East Peace Process, the Republic of Moldova, the South Caucasus, Kosovo and Sudan). The rollover of all twelve, as a package, is expected to be agreed by written procedure in the first half of August. The last possible opportunity for rollover is mid-August, as the current mandates expire on August 31st.

We have not been able to submit the documents for scrutiny before the summer Recess, because we do not have a full package of agreed documents. I expect this by the end of this week. Indeed, the first, early, drafts documents were not received until 13 July. We will continue to press strongly in Brussels, including with the High Representative, for a more timely issue of documents in the future. In the meantime, I am attaching the set of draft Decisions together with an Explanatory Memorandum.

I am fully committed to the rigorous parliamentary oversight of the Government's policy in the EU. However, we consider that some of the EUSRs are crucial to delivery of government policy, in Bosnia and Herzegovina in particular, and also in Kosovo, where we have been in the lead amongst member states in insisting that the position of EUSR be maintained. EUSR Sudan has an important role in ensuring delivery of the Comprehensive Peace Agreement over the next 12 months, and I am pleased to note that the High Representative has just announced her wish to appoint Dame Rosalind Marsden to the position. For these reasons I may have to agree to these Decisions before your Committee returns after Summer Recess.

Details for the budgets for all EUSRs have not yet been finalised. I will ensure that the Committees are updated in a timely manner as soon as documents are received in Brussels.

2 August 2010

Letter from the Chairman to David Lidington MP

The EU Sub Committee C considered the above EM at their meeting on 9 September and cleared the documents from scrutiny, noting the limited document on Kosovo.

The Sub Committee feels it imperative that the creation of a unified diplomatic service following the implementation of the Lisbon Treaty results in savings and efficiencies in terms of representation. We

noted from the proposal the number of EUSRs and the overlap in the area of operation of some of them, for example, the EUSR for the Caucasus and the EUSR for the crisis in Georgia. We understand that the short term re-appointments enable rationalisation to take place in the short term and welcome this. We therefore expect the establishment of the EEAS to lead to a number of rationalisations in staffing involving the EUSRs. Could you let us know where the Government expects to see the role of the EUSR taken over by the Head of Delegation, or another officer, in the EEAS? Which EUSRs do you believe should be retained as they are? In which areas do you expect the merger of the two functions to take place and in which areas do you expect the current EUSR to be retained?

The Sub-Committee also echoed the Government's concern that the right people should be appointed to Posts in the EEAS, and profoundly hopes that political considerations will not be the reason for appointments. The new service will only be to fulfil its promise if the basis for appointments is excellence.

We look forward to your response within the normal 10 working days.

15 September 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 15 September on the future of EUSRs. My apologies for the delay in my reply.

I strongly agree with you that the creation of the European External Action Service should result in efficiencies and savings. The Foreign Secretary and I underlined this to Baroness Ashton and will continue to do so.

I also agree that the right people must be appointed to the right posts in the EEAS. I have stressed to Baroness Ashton the need for a merit-based appointment system, rather than one based on geographical allocation. This is essential in building an EAS that provides value for money for the taxpayer over the long term.

EUSRs play a particularly important role in ensuring the EU supports Member States' international objectives. I am very pleased that Ros Marsden – former UK ambassador to Khartoum – was recently appointed as EUSR to Sudan. If the EUSRs are to be effective they must be properly configured, without overlap or duplication.

As your letter rightly notes, this is not always the case. As you know, there has been some rationalisation already (e.g. in Macedonia and Afghanistan), which is working well. But we are continuing to review the network of EUSRs, including which should be retained and which are no longer needed as their work can be picked up elsewhere – either in Brussels or by EU Heads of Delegation. In deciding on the scope for further rationalisation, we will need to take into account the final structure for senior staff in the EEAS that emerges over the next few months, including which individuals get which jobs and what skills sets they will bring.

I will write to the Committee again in the next few months once these staffing decisions are known to set out our thinking on EUSRs further.

12 October 2010

RAFAH: EUROPEAN UNION BORDER ASSISTANCE MISSION

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

Thank you for your Explanatory Memorandum dated 28 June 2010. The EU Sub-Committee on Foreign Affairs, Defence and Development Policy considered this document at their meeting on 7 July 2010 and cleared it from scrutiny, noting that it was an override due to the dissolution of Parliament.

The Sub-Committee welcomed the downsizing of EUBAM Rafah but questioned whether the mission was necessary at all, given that in the current political environment it cannot carry out its role. We expect that there will be some advance warning if at any stage the Rafah crossing is likely to re-open, and therefore it seems unnecessary to have 13 staff on standby. We would be grateful for your views. In addition, the Sub-Committee would like to receive more detailed information on the mission's budget of €1.95 million, which works out at €150,000 per person, a very high figure in our view. Would these funds not be better employed for other, possibly more effective, peacebuilding activities in the area?

This mission is only one element of the EU's contribution to securing a sustainable peace in the region. In our report entitled: "The EU and the Middle East Peace Process" of 2007 (HL Paper 132-I), the Committee concluded that "the EU now needs to play a more active and imaginative role in the search for peace in the Middle East than it has done in recent years" (para 165). In the light of this, the Sub-Committee would be grateful for information and your views on the EU's strategy towards the Arab-Israeli conflict following the Gaza flotilla incident, including the EU's policy on the closure of Gaza.

We would also be grateful for information on the EU's development and humanitarian funding for Palestine, Israel (if any) and in support of peace in the Middle East and your views on the extent to which it is effective in the absence of political progress.

We look forward to hearing from you within the standard ten working days.

9 July 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter of 9 July about the EU Border Assistance Mission for the Rafah Crossing Point (EUBAM Rafah) and EU assistance for the Middle East Peace Process and the Occupied Palestinian Territories. Apologies for the delay in responding to you, but I thought it would be helpful to reflect the 26 July Foreign Affairs Council (FAC) discussions in my reply.

Following the Flotilla incident and the Government of Israel's announcement to liberalise the flow of aid and goods into Gaza, there has been a series of discussions about how the EU could be involved in lifting the closure of Gaza.

The FAC discussed the issue on 26 July following the visit by the High Representative for Security and Foreign Affairs, Baroness Ashton. The discussion focused on the need to keep pressure on Israel to allow exports and people through the Gaza crossings as well as supporting wider efforts to bring both sides into direct negotiations. Baroness Ashton published a press statement underlining these points. Baroness Ashton also mentioned to the FAC that there may yet be a need to look at EUBAM Rafah to see how resources could be used better.

During the FAC and in discussions leading up to it, we have been clear to highlight the importance of implementing the policy towards Gaza that was agreed at the previous FAC on 14 June 2010 and in particular the need to implement 'an urgent and fundamental change of policy leading to a durable solution to the situation in Gaza'. We believe that to achieve this, a solution needs to be worked out in cooperation with the Quartet for the Middle East as well with the Government of Israel (Gol) and the Palestinian Authority. We judge that there needs to be a significant increase in the amount of aid, reconstruction material, and commercial goods flowing into and out of Gaza as well as the opening of the crossings to allow the flow of people. These measures are essential for the development of a sustainable Palestinian economy. The solution also needs to address the Gol's legitimate security concerns.

So while we agree that it is important for the EU to take an active and imaginative role in supporting the cause of peace in the Middle East, we believe that the EU's role in Gaza must be carefully coordinated with a wider solution that addresses all of these factors. The outcome of these discussions will have an impact on the status of EUBAM Rafah in the near future. I would be glad to provide you with an update in due course.

With regards to your question about the number of staff necessary to reactivate the mission, the UK has continually argued that EUBAM Rafah should downsize in line with its current standby role, to a level that retains operational readiness and flexibility. By maintaining a standby capacity of 13 international staff, the mission could react to events on the ground and reactivate immediately. Further, maintaining 13 international staff has enabled the mission to feed in reporting and contribute to potential planning for a possible EU role. You asked for more information on the mission's budget, the €1.95 million budget is to cover the common costs of the mission, the majority of which are staffing, in-country transport and accommodation, and running expenditure costs. The EU has considered the continued presence of EUBAM Rafah a concrete signal of its engagement and commitment on Gaza. The EU remains committed to finding a durable solution to the restrictions of aid and access to Gaza, and EUBAM Rafah remains one of the tools at the EU's disposal to this end. We will continue to look carefully at the role and size of EUBAM Rafah in that context. I would emphasise again that the situation in Gaza is currently evolving and with this we hope to see a change in the requirements on the ground.

The EU's development and humanitarian funding for the Occupied Palestinian Territories (OPTs) and the Middle East Peace Process mainly comes through the European Neighbourhood Policy Instrument (ENPI) and PEGASE (Mécánisme Palestino-Européen de Gestion de l'Aide Socio-Economique)

mechanisms, and from the European Commission Humanitarian Aid and Civil Protection department (ECHO). The total funding committed in 2010 is €369 million. This breaks down as €191.5 million to the Palestinian Authority (PA) through PEGASE for recurrent expenditure, infrastructure and private sector development; €68 million for the United Nations Relief and Works Agency (UNRWA) which provides assistance to Palestinian refugees in the region; €31 million for capacity building in the PA; and €6 million for the delivery of community services in East Jerusalem. It also includes €60.2 million of humanitarian assistance to the Palestinian population and €12.4 million through thematic budget lines.

On 13 July, the President of the European Commission, Jose Manuel Barroso, announced an additional 20m Euros each for the PA and UNRWA. These funds were allocated from the Emergency Aid Reserve to help deal with the ongoing emergency situation in Gaza.

This funding is in line with UK priorities in that it directly contributes to the PA's ability to develop its institutions of statehood with the aim of building a stable and secure Palestinian state that can exist in peace with its neighbours. The European Commission has also been clear that this funding is reviewed in line with political progress.

Although the EU provides funding to Israel through the EU-Israel Action Plan, it does not include development or humanitarian funding.

I hope you find this information useful.

5 August 2010

Letter from the Chairman to David Lidington MP

Thank you for your letter of 5 August on the EU Border Assistance Mission at Rafah, which the House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered on 9 September.

With regard to the EU's position on the closure of Gaza, you summarised the discussions in the Foreign Affairs Council of 26 July and 14 June. The Council concluded on 14 June that "the situation in Gaza remains unsustainable. The continued policy of closure is unacceptable and politically counterproductive". The Council also called for a fundamental change of policy, including an "immediate, sustained and unconditional opening of crossings for the flow of humanitarian aid, commercial goods and persons to and from Gaza including goods from the West bank". Has any progress been made towards this objective? Is it realistic to expect that the EU's Border Assistance Mission will need to be re-activated any time soon?

You also wrote that the mission's €1.95m budget covered "the common costs of the mission, the majority of which are staffing, in-country transport and accommodation, and running expenditure costs". However, this information is insufficient for us to take a clear view on whether EU funds are being spent wisely. We would therefore be grateful if you could provide the Committee with a full breakdown of the mission's budget.

We look forward to hearing from you within the standard ten working days.

13 September 2010

RESTRICTIVE MEASURES: COTE D'IVOIRE

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing with regard to the Council Decision extending and amending Council Common Position 2004/852/CFSP concerning restrictive measures against Cote d'Ivoire.

I regret that we have not been able to provide you with the Explanatory Memorandum before the Decision must be adopted in the EU. It is necessary to adopt the measures in this Council Decision by 25 October in order to reflect an amendment to the UN Security Council Resolution (UNSCR) 1946 which was adopted on 15 October 2010. As a result, I will have to agree to the adoption of this Decision before your Committee has cleared it from scrutiny.

The UN sanctions against Cote d'Ivoire, which are implemented by the EU sanctions through Common Position 2004/852/CFSP and Council Regulation 174/2005, were renewed for a period of six months on 15 October 2010. The renewal included an exemption for non-lethal equipment intended to enable the Ivorian security forces to maintain public order around elections due to take

place on 31 October. The current EU sanctions do not incorporate this exemption and therefore an amended Council Decision, followed by an amended Council Regulation needs to be adopted.

As you know, the responsibility to keep your Committee informed on issues concerning sanctions is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable due to the timing of the UN resolution renewal and the imminent election date in Cote d'Ivoire.

22 October 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your Explanatory Memorandum of 22 October at its meeting on 28 October 2010 and cleared the document from scrutiny. Thank you also for your letter of 22 October explaining the reasons why you felt it was necessary to override Parliamentary scrutiny on this occasion.

We note the situation in Cote d'Ivoire and the possibility of demonstrations turning violent during the forthcoming elections. We also note that the 24th Report of the UN Secretary-General to the Security Council on the UN Operation in Cote d'Ivoire, of 20 May 2010 (S/2010/245), cites evidence that the national law enforcement institutions are not properly trained or equipped to control civil disturbances (para 37).

We believe that it is important that any such supply of equipment also be accompanied by training for the Ivorian security forces. In practice this could be provided through the supplier, the EU or alternatively funded by the United Nations. In any case in order to lower the risk of the inappropriate use of force against demonstrators a training element is of importance.

We look forward to hearing from you within the standard ten working days.

28 October 2010

Letter from David Lidington MP to the Chairman

I am writing with regard to the Council Regulation amending Council Regulation (EC) No. 174/2005 concerning restrictive measures against Cote d'Ivoire.

I refer to my letter to you of 22 October 2010 in which I explained that it was necessary to override scrutiny in respect of a renewal and amendment to the Council Decision on restrictive measures against Cote d'Ivoire. The Council Decision has now been adopted and in order to be able to action the amendments in that Decision it is now necessary to adopt an amended Council Regulation. I regret that we have not been able to provide you with the Explanatory Memorandum before the Regulation must be adopted in the EU. It is necessary to adopt the measures in this Council Regulation in order to reflect an amendment to the UN Security Council Resolution (UNSCR) 1946 which was adopted on 15 October 2010. As a result, I will have to agree to the adoption of this Decision before your Committee has cleared it from scrutiny.

The UN sanctions against Cote d'Ivoire, which are implemented by the EU sanctions through Common Position 2004/852/CFSP and Council Regulation 174/2005, were renewed for a period of six months on 15 October 2010. The renewal included an exemption for non-lethal equipment intended to enable the Ivorian security forces to maintain public order around the ongoing elections, which started on 31 October with the second round due to take place on 28 November. The Council Decision reflecting the amendment to UN Sanctions has been adopted and the amendment to the Council Regulation must now be adopted to allow Member States to follow the changes.

In your letter of 28 October you highlighted your concerns that any export of equipment also be accompanied by training for the Ivorian security forces in order to lower the risk of inappropriate use of force against demonstrators. We share these concerns and raised them with our French colleagues. They responded to us on 4 November with the following information:

The goods will be shipped to the Integrated Command Centre who are in charge of election security. This force is made up of equal numbers of the Forces Nouvelles (who maintain law and order in the north of Cote D'Ivoire) and the Ivorian defence and security forces (who maintain law and order in the south of Cote D'Ivoire).

France told us that they have considered training the Ivorians. However this aspect has not yet been organised as they have not yet received internal approval to send the equipment. France's provisional plans are to send a team of either Gendarmes or Police to Cote D'Ivoire for approximately ten days to conduct training, as they did with the Guineans before their elections.

France has also given us more information about the exact nature of the equipment, which comprises:

- 10,000 bulletproof vests,
- 190 x 56mm tear-gas grenade launchers
- 19,400 tear-gas grenades
- 5,000 propulsive cartridges – allowing the above grenades to be rifle launched.

France will still need to apply the Consolidated EU Arms Export Licensing Criteria to any equipment that they intend to export - as such they will need to ascertain that there is no clear risk that the equipment might be used for internal repression. We are confident that they apply the Consolidated Criteria in an appropriate manner.

The first round of the elections was peaceful and well managed. The second round is currently scheduled for 28 November. We hope that these elections will also be peaceful, but the risk of violence remains a real possibility. We consider French proposed action in this case to be appropriate.

As you know, the responsibility to keep your Committee informed on issues concerning sanctions is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable due to the timing of the UN resolution renewal and the ongoing elections in Cote d'Ivoire.

5 November 2010

RESTRICTIVE MEASURES: LEBANON, MILOSEVIC AND YUGOSLAVIA (9832/10, 9796/10, 9518/10)

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

Thank you for your Explanatory Memoranda of 21 June covering these documents. They were considered by the House of Lords Foreign Affairs, Defence and Development Policy Sub-Committee meeting on 1 July. The Committee noted that the overrides of parliamentary scrutiny arising from the agreement to these measures were due to the dissolution of Parliament and the time needed to re-establish the Committee.

In each case the Explanatory Memoranda state that subsidiarity is "not applicable. The measure is adopted under the Treaty on the Functioning of the EU." However, all actions by the EU, other than in areas of exclusive EU competence, are subject to the principle of subsidiarity. These measures do not fall within an area of exclusive EU competence. Furthermore there are many actions that the EU can take under the TFEU which are subject to this principle.

Whilst we acknowledge that the reasoned opinion procedure set out in the Protocol on the Application of the Principles of Subsidiarity and Proportionality does not apply to these particular measures, we should be grateful for further explanation, within the usual 10 day deadline, why you consider that this measure is not subject to the principle of subsidiarity at all.

6 July 2010

Letter from David Lidington MP to the Chairman

I refer to your letter of 6 July 2010 concerning the proposed Council Regulations in respect of restrictive measures in place for Lebanon, Mr Milosevic and the International Criminal Tribunal for the former Yugoslavia (ICTY). I regret the lateness in responding.

You had concerns about the principle and application of subsidiarity in the Explanatory Memoranda noted above. In each of the three amending Regulations, it was necessary to adopt a Council Regulation within the scope of Article 215 of the Treaty on the Functioning of the European Union (ex Article 301, Treaty of the European Community) to ensure that the financial restrictions in place continued to be applied in a uniform and consistent manner across the European Union. This is compliant with the provisions of Article 5(3) of the Treaty on the European Union. The assertion that subsidiarity was 'not applicable' in the cases noted above was therefore inaccurate. I have instructed FCO officials to consider fully the principles of subsidiarity in reviewing future EU proposals.

12 August 2010

SERBIA: SERBIA-EU AGREEMENTS

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to the Committee to update on developments surrounding Agreements with Serbia.

I am aware that my predecessors in the previous Parliament sought to keep the Committee informed of developments with regards to Serbia's Interim Agreement (IA) and Stabilisation and Association Agreement (SAA) and note the potential interest of the Committee under the new Parliament in this issue.

The Committee will recall that EU Member States at the General Affairs Council on 7/8 December 2009 agreed to unblock implementation of Serbia's IA, which had previously been blocked pending Serbia achieving full co-operation with the International Criminal Tribunal on Yugoslavia (ICTY). EU Member States agreed to revisit the issue of unblocking member state ratification of Serbia's SAA after six months provided Serbia's level of co-operation with ICTY had been sustained.

ICTY Chief Prosecutor Brammertz has been invited to brief EU Foreign Ministers at the EU Foreign Affairs Council on 14 June on his assessment of Serbia's (and other regional states') co-operation with his office (prior to presenting his next report on ICTY's completion strategy to the UN Security Council on Friday 18 June). Following this briefing, EU Foreign Ministers are likely to discuss whether to unblock ratification of Serbia's SAA.

I can confirm to the Committee, in confidence, the main points of Brammertz' assessment of Serbia's co-operation contained in his written report to the UNSC, which he will present formally to the UNSC on 18 June.

The report maintains the positive view of Serbian efforts reported by Brammertz in December. The main points are that:

- Serbia's responses to requests for access to documents, archives and witnesses have been timely and adequate;
- No requests (e.g. for documents or access to archives) remain outstanding;
- The Serbian authorities have acted promptly in response to requests to ensure witness protection;
- The Serbian authorities have successfully conducted certain investigative activities, including search and seizure operations;
- Recognition of the continuing efforts of Serbia's operational services, and the key role of the National Security Council in co-ordinating the efforts of different security agencies, in relation to the location and arrest of indictees;
- Recommendation of areas where the Serbian authorities' operational approach and methodology could be improved.

I should like to confirm to the Committee the Government's assessment that Serbia's level of co-operation with ICTY has been sustained since December and that Serbia is co-operating fully with the Tribunal. The Government will therefore be ready to join any EU decision at the 14 June Foreign Affairs Council that Member States should start ratification of Serbia's SAA. Subject to Chief Prosecutor Brammertz confirming to EU Ministers the assessment contained in his written report to the UNSC, I anticipate a unanimous decision, recorded in Council conclusions, by all EU Member States to this effect.

The Government will continue to monitor closely Serbia's co-operation with ICTY. Should Serbia fail to co-operate fully with the Tribunal at any stage during its EU accession process, we would be ready to support appropriate measures.

I also wanted to advise the Committee that there may also be a discussion at the FAC about Serbia's application for EU Membership which was submitted on 22 December 2009. It is our view that there is still no consensus amongst EU Member States to forward Serbia's application to the Commission and that a decision on this is likely to be deferred.

14 June 2010

Letter from David Lidington MP to the Chairman

I am writing to advise you that a draft agreement between the Republic of Serbia and the EU on security procedures for exchanging and protecting classified information was endorsed by the Council

Security Committee on 29 September. The Agreement was then discussed and at the RELEX working group on 15 October 2010 and the UK has placed the Agreement under scrutiny reserve. The High Representative has proposed a draft Council Decision on the signing and conclusion of the Agreement to COREPER as an "I" point on 10 November 2010 and the decision will be adopted by the Council. I would therefore be most grateful if your Committee were able to consider the matter before this date.

I have signed an Explanatory Memorandum (EM) and am sending you a copy of the draft agreement and the draft Council Decision, to be considered alongside this EM.

27 October 2010

Letter from David Lidington MP to the Chairman

I am writing to update the Committee about developments concerning Serbia's progress towards membership of the European Union.

Further to my letter of 20 October, I can confirm that the General Affairs Council of 25 October agreed to refer Serbia's application for membership of the European Union to the Commission for an Avis. In doing so, the GAC issued the attached Conclusions.

As you will see from the Conclusions, the Council reaffirmed the importance it attaches to Serbia sustaining full co-operation with the International Criminal Tribunal for former Yugoslavia (ICTY). The Council agreed that before each stage of Serbia's path towards EU accession the Council must unanimously decide that full co-operation with the ICTY exists or continues to exist. The Council also agreed that it would continue closely to monitor the progress reports issued by the Office of the ICTY Chief Prosecutor. Chief Prosecutor Brammertz' next report to the United Nations Security Council will be in December.

The Council also reiterated, in the context of progress by applicants towards the European Union, that a constructive approach to regional co-operation is essential. The Council called in particular for progress in the process of dialogue between Belgrade and Pristina under the facilitation of Baroness Ashton. This dialogue was welcomed by the United Nations General Assembly, in its resolution of 9 September 2010, as a factor for peace, security and stability in the region. Preparations for the dialogue are underway.

We anticipate that the Commission will take approximately a year to complete Serbia's Avis. It will consider, in detail, the ability of Serbia to meet the criteria for, and assume the obligations of, EU membership. The Avis will assess whether, in the Commission's opinion, Serbia is ready, to assume Candidate status and to begin accession negotiations or, if not, what further reforms would be necessary before they would be ready to begin such negotiations.

The Government welcomes the decision of the Council to refer Serbia's application, which represents an important step forward in Serbia's relationship with the EU and the process of conditions-based enlargement to the Western Balkans region as a whole.

1 November 2010

STRUCTURAL POLICIES FOR PRE-ACCESSION (6380/09)

Letter from Stephen O'Brien MP, Parliamentary Secretary of State, Department for International Development, to the Chairman

Thank you for your letter of 19 June 2009 to PUSS Mike Foster, requesting further information about the practical steps DFID offices or UK embassies in the Western Balkans region take to monitor the spending of EU Development funds. I apologise for this very delayed reply, which is due to my Department informing me that we do not have a record of receiving the original letter, sent during the previous Administration. I understand that steps have now been agreed and put in place to avoid a recurrence of this.

ISPA funding ended in 2006 and all ISPA programmes now fall under the Instrument for Pre-Accession (IPA). DFID offices and UK embassies in the Western Balkans monitor each stage of the IPA process, through which EU development funding is channelled to the region. This monitoring includes scrutinising the country-based strategic documents, such as the draft Multi-Annual Indicative Planning Document (MIPD), and the draft Project Fiches themselves. We comment early in the process and often together with a group of like minded member states. We are active in meetings of EU Member States, and have lobbied, with some success, for IPA documents and Project Fiches to be on the agenda for EU Heads of Mission meetings.

We have had some notable successes, most particularly in Sarajevo where the EU has agreed to continue funding DFID projects after DFID graduates from Bosnia in February 2011. These include important projects to build national socio-economic planning capacities and to improve budget planning processes and better link them to policy making across government. Both projects will now be supported with EU funding. In Serbia, we have for many years provided support to the Development and Aid Coordination Unit (DACU) within the Government of Serbia. DACU's function is to increase the effectiveness of foreign aid (including that from the EU) so that it contributes more directly to the Government's objectives on EU integration, poverty reduction and public sector reform. In addition, we have placed a DFID member of staff on secondment in the EU Liaison Office in Pristina, to work on improving the effectiveness of the EU's aid to Kosovo.

We also work hard to monitor and influence IPA funding through the IPA Management Committee based in Brussels. Last year, we seconded a DFID staff member to DG Enlargement to work on aid effectiveness. This year we have focussed on helping the Commission strengthen their impact evaluation function by also seconding a DFID expert to its Evaluation Unit. We expect that boosting the evaluation and aid effectiveness functions in Brussels should feed through to better programming by EU Delegations in the region.

27 October 2010

SUDAN: ALLOCATION OF EUROPEAN DEVELOPMENT FUNDS (9329/10)

Letter from Stephen O'Brien MP, Parliamentary Secretary of State, Department for International Development, to the Chairman

My colleague, Secretary of State Andrew Mitchell, sent an Explanatory Memorandum (EM) dated 26 May to the Parliamentary Scrutiny Clerks regarding the above proposal. During an informal briefing session before Sub-Committee C on 1 July 2010, the Committee asked to be updated on the progress of this proposal since the EM was submitted to Parliament.

At the time of the submission of the EM, a proposal was under discussion for using €150 million (£131 million) of de-committed 9th and earlier EDF funds in Sudan. The proposal was uncontroversial and accepted by all Member States. However, agreement on a joint European Commission-Council statement to accompany the proposal to clarify when funds could be channelled through the Government of Sudan proved more problematic.

The original language of the statement read: "The Council and the Commission agree that, in the implementation of this Decision, no funds shall be channelled through the central Government of Sudan."

Subsequently, the Commission broke silence procedure on this proposed language. The Commission argued that, given that the funds might be used over an extended period of time and circumstances might change, the proposed language could undermine the Commission's ability to deliver on the commitment to provide funds to the most vulnerable areas of Sudan.

The Commission subsequently proposed revised language indicating that it would consider channelling funds through the Government of Sudan in certain circumstances, and that it did not intend to refer back to Member States before doing so. The UK then broke silence on this proposed statement, as we were concerned that it did not offer sufficient safeguards to Member States against these funds going through the Government of Sudan.

Subsequent negotiations between the UK and the Commission led to the following compromise language:

The Council and the Commission agree that, in the implementation of this Decision, funds should not be channelled through the central Government of Sudan. In exceptional circumstances, when such channelling is necessary for the EU's support to peace and development in Sudan and/or in order to ensure that the Sudanese population receive the full benefits of these funds, the Commission will, in the context of EU donor coordination in Sudan, consult with Member States in advance to verify the need for such channelling.

This language represents a good outcome for the UK. It provides guarantees that the Commission will consult Member States before putting money through the Government of Sudan channels, but without requiring new bespoke procedures to be established in Brussels (a key Commission concern). The people in the marginalised areas of Sudan are amongst the poorest in the world, and this funding will represent a significant contribution towards helping them.

This language was subsequently agreed by all Member States. The combined proposal and statement is expected to go through COREPER on 8th July and Council on 12th July for final adoption.

5 July 2010

Letter from the Chairman to David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered the above document at its meeting on 1 July 2010 and cleared it from scrutiny. The Sub-Committee were grateful for the informal briefing by FCO and DfID officials which they found informative and useful.

In view of the seriousness of the situation in Sudan described in the above document, I am writing to you, rather than to Andrew Mitchell, to suggest that the EU should nominate a high-profile figure, such as an EU Foreign Minister, whose task it would be to ensure that the Council remains focused on Sudan over the difficult forthcoming period. I hope the Government will be able to make this proposal as soon as possible and will consider similar proposals for other sensitive areas which would benefit from sustained attention.

We look forward to hearing from you within 10 working days.

6 July 2010

Letter from the Chairman to Andrew Mitchell MP, Secretary of State, Department for International Development

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered the above document at its meeting on 1 July 2010 and cleared it from scrutiny.

We greatly appreciated that Government officials were able to brief us at short notice. We would welcome further information on the following points:

- We continue to be concerned about the overall situation in Sudan, and would be grateful for details of the UK and EU role in helping to build peace in the country. In particular, how is the EU planning for the referendum on the independence of south Sudan in January 2011 and its aftermath?
- Although we appreciate that Sudan is a very difficult environment in which to operate, what mechanisms are in place to monitor the use of EU funds by implementing partners of the Commission?
- We are interested in the Commission's choice of implementing partners in Sudan for development and humanitarian assistance. Will UK-based charities be able to apply for funds under the present proposal to carry out activities in Sudan?

We would be grateful for a reply within the standard 10 working days and look forward to hearing from you.

12 July 2010

Letter from David Lidington MP, to the Chairman

Thank you for your letter of 6 July on EU engagement in Sudan.

I am grateful for your Committee's clearing from scrutiny the proposal on European Development Funding for Sudan. This will allow €150 million of de-committed funds to be used in the marginalised areas of Sudan where it can make a valuable contribution to improving the lives of the people living there.

The EU is strongly engaged in Sudan but there is more that it can and should do. The Council will next discuss Sudan on 26 July and we will use this discussion to underscore the importance of a continuing focus on Sudan in the run up to the referendum and of practical action now to underpin the referendum process. The EU played an important role during the elections with the provision of an election monitoring mission. We expect the EU to perform a similar role at the referendum.

As you know, the EU already has a Special Representative for Sudan, Torben Brylle. Like the UK Special Representative, Michael Ryder, Brylle works very closely with the Special Representative of the US and other countries, engages at a high political level in Sudan and the region and helps shape

the EU's overall approach. In our view, he has done a good job, but he is now moving on to another appointment and a new EU Special Representative should be appointed later this month.

We have underscored the importance of this role and wish to see the post filled by a strong candidate who can hit the ground running and deliver impact at this critical time. However, we do not think that, either on the basis of past experience, or in relation to other comparable EU appointments, there is a need for the Sudan position to be filled necessarily by a former minister.

14 July 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your reply of 14 July on the above document at its meeting on 22 July 2010.

We welcome the EU's focus on Sudan. However, I should clarify the point I made in my previous letter of 6 July. We believe that the EU would benefit from designating a member of the Foreign Affairs Council, i.e. a currently-serving Foreign Minister of an EU Member State, whose task it would be to ensure that the Council remains focused on Sudan over the difficult forthcoming period. Previous experience has shown that latent conflicts tend to move down the EU's list of priorities to make way for immediate crises. However, timely and preventive action is the most effective way to deal with conflicts. We feel that this principle applies to Sudan.

We look forward to hearing from you.

23 July 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter dated 12 July 2010 in which the Committee asked to be informed about Details of the UK and EU role in helping to build peace in the country, particularly as regards EU planning for the January referendum; Mechanisms used to monitor EU funds by implementing partners; Whether UK-based charities can apply to be an implementing partner to the EU.

UK AND EU ROLE IN HELPING TO BUILD PEACE IN THE COUNTRY

Following the Committee's decision to clear the proposal for re-allocating funds from the 9th and earlier rounds of the European Development Fund (EDF) in Sudan, this proposal has now been agreed by the Council. We have urged the European Commission to move fast to programme these funds so they quickly reach those most in need.

The EU offers further support to Sudan to help build peace, beyond the funds provided through the EDF. On a political level, the EU provided an Election Observation Mission for the national elections held in April 2010 and its report (published in June 2010) included lessons that can be applied to the conduct of the referendum in January 2011. We expect the EU to provide a similar mission for the January referendum. The European Special Representative for Sudan, in conjunction with other envoys including the UK Special Representative Michael Ryder, also plays a crucial political role in providing international support to the peace processes in Sudan.

The EU also provides further support to Sudan. In May this year, the European Commission provided €15 million (£12.3 million) of exceptional assistance through the Instrument for Stability. This will be used to provide support for the referendum and post-referendum negotiations, and for the delivery of education, health and water services through the DFID-managed Basic Services Fund. For 2010, the EU will channel a further €1.2 million (£9.8 million) through the European Instrument for Democratisation and Human Rights (EIDHR). The EIDHR works to promote democratisation through programmes which support political dialogue and the mainstreaming of democratic principles, etc.

EU work in Sudan complements that of the UK. On a political level, we are engaged through the Embassy and DFID in both the north and south of the country, as well as through the UK Special Representative. The UK will support both the referendum, including security and civic education, and negotiations on the long-term relationship between the North and South beyond the referendum. In addition, we continue to work to build the capacity of the Government of Southern Sudan to provide basic services and security to its population. This is a crucial period for Sudan and the EU's current high level of engagement is welcome. The UK is well-positioned to ensure that this interest is sustained and intensified in the lead up to the referendum, and that the EU plays the most constructive role that it can.

MECHANISMS USED TO MONITOR EU FUNDS BY IMPLEMENTING PARTNERS

Once implementation has begun, monitoring is the responsibility of the EU delegation in Sudan, and should follow the accountability mechanisms written into the grant contracts with partners. Internal (EU) and external (contracted) staff can be involved. Monitoring includes auditing of accounts (which can include the European Anti Fraud Office, OLAF, and the Court of Auditors) and regular progress reviews involving project partners. DFID has a strong presence in Sudan; we fully anticipate our office to be consulted on the design and monitoring of the programmes funded by this special funding. Heads of Mission meetings between all Member States present and the Delegation provide for opportunities for Member States to be updated and to ask questions.

In addition to country level arrangements, the EDF Committee in Brussels can also ask for any project being implemented by the Commission to be discussed at a Committee meeting, providing another level of oversight should the need arise.

CAN UK-BASED CHARITIES APPLY TO BE AN IMPLEMENTING PARTNER TO THE EU?

Before implementation starts, there will be a competitive tendering and bidding for contracts which will be awarded under the 10th EDF. UK-based charities are able to apply for funds under this system, subject to any eligibility criteria which may be published as part of the tendering process.

Members of the joint DFID-FCO Sudan Unit would be happy to discuss any further questions you may have on Sudan, if that would be helpful.

27 July 2010

Letter from David Lidington MP to the Chairman

Thank you for your letter dated 23 July 2010 in which you emphasised the Committee's belief 'that the EU would benefit from designating a member of the Foreign Affairs Council, i.e. a currently-serving Foreign Minister of an EU Member State, whose task it would be to ensure the Council remains focussed on Sudan over the difficult forthcoming period.'

I am grateful for your Committee's continued interest in Sudan. I believe that the EU has shown, and will continue to show, a strong level of engagement on Sudan. This was made clear during the discussion on 26 July at the Foreign Affairs Council and subsequent adoption of Conclusions. These Conclusions provide the EU with a solid platform and strategy for engagement on Sudan and can help the EU reinvigorate its efforts in the lead up to the Referenda on Southern independence and on the status of Abyei. Now that the EU has formally been invited by the Government of Sudan to monitor the Referendum, we expect that a Monitoring Mission will be deployed soon.

I believe that the EU is best served at this crucial moment by the position of European Union Special Representative for Sudan. We do not think that there is a need for an additional Sudan position to be filled by a serving Foreign Minister.

As of 1 September, the position of EUSR will be filled by Dame Rosalind Marsden, former British Ambassador to Sudan. A core function of the EUSR is to brief the Council on developments in Sudan. I am confident Dame Rosalind will play an active role in doing this. As Mr Bellingham remarked in his statement of congratulations to Dame Rosalind on 5 August, she will bring direct experience to her new role following her time as British Ambassador to Sudan over the last three years. It is very good news that we have someone of Dame Rosalind's experience to lead the EU's work on Sudan and we look forward to working with her in her new role.

The UK Special Representative for Sudan, Michael Ryder, would be happy to discuss any further questions you may have on Sudan, if that would be helpful.

18 August 2010

SUMMER RECESS SCRUTINY

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

There are several proposals that may progress during the summer period. These are issues on which we do not yet have draft documents but which will require action. I will, if action has been taken, inform your Committee about these actions as soon as possible. If it is operationally necessary to take action I may have to agree to the actions described without completing scrutiny.

On all issues I have sought to push back in Brussels and maintain our Parliamentary Scrutiny Reserve.

The areas of possible action are:

SANCTIONS

SOMALIA

In September the EU will negotiate a Regulation to put into effect the provisions in Council Decision 2010/231/CFSP allowing for the inspection of certain cargoes to and from Somalia and, in the case of aircraft and vessels, for the supply of additional pre-arrival and pre-departure information in respect of goods brought into or out of the Union. The Government believes these restrictive measures are necessary in order to address threats posed to the stability of the Horn of Africa, and supports the EU adopting Regulations which allow it to fully implement Member States' UN obligations.

IRAN

The Foreign Affairs Council of 26 July 2010 will adopt a Council Decision to implement the latest round of UN sanctions against Iran and place additional autonomous EU restrictive measures on Iran. In September the EU will begin negotiating a Council Regulation to put into effect the measures of the Council Decision which fall under Community competence. We expect this to be adopted in late September or early October. The UK remains firmly committed to tough international sanctions against Iran, aimed at halting its proliferation sensitive activity and making it comply with its international obligations.

MOLDOVA

In February 2004, the EU announced restrictive measures (Common Position 2004/179/CFSP) on the Transnistrian region of Moldova. The Common Position imposes a travel ban on individuals who are responsible for preventing progress in achieving a political settlement of the conflict, and individuals who are responsible for the design and implementation of the intimidation and closure campaign against Latin-script Moldovan schools in the Transnistrian region. Those restrictive measures were renewed on 22 Feb 2010 by Council Decision 2010/105/CFSP until 27 February 2011.

To encourage progress in reaching a political settlement to the Transnistrian conflict, addressing the remaining problems of the Latin-script schools and restoring free movement of persons between Moldova and the Transnistrian region, the restrictive measures were suspended until 30 September 2010. At the end of that period, the Council will review the restrictive measures in the light of developments, notably in the areas mentioned above. The Council may decide to reapply or lift travel restrictions at any time. In September the EU will decide whether to continue to suspend, lift or re-impose the travel ban on selected individuals in the Transnistrian leadership.

INTERNATIONAL CRIMINAL TRIBUNAL FOR THE FORMER YUGOSLAVIA

Under Common Position 2004/694/2004, the Council adopted measures to freeze all funds and economic resources belonging to natural persons listed in the Annex thereto, who had been indicted by the International Criminal Tribunal for the former Yugoslavia (ICTY). The Annex lists Mr. Goran HADZIC and Mr. Ratko MLADIC. On 24 September 2009 the Council adopted Common Position 2009/717/CFSP, renewing the measures for a further 12 months until 10 October 2010. The remaining indictees are still at large (HADZIC & MLADIC). The UK intends to support the renewal of the measures.

GUINEA

On 27 October 2009, the Council of the European Union adopted Common Position 2009/788/CFSP imposing sanctions on the Republic of Guinea in response to a violent crackdown committed by troops loyal to the National Council for Democracy and Development (NCDD), and concerned by the ongoing political stalemate in the country. These sanctions include an arms embargo and a travel ban targeting members of the National Council for Democracy and Development (NCDD) and individuals associated with them. In view of the seriousness of the situation in the Republic of Guinea the Council decided that additional sanctions (including an asset freeze and a ban on technical and financial assistance) should be imposed on members of the NCDD and individuals associated with them and that the list of persons sanctioned should be extended. Sanctions measures will be reviewed in October 2010. The eventual decision will take into consideration the Presidential elections scheduled for early August.

BELARUS

The Council Decision extended restrictive measures (asset freeze and travel ban) provided for by Common Position 2006/276/CFSP until 31 October 2010. At the same time the travel restrictions imposed on certain leading figures in Belarus, with the exception of those involved in the

disappearances which occurred in 1999 and 2000 and of the President of the Central Electoral Commission, will be further suspended. The Council may, at any time, decide by unanimity to re-apply the travel restrictions, if necessary in the light of actions by Belarusian authorities in the sphere of democracy and human rights. In October 2010, the Council will conduct a review of the restrictive measures, taking into account the situation in Belarus. The Decision will take into account any progress made.

COMMON SECURITY AND DEFENCE POLICY

OPERATION ATALANTA

EU Foreign Ministers agreed to extend the Area of Operations for the EU's counter piracy Operation Atalanta on 14 June 2010 at the Foreign Affairs Council. The new Area of Operations will extend further East and South into the Indian Ocean. This extension is likely to be agreed by written procedure during the Recess period. During this period it is also likely that political agreement on the extension of the mission mandate will also be agreed, with a Council Decision coming for agreement toward the end of the year.

Operation Atalanta's success in reducing the number of successful pirate attacks in the critical Gulf of Aden trade artery has, in part, resulted in the displacement of pirate activity into the wider Somali Basin and Indian Ocean. EU Member States agreed that a larger Area of Operations is needed to target the increasing area of pirate activity. The new Area of Operations will provide EU Naval Forces (EUNAVFOR) with the command and control authority, as well as the application of current Rules of Engagement, to operate in the larger area only if there is an attack or intelligence of pirate activity there. It does not mean an increase in patrolling area, or the need of extra forces.

GEORGIA - EUMM

The mandate for the EU Monitoring Mission (EUMM) in Georgia expires on 14 September 2010, and I expect a Council Decision extending the mission for one year to be agreed by written procedure during Parliamentary Recess. This Council Decision will also set out funding of €26.6 million for this period. The Council Decision will make minimal changes to the mission mandate and EUMM will continue to monitor the 12 August and 8 September ceasefire agreements and implementing measures, and contribute to the long term stability of Georgia and the surrounding region.

KOSOVO - EULEX

On the 14 October the funding of the EU Rule of Law mission in Kosovo (EULEX) will require renewal. A Council Decision will need to be agreed to facilitate this. Funding until 14 October will come from under spends in the current mission budget. No financial figures have yet been released for this proposal but, as an indication, the funding required between December 2008 and 14 October 2010 was €265 million.

The mission will continue to focus on improving the rule of law in Kosovo, through supporting the Kosovo authorities by monitoring, mentoring and advising the judiciary, police and customs, and exercising limited executive functions.

PALESTINE – EUPOL COPPS

In September we expect discussion on the planning documents for the EU Police Mission for the Palestinian Territories (EUPOL COPPS). There will probably be agreement to increase the number of international staff from 53 to 70, which will necessitate a Council Decision in November setting out additional funding to cover this increase. It is not yet clear how much additional funding will be required; the main costs of secondments will be covered by individual EU Member States, but there will also be some overhead costs for the mission.

The UK has argued that an increase in staff must flow from consolidated strategic objectives. The mission has now presented the increase in line with strategic objectives. We believe, therefore, that additional staff will add value and impact to the mission's work, improving the rule of law in the West Bank and so creating a more stable and secure region. The current mission mandate expires on 31 December 2010. In November I also expect the Council Decision extending the mission and outlining a funding amount for the mission, as the current mission mandate expires on 31 December 2010. Financial figures have to be released for this but, as an indication, the funding between 1 January 2010 and 31 December 2010 was €6.65 million.

DR CONGO

The EU has two civilian CSDP missions deployed in the Democratic Republic of Congo (DRC): the EU's Advisory and Assistance Mission for Security Reform in the DRC (EUSEC DRC), which provides advice and assistance related to the reform of the Congolese Armed Forces; and, the EU Police

Reform Mission (EUPOL DRC) which supports Congolese efforts to reform their National Police Force. Both mission mandates are due to expire on 30 September 2010 and although discussions in Brussels are ongoing, we expect final Council Decisions on the future of each mission to be agreed at Council in September.

EUSEC DRC has helped introduce a number of projects which have demonstrated a clear impact. These projects include a biometric census that is helping to provide accurate troop numbers and the introduction of military ID cards which are helping to identify legitimate soldiers.

A provisional two year extension of EUSEC DRC has been suggested which would include similar tasks as those under the current mandate. Financial figures have to be released for the proposed extension but, as an indication, the previous one year extension cost €10.9 million.

Unlike EUSEC DRC, EUPOL DRC has struggled to fulfil its current mandate. An Explanatory Memorandum dated 10 June informed the Committees that, if an acceptable area in Police reform where EUPOL DRC could add value going forward was not identified, the UK would push for the mission to be closed. Discussions continue in Brussels concerning the future of EUPOL DRC. We will provide the Committee with news of any significant developments.

BOSNIA

The current funding for the EU Police Mission (EUPM) in Bosnia expires on 31 December 2010 and the financial reference amount for 2011 will likely be agreed at Council in November or December 2010. The mission was extended in January 2010 until 31 December 2011, to focus more explicitly on the fight against organised crime and corruption. The exact cost is not yet known, but funding for 2010 is €14.1 million.

EUPM provides support to the Bosnian and Herzegovinan authorities with the implementation of police reform; the fight against organised crime; tackling corruption; and, improving the coordination between the police and the Judiciary.

GUINEA BISSAU

The EU Security Sector Reform mission (EUSSR) in Guinea Bissau was deployed in June 2008. Conditions on the ground do not exist for meaningful reform of the security sector to have effect, and the EU will close the mission as soon as feasibly possible. Work will now begin on winding down EUSSR Guinea Bissau and ensuring any handover of tasks.

COTONOU

NIGER

A draft Commission document (ref 140/10, currently available only in French but which I will forward as soon as we have a translation) outlines the Article 96 consultation conclusions on Niger. Comments on the text will be solicited from Member States by 1 September. A Council decision should then be made to close consultations and re-engage EDF development assistance to Niger.

Article 96 consultations were interrupted by the military coup d'état that ousted President Tandja's unconstitutional regime and replaced it with the self-titled Supreme Council for the Restoration of Democracy (CSRDR). These events have delayed the Article 96 process, which was effectively suspended until the transitional authorities were able to participate in consultations.

They are considered responsible interlocutors, having already made progress to re-establish democratic principles.

Re-engagement of EDF development assistance will be conditional to continued adherence to the transition timetable leading to a presidential inauguration in March 2011. It is important that Niger have the means and support to restore democratic order.

Fiji

Fiji signed the Cotonou Agreement with the EU and other Africa, Caribbean and Pacific (ACP) states in 2000. After the coup in Fiji in December 2006, the EU stated that it considered there had been a violation of the essential elements of the Cotonou Agreement. Consultations took place with Fiji under Article 96 of Cotonou, in the course of which Fiji's Interim Government made a number of commitments designed to return democracy and the rule of law to Fiji. Assistance to Fiji was suspended until the Interim Government met these commitments. These arrangements expired on 1 October 2009, and since then two 6 month extensions have been agreed. The latest extension expires on 30 September 2010.

Member States must agree an extension period in order to maintain the legal basis on which measures against Fiji are set. Failure to reach a decision would result in economic support resuming

under the Cotonou agreement. The authorities in Fiji have not met any of the commitments they made in the Article 96 consultations.

COUNTER PROLIFERATION

International Atomic Energy Association

Council Decision on support for IAEA activities in the areas of nuclear security and verification and in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction provides €9,696,000 from the EU General Budget to the IAEA to pay for projects that aim to reduce the threat from nuclear proliferation. The Decision is required to allow the IAEA to conduct a needs assessment in up to 130 target countries. Proposed projects include: training and equipment to establish national nuclear safety systems; support to develop legislation and regulation on radiation safety and control of radioactive sources; physical protection for radioactive materials used in non-nuclear applications; and, training and equipment to detect nuclear materials, and response plans to tackle illegal trafficking. The IAEA has a strong record of expertise in these areas and is can provide the necessary training, equipment and support. The proposed activity is compatible with and complements the UK's own cross-government strategies, any delay in agreeing the Council Decision will delay the programme as a whole, as such this Decision may be agreed over the Recess period.

COMITOLGY

A Commission proposal has been under discussion in a Council working group with a view to strengthening the degree of Member State control over the Commission's adoption of implementing acts. A General Approach was not reached under the Spanish Presidency and negotiations continue under the Belgian Presidency. The main outstanding issue relates to the adoption of implementing measures in the field of common commercial policy. Such measures are currently adopted outside the comitology regime. The Commission proposal intends to bring these measures within the new comitology regulation and to subject them to the standard comitology voting rule which is different from the voting rules that currently apply. The UK and a number of other trade liberal Member States consider this move to be less favourable as it may lead to the adoption of more protectionist measures. Currently, these measures can be blocked by a blocking minority or a simple majority.

The Commission's comitology proposal would require a qualified majority to block these measures. We expect negotiations to progress at pace in September and my officials will keep your clerks informed.

23 July 2010

THE EU AND CHINA: STARS AND DRAGONS

Letter from Jeremy Browne MP, Minister of State, Foreign and Commonwealth Office, to the Chairman

I am writing in response to the Committee's letter to my predecessor as Minister of State at the Foreign and Commonwealth Office, Ivan Lewis, dated 08 April 2010. I would like to take this opportunity to thank the Committee again for what was a timely and useful report.

In the letter, Lord Roper thanked the former Minister for the speed with which he replied to the report but said that the Committee would be grateful for a full response from the Government in place after the election. Lord Roper also said that the response provided would be considered by the new Committee after the election.

Given there is now a new Government in place, I feel it is important that we provide a full paragraph-by-paragraph response to the Committee's report. I understand that by convention the Government responds to Select Committee reports within two months of publication. However, given that there has been a change of Government it will not be possible to provide a full response within this time-frame. I hope that a time-frame of two months from the State Opening of Parliament on 25 May would be acceptable, so allowing the new Government to provide the full and thorough response that the predecessor Committee requested.

I appreciate there will be a debate on this report in the House of Lords on 9 June. My Ministerial colleague, the Rt. Hon Lord Howell of Guildford will lead on behalf of the Government and I realise that a full response would have been desirable ahead of this debate. However, given these

exceptional circumstances, the present Government would like to ensure that a full response is provided in a manner which allows a suitable time-frame for this.

I hope that this assures you and the Committee of the Government's position.

3 June 2010

UNION FOR THE MEDITERRANEAN

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing to update your Committee on developments on the Union for the Mediterranean, especially in relation to the work programme and budget of the Secretariat. We attach the most recent drafts of these documents.

The purpose of the Union for the Mediterranean is to address common challenges faced by countries in the Mediterranean region including economic and social development, climate change, food security and energy issues, as well as increasing regional integration and cohesion. In addition to political dialogue, the initiative will cover projects in the areas of de-pollution of the Mediterranean, maritime and land highways, civil protection and alternative energies such as the Mediterranean Solar Plan.

The then Europe Minister, Chris Bryant MP, wrote to you in March about proposals for the establishment of the Secretariat. Following the appointment of H.E Ahmad Masa'deh as Secretary General, a transitional budget was agreed to allow a small staff to start work with responsibility for physically setting up the Secretariat, designing a work programme and full annual budget and for writing staff regulations. The focus since then has been on finalising these documents, to allow the Secretariat to start functioning. We have also been working to address concerns about the expansion of EU competences in this intergovernmental organisation. I made a written statement about the question of the EU Co-Presidency of the Union for the Mediterranean in the House of Commons on 22 October.

Our approach to these negotiations has been guided by a belief that, in order to add value to the EU's existing engagement in the region, the Union for the Mediterranean initiative must: a) improve co-ownership and shared actions; b) identify new sources of finance outside the EU budget, including from commercial sources and financial institutions; and, c) encourage further integration in the region, in particular in economic and technical fields. A strong focus on concrete results is essential.

The Statutes require the budget and work programme to be unanimously approved by Senior Officials. The Co-Presidencies would like these documents to be agreed before the Union for the Mediterranean Summit in Barcelona on 21 November. We hope that the Senior Officials will be able to reach agreement at their meeting on 12 November.

BUDGET

Our position on the Secretariat's budget is as follows:

- The budget must be consistent with the mandate agreed in the Statutes: transparent, publically defensible and open to scrutiny. It must not be extravagant or provide for expenses which are not in line with the Secretariat's technical, project focused mandate, such as lavish entertainment or excessive travel.
- Staff salaries and allowances represent the biggest potential liability in the budget. We believe that in the first instance, any costs for secondees (both salary and allowances) should be covered by the sending state. However, for those secondees from countries on the OECD's list of development aid recipients, a "top-up" may be paid from the Secretariat's budget on request. We also support the agreement reached in April of this year, to fund the entire salary of the Deputy Secretary-General seconded from the Palestinian Authority. This reflects the unique circumstances of the Palestinian Authority and must not be allowed to create a precedent in relation to other countries.
- The budget must demonstrate co-ownership amongst all members of the Union for the Mediterranean, with voluntary contributions forming a significant proportion of the overall total. It should be low enough to allow the Secretariat to operate sustainably in the long term and to ensure that

the EU's contribution can be met from within existing financial resources, without impacting on other programmes in the region, in particular bilateral programmes within the European Neighbourhood Partners Instrument.

It is proposed that the EU budget will contribute up to half the budget of the Secretariat, with the remainder coming from voluntary contributions from the 43 UMed Member States. Voluntary contributions have not yet been secured for the long term, leaving the EU budget as potentially the only long-term funder. This is a major risk. We therefore want a modest budget, that will allow the Secretariat to grow and contract flexibly and sustainably. We would not support EU budget funding of the entire project.

The budget proposed by the Secretariat at the meeting of Senior Officials on 19 October was €8.2 million, which we did not accept. Since then the UK, supported by some other EU Member States have continued to push for a smaller budget. The latest proposal is for a budget of €6.25 million, which we believe is acceptable. I have enclosed a copy for your information.

The legal basis that has been used for Commission funding of the Union for the Mediterranean is the 2006 European Neighbourhood Partnership Instrument (ENPI) Regulation, the main EU financial instrument for engaging with the Eastern Neighbourhood and Mediterranean partners. The Commission has used the ENPI Global Allocation to fund the Secretariat's start-up budget of €780,000. The Global Allocation is a contingency fund within the ENPI, worth approximately €10-18 million per year, and can be deployed by the Commission at their discretion. We understand that a further €3 million has been allocated from the ENPI Regional South Programme 2010 as the Commission's contribution to the Secretariat's 14-month budget for the last two months of 2010 and for 2011.

The UK contributes to the EU budget as a whole and not to individual programmes within it. The level of the UK contribution depends on a number of factors, and varies from year to year. As a rough indication, the UK's abatement contribution to the 2010 budget is currently estimated at 14%, which means that the UK's share of the total €3.78 million of EU budget funds allocated to the Secretariat to date is approximately €530,000. We have no plans to make an additional voluntary contribution in the current financial year.

WORK PROGRAMME

In order to make the work programme action-oriented and consistent with the mandate given to the Secretariat in the Paris and Marseille Declarations, we have been pushing for the programme to be as specific as possible about work priorities for 2011 and the projects that will be implemented. The latest proposal is an improvement on previous versions and we believe that it should provide an acceptable basis for agreement at the meeting of Senior Officials on 12 November.

STAFF REGULATIONS

I have not enclosed the draft Staff Regulations, as these need further work by the Secretariat. Our overall approach to the staff regulations is to ensure that budget liabilities are limited, as set out above, and that the regulations meet core standards set out in EU law.

The first draft produced by the Secretariat did not distinguish between seconded and local staff and did not meet EU Member States' standards on key issues such as discrimination and recruitment. The draft also left many decisions to the discretion of the Secretary General. As such matters could have legal and budgetary implications for the Secretariat we are insisting that the Secretariat provide revised draft Staff Regulations for the approval of Senior Officials before the 2011 budget enters into force.

The Co-Presidencies have proposed "Guidelines for the elaboration of the Secretariat's Staff Regulations" for the approval of the Senior Officials on 12 November (enclosed). This document, if agreed, will provide the basis upon which the revised Staff Regulations will be drafted. We will forward the regulations and any other relevant documents to you in due course.

11 November 2010

Letter from the Chairman to David Lidington MP

The EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your letter of 11 November on the Union for the Mediterranean at its meeting on 18 November 2010.

Thank you for keeping the Committee up to date on this matter. We remain concerned about the budget of the Mediterranean Union secretariat. Although we are pleased that the Government was

able to achieve a significant reduction in the draft budget from €14 million to €6.25 million, the Committee felt strongly that some provisions in the draft budget are still excessive and not consistent with the “technical” nature of the secretariat.

The budget includes €6000 per month for rent (budget item 3.4.1.), despite the previous Government assuring us (Chris Bryant, Minister for Europe, letter of 7 April 2010) that “the building itself is of a high quality and has been donated by the Spanish authorities and so is cost neutral”. The question therefore arises as to why there is a need to pay rent. Other examples include:

- Secretary General, total annual cost: €180,000
- 8 Personal Assistants at €3000 per month each, total cost for 14 months: €336,000
- 2 Drivers and 2 Doormen at €2500 per month each, total cost for 14 months: €140,000
- Car leasing, €57,600 p.a.
- Fuel, €14,400 p.a. (for one van and one car)
- Taxis, €20,000 p.a.
- Rental of 12 Blackberries, €120,000 p.a.

A related point is that the large budget for transport is not consistent with environmental sustainability. It is essential that the secretariat staff regulations require staff to take account of environmental sustainability in all aspects of their work, including by minimising carbon emissions due to transport.

We are also concerned about the consistency of EU activities in the Mediterranean. What mechanisms will be put in place to ensure that Union for the Mediterranean projects are consistent with other EU activities, including the EU’s neighbourhood action plans with Mediterranean partners?

We look forward to hearing from you within the standard ten working days.

19 November 2010

UPCOMING SANCTIONS NEGOTIATIONS

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

As part of our commitment to keep your Committee better informed on matters concerning sanctions, I am writing to inform you of several issues that will be discussed in Brussels in the coming weeks.

The Council will be taking forward the Iran regulation, which will put those restrictive measures agreed in the 26 July Council Decision that fall under EU competence into law. The measures agreed in the Council Decision are among the most stringent sanctions ever imposed by the EU. They are designed to restrict Iran’s proliferation sensitive activity as well as increasing pressure through trade, transport and financial measures. In increasing this pressure, the measures aim to push Iran to enter negotiations on the nuclear issue. The UK Government supports the swift adoption of these measures. I am writing to you separately about this negotiation.

The suspension of restrictive measures on Moldova will end on 30 September. The sanctions have been suspended since February to encourage progress on settlement negotiations, on ending the harassment of Latin Script schools and on improving the free movement of people between Moldova and Transnistria. Although there has been more regular contact between the relevant parties, there has been no significant improvement in these areas. However, we assess that pushing to re-impose their effect could be counter-productive, especially in the run-up to the Transnistrian elections in December. In light of the fact that the sanctions measures currently require renewal in February 2011, we are pushing for sanctions measures to be extended until June 2011, but for their suspension to remain in effect until February 2011. This will allow us to review progress in light of the Transnistrian elections, whilst eliminating the risk of losing the sanctions measures altogether at the beginning of the year.

EU sanctions measures on individuals who are obstructing the International Criminal Tribunal for the former Yugoslavia’s (ICTY) work by assisting indictees still at large are due to expire on 10 October. Two persons indicted by the ICTY, namely Goran Hadzic and Ratko Mladic, are still at large. Therefore, the UK supports the renewal of these measures.

EU sanctions measures on Guinea Conakry are due to expire on 27 October. The UK will take a final position on whether to support a renewal of the sanctions measures based on the conduct of the second round of Presidential elections that are due to be held on 19 September.

EU sanctions measures on Belarus are due to expire on 31 October. The travel ban on individuals has been suspended to encourage greater engagement between Belarus and the EU on human rights. Over the past year, there has been continued engagement, but this has not delivered improvements in human rights or democracy. The Belarus authorities have taken a few, mostly cosmetic, steps but progress has stalled, and in some areas deteriorated. Discussions on the review will start this week, and we will be raising our concerns with EU partners during negotiations. It is worth noting, though, that if unanimity cannot be achieved amongst EU Member States, the sanctions measures will lapse by default.

EU sanctions measures on Somalia were modified on 26 April 2010. A new measure requires aircrafts and vessels transporting goods between Somalia and the EU to provide additional pre-arrival and pre-departure information to the relevant competent authorities. This measure requires the adoption of an EU Council regulation in order to take effect across the EU. The UK supports the effective implementation of this measure.

9 September 2010

Letter from the Chairman to David Lidington MP

The House of Lords EU Foreign Affairs, Defence and Development Policy Sub-Committee considered your letter on the above subject at their meeting on 8 September 2010.

The Sub-Committee welcomed the thought given to this subject by the Government and their intention to keep the Committee informed of policy. However, we would point out that the list on page 2 of your letter of draft Council Decisions and/or Regulations which you do not propose to deposit, subject to agreement in each case, appears to pay no regard to the following from the existing Cabinet Office Scrutiny Guidance (April 2009):

2.2.3 Documents are not normally deposited in the following categories. If there is any doubt whether a documents should be deposited, Departments should consult the Clerks:

- ...
- Proposals to extend Common Positions imposing sanctions (without making substantive changes) in pursuance of UN Security Council resolutions; Affects FCO only
- Proposals for making minor changes to lists of people or organisations subject to restrictive provisions in existing measures; Affects FCO only

This is based on an agreement between both Houses' scrutiny committees and HMG made in 2002. If we agreed to the first and third bullets in your letter, we would be moving from a presumption against deposit to a requirement to discuss each case. We see no reason to make this change.

In our view "minor changes to lists of goods subject to an embargo" (the second bullet in your letter) should continue to be deposited. The term "minor" can be subject to different interpretations, and dual use items can cause problems if the Government does not examine carefully their potential use. We would take this opportunity to confirm, as your letter implies, that the decision whether any particular EU document should be deposited for scrutiny rests with the two Houses, not with the Government.

The other proposals in your letter are acceptable. The Committee welcomes the Government's intention to inform them of upcoming negotiations and the UK's position but understands the need for confidentiality in advance of any Decision on freezing assets and the risk of scrutiny overrides in this area.

This letter does not require a reply.

15 September 2010

YUGOSLAVIA: FREEZE OF ASSETS (ICTY)

Letter from David Lidington MP, Minister of State for Europe and NATO, Foreign and Commonwealth Office, to the Chairman

I am writing with regard to the Council Decision on further measures in support of the effective implementation of the mandate of the International Criminal Tribunal for the former Yugoslavia (ICTY).

I regret that we have only been able to provide you with an Explanatory Memorandum at very short notice. The draft Decision was only provided on 16 September and it is necessary to adopt the measures in this Council Decision by 10 October so they are in effect before the current measures expire; the last opportunity to do this will be at Council on Friday 8 October.

This Council Decision renews the basis for the asset freeze on the listed individuals for a further period of 12 months in support of the mandate of ICTY. The text is also aligned with recent developments in sanctions practice which ensure that those individuals subject to such measures are informed of the decision and grounds for their listing, and provide for such persons an opportunity to present observations and challenge the validity of their listings before the European Courts.

Given the need to adopt this decision on Friday 8 October, at the latest, I very much hope that your Committee will be able to consider it at your 7 October meeting. If you are unable to do so, or if the Decision does not clear scrutiny, I regret that I may have to agree to the adoption of this Decision before your Committee has cleared it from scrutiny.

If this Decision were not to be updated by 10 October, sanctions would not lapse, but would be without political foundation, as there would no longer be a CFSP Decision to justify them: a messy situation that we do not wish to see. I enclose an Explanatory Memorandum, which provides more detail.

As you know, the responsibility to keep your Committee informed on issues concerning sanctions is something I take seriously. I wrote to your Committee on 22 July of this year, prior to the recess, advising of the measures likely to be adopted during that period, including on ICTY. I followed this up with a letter to your Committee on 8 September, updating you on the upcoming sanctions negotiations, including the measures to be adopted against ICTY, and the Government's position.

23 September 2010