



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 9 May 2012 – 31 October 2012

EXTERNAL AFFAIRS

(SUB-COMMITTEE C)

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ARCTIC REGION (12013/12)

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs at its meeting on 26 September 2012 considered the document above and decided to clear it from scrutiny.

The Committee noted the Government's concern about the EU's desire to become a permanent observer at the Arctic Council, with the same status as the UK. We understand that there is a wider concern within Government about the possible competence creep by the EU but could you let us have the reasons for the Government's concern about a change of status for the EU within the Arctic Council. The EU already attends meetings as an ad hoc observer and therefore we question in what way the situation would change if the EU were to attend as a permanent observer.

We would also be grateful for an update on the Government's position on claims made by third countries on the Arctic.

The Communication mentions the increased use of the Arctic Region for transportation. Whilst the transpiration routes via the Arctic would significantly reduce shipping distances, an increase in traffic could have significant environmental consequences. We consider that environmental standards should be set for shipping in the Arctic Region and that the development of sustainable shipping in the Arctic needs to be completed rapidly.

I look forward to receiving your reply within the standard ten working days.

3 October 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing with the further information you requested in your letter of 3 October 2012, following the European Union Committee's scrutiny of the above dossier.

In your letter you ask for the reasons for the Government's concern about a change of status for the EU within the Arctic Council. The Commission has been invited to observe all recent Arctic Council meetings on behalf of the EU, almost as a matter of course, and already contributes to the work of a number of Arctic Council working groups. In this regard the opportunities afforded to the Commission have been the same as those afforded to 'permanent' observers.

Were the Arctic Council to discuss an issue where the EU had competence, there would be a basis for the Commission to coordinate a position on behalf of the EU. In practice, this has not arisen because current arrangements at the Arctic Council prevent observers from contributing to substantive meeting discussions. There would therefore be no additional opportunities afforded to the Commission to intervene on behalf of the EU, or to coordinate a position, than exist currently. However, in the event that Observers are in future able to make substantive contributions to Arctic Council discussions then we would work hard to ensure that any Commission intervention supports the UK's interest.

As the Committee will be aware, the Commission is seeking to enhance the EU's status across a number of international fora. We are clear that any change in the EU's status or participation in any international organisation or forum will be subject to the approval of Member States in the form of the Council. The Council has already expressed its support for Commission observer status at the Arctic Council on behalf of the EU.

You ask for an update on the Government's position on claims made by third countries on the Arctic. Article 76 of the UN Convention on the Law of the Sea (UNCLOS) defines the continental shelf of a coastal State as the seabed and subsoil extending out to 200 nautical miles from the shore.

Article 76 also allows that under certain defined geological conditions, the outer limit of a State's continental shelf may extend beyond 200nm. Under such circumstances, the State is required to submit its case to the (UN) Commission for the Limits of the Continental Shelf – a technical body comprising scientists elected by States Parties to the Convention.

In their declaration at Ilulissat on 27-29 May 2008 the five coastal Arctic States committed themselves to addressing the issues of overlapping claims within the framework of international law, including the law of the sea, as well as working through the International Maritime Organisation. The Government welcomes this commitment and we await with interest any submission or re-submission of data to the Commission on the Limits of the Continental Shelf.

You also raised the setting of environmental standards for shipping in the Arctic Region. The Government works actively through the International Maritime Organization (IMO) to ensure that shipping operations in the Arctic, and indeed across the globe, are safe and environmentally sound.

The IMO's Guidelines for ships operating in Polar waters contain provisions, over and above those normally required by the IMO conventions, which are necessary to address the climatic conditions of ice-covered waters and to meet appropriate standards of maritime safety and pollution prevention. These guidelines aim to promote the safety of navigation and to prevent pollution from ship operations in ice-covered waters.

The next step for the IMO is the development of its Guidelines for ships operating in Polar waters into a Polar Code. We envisage that the Polar Code will include both mandatory regulations for ships covered by the International Convention for the Safety of Life at Sea (SOLAS) and non-mandatory guidelines for non-SOLAS vessels. The Government is committed to playing an active and influential role in this work and is keen to ensure that an effective and workable Polar Code comes into force as soon as is practicably possible. It should also be noted that a number of the environmental issues identified as potential problems in the Polar Regions, such as garbage and air pollution, are already being addressed on a global level with significant revisions to the appropriate IMO instruments and will enter into force regardless of the Polar Code.

19 October 2012

BELARUS: RESTRICTIVE MEASURES

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I refer to your predecessor's letter of 30 April 2012 about the restrictive measures imposed on Belarus in March.

I am sorry that it took two weeks to provide your Committee with an Explanatory Memorandum (EM) with regard to the adoption of the Council Decision and Council Regulation which amended the restrictive measures imposed on Belarus. The delay was caused in part by other high priority work suddenly arising on sanctions issues (including Burma, Syria and Iran) and the Easter break. My officials are sensitive to the need to expedite replies to the Committee and will endeavour to ensure that such a delay does not occur in the future.

Lord Roper's letter questions why my letter of 10 April only mentions two businessmen that were targeted but not the other ten individuals that were added by the Council to the restrictive measures list. This is because my letter focused on the higher profile listings that were being added to the measures. The EM that accompanied my letter went into detail on the full list of individuals being targeted. As you will see in paragraph 16 of the EM the other ten individuals targeted are judges, prosecutors, military and KGB officials. Full details of all the listings are also in the accompanying Council Decision and Regulation which provided not only the names of those targeted but also the grounds for their listing.

10 May 2012

BIOLOGICAL AND TOXIN WEAPONS CONVENTION

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 17 May and cleared it from scrutiny.

At this meeting the Committee noted that it had not yet received a report on the outcome of the Seventh Review Conference of the BTWC as had been promised in a letter from the Minister for Counter Proliferation, Alistair Burt, dated 14 November 2011. The Committee considered that it would have been helpful to have had this information prior to discussing the Council Decision as the Council Decision seeks to implement the decisions of the Seventh Review Conference. We would be grateful to have this update by the end of May.

The Committee also raised a concern about the dual use of botulinum toxin. Whilst the Committee is aware that this toxin is already on the EU list of dual use items (EC Regulation 428/2009), it would like to know whether the Government considers this a sufficient safeguard against terrorists being able to acquire this substance. We would also like to know whether there have been any recent security incidents involving botulinum toxin.

21 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 21 May 2012 which requested an update on the outcome of the 2011 Seventh Biological and Toxin Weapons Convention (BTWC) Review Conference and in particular whether the EU's objectives contained in Council Decision 2011/429/CFSP of 18 July 2011 (Annex A) [not printed] had been met. You also asked about the dual use of botulinum toxin. I apologise sincerely for the long delay in responding.

The Review Conference concluded on 22 December 2011. In making our assessment of its outcome we have consulted widely with other Whitehall Departments and NGOs.

The BTWC is the international legally binding instrument that prohibits the development, production and stockpiling of biological and toxin weapons. As such it is fundamental to the UK and EU's work to counter the threat posed by the hostile use of pathogens and toxins. In addition, the Convention allows us to promote transparency in some relevant areas, including information on national biological defence research and development programmes and outbreaks of infectious diseases caused by toxins. It also provides a forum to promote effective national implementation of the Convention, including best practice in penal legislation prohibiting BW in domestic law and improved biosafety and biosecurity.

The overarching EU objective for the Seventh Review Conference was to review the operations of the BTWC and explore options to strengthen it further (Articles 1 and 2) by:

- promoting universality of the BTWC;
- supporting national implementation; and
- building confidence in compliance.

The Review Conference concluded with a consensus Final Declaration (Annex B) which included a Decisions and Recommendations section that set out the structure and content of the next intersessional work programme (the period between Review Conferences – the next is scheduled for 2016). Overall, we judge that the EU's objectives were met. The attached Annex C [not printed] sets out our assessment of progress in more detail.

Overall the EU and UK met their objectives for the BTWC Review Conference. The EU played a constructive role in supporting preparations for the Review Conference, through participation in conferences and by raising the Review Conference in the margins of Regional Workshops in Peru and Serbia in 2011 while promoting national implementation and CBMs. We expect this technical cooperation to be the main vehicle for EU influence on implementation of the BTWC over the next few years. We will look to make full use of the scope of the mandate, particularly in relation to science and technology, national implementation, CBMs and Article VII.

EU ROLE

The EU co-ordinated Review Conference preparations in monthly CODUN (Working Group on Global Disarmament and Arms Control) meetings in Brussels. A common EU position for the Review Conference was agreed. The UK was represented at CODUN meetings by our Ambassador to the Conference on Disarmament in Geneva, who also led the UK delegation to the Review Conference. At the Review Conference the EU delegation, as a Non-State Party, sat with the observers and thus could not intervene in debates held in the Committee of the Whole (CoW), or in informal meetings convened by the Conference President or Chairman of the CoW. The EU was treated in the same way as other International Organisations (such as the WHO and International Committee of the Red Cross). The EU statement at the start of the Review Conference was made by the Head of the EU delegation, Ambassador Mariangela Zappia as an observer to the Conference. Only a few EU coordination meetings were held in the course of the Review Conference itself. The focus during the Review Conference was to influence others to support EU positions, including through regular meetings of the UN Western European and Others Group (WEOG). This group of "like minded" countries includes the majority of the EU Member States plus e.g. Argentina, Canada, Japan, Norway, New Zealand, Republic of Korea, Switzerland, Turkey and the USA. It was a useful forum to encourage engagement to support our objectives.

Individual EU Member States intervened throughout the course of the Conference to promote specific policies or defend national and/or EU positions. However, the economic pressures facing the States Parties, especially Eurozone members, meant that some of the EU's original objectives (for example the expansion of the Implementation Support Unit (ISU) which administers the BTWC) were not possible given the financial realities facing many States Parties.

UK ROLE

My colleague, Alistair Burt MP, Parliamentary Under-Secretary of State, FCO, attended the Review Conference and delivered the UK statement (Annex D) [not printed]. In the months leading up to the Conference the UK organised a number of seminars and workshops. In September 2010, we jointly funded with the EU, The Netherlands and the USA a Wilton Park Conference on Prospects for the 2011 Review Conference. Participants included representatives from Missions in Geneva (including the 2011 EU Presidencies - Hungary and Poland). It enabled participants to test proposals and understand the level of ambition of other states parties.

In September 2011 the UK co-funded a conference in The Hague with the Netherlands to facilitate more detailed discussions between key delegations, including the EU, just ahead of the RevCon. There was general agreement on the issues that the RevCon could address by consensus including the need to establish an assistance database and consider amendments to the Confidence Building Measures. It also was made clear that there was strong opposition to establishing decision making authority for the intersessional period.

The UK submitted three Background Papers for the Review Conference. In addition, three formal Working Papers were tabled in advance in order to help set the agenda. The UK co-authored with other States Parties a paper on possible approaches to education and awareness-raising among life scientists, which was picked up as a topic for further work during the intersessional period. At the Conference itself the UK was active in leading the debate and setting the agenda on issues such as the shape and content of a new intersessional work programme, more frequent reviews of Science & Technology (S&T), the need to review of Confidence Building Measures and Articles VII and X. The final intersessional work programme reflected many of the UK's proposals set out in our Conference Working Paper.

We carried out an active national engagement programme, and lobbied key States Parties, UK academics and NGOs throughout 2011 to encourage support for our position.

Alistair Burt wrote articles for New Scientist and The Huffington Post on our approach to key issues at the Review Conference, including the bioweapons threat and the need to counter the proliferation of Weapons of Mass Destruction.

At the request of the Review Conference President, the UK and South Africa successfully facilitated the negotiation of text for the final report on the intersessional process.

You also asked for views on EC Regulation 428/2009 as a safeguard to prevent terrorists acquiring botulinum toxin, and whether there had been any recent security incidents involving botulinum toxin. The response below represents the views of BIS, HMRC and the Home Office.

Regulation (EC) 428/2009 is designed to address a very specific risk, that certain sensitive items could be exported from the EU for undesirable end-uses such as WMD or terrorism. Items listed in Annex I to the Regulation (the "Dual-Use list") may not be exported from the EU without a licence. Applications for licences are assessed against a range of Criteria including compliance with international obligations and commitments such as the BTWC and Australia Group, the recipient state's attitudes to its international obligations and to terrorism, and the risk of diversion within the recipient country or re-export under undesirable conditions.

The Regulation is an effective measure for controlling exports of dual-use goods and sets a high standard in export control across the EU. Enforcement of this regulation in the UK is the responsibility of HM Revenue and Customs (HMRC) and the Border Force, who have the necessary capabilities to prevent the uncontrolled exportation of dual-use goods, including chemicals and toxins. There has been one case this year where an unlicensed export of a biological toxin prohibited under Regulation (EC) 428/2009 was seized at the UK border. Although there is no reason to believe that in this case the toxin would have been used by terrorists, it demonstrates the ability of HMRC and Border Force officials to work together to regulate such cross-border movements.

Controlling exports of dual-use items is an effective measure against terrorists acquiring biological weapons capability when combined with other controls and activities. Access to botulinum toxin is already controlled under domestic legislation. Part 7 of the Anti-Terrorism, Crime and Security Act 2001 sets out a regime for the security of pathogens and toxins and botulinum toxin is a designated toxin under that legislation. Those laboratories in the UK which hold botulinum toxin have been assessed by Police Counter-Terrorism Security Advisers and no concerns have been identified with the security regimes in place.

There are exemptions from the provisions of Part 7 of the Act for medical products. Medical and cosmetic products containing botulinum toxin are very dilute and unsuitable for misuse by terrorists.

There have been no known terrorist related security incidents involving botulinum toxin in the UK.

3 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

The Committee considered an Explanatory Memorandum (EM) dated 1 May 2012 at their meeting on 24 May 2012 covering the Council Decision in support of the Biological and Toxin Weapons Convention (BTWC), in the framework of the European Strategy against the proliferation of Weapons of Mass Destruction and judged it to be "not of sufficient political interest to warrant a substantive Report to the House" and cleared it accordingly. I am writing to let your Committee know that the Budgetary Impact Statement for this Council Decision has now issued and I enclose a copy, Annex A [not printed].

The EM of 1 May suggested project costs of EUR 1 million, but final figures were not then available. The budget now presented is EUR 1.7 million. The previous such decision in 2008 was for EUR 1.4 million. Some of the costs are fixed costs, based on UN and Commission guidelines eg on flights, per diems etc. It would be possible to cut costs slightly by cutting down on e.g. the number, location and attendance at the various seminars actions but a cost reduction would have an unacceptable impact on the expected benefits as the projects would no-longer focus on key regions. To make any real savings whole projects would need to be removed as much of the work is labour-intensive. These projects were supported in general terms by the UK when the list was being drawn up. In particular, the UN Secretary General Investigation of Alleged Use project was added at the UK's request. The budget for this is now estimated at EUR 297K. As this is a new area for EU assistance in support of the BTWC it has increased the 2008 budget by a corresponding amount. This project will enhance the UN's ability to launch and conduct timely and efficient investigations of alleged use of both chemical and biological weapons. Many of the projects also support the Final Recommendations of the Seventh BTWC Review conference in December 2011. This means the UK will not need to contribute on a bilateral basis unless there is a strong case for doing so.

I hope you will agree the new budget given that the Council Decision takes forward important work supported by the UK and that the cost is reasonable. Funding for the projects proposed under the

Council Decision will be met by the existing Common Foreign and Security Policy budget, of which the UK currently contributes 17.5%.

We have placed a reserve on the adoption of the Council Decision until you have had the opportunity to study and agree the budget proposals. If possible, the European Union hopes to be able to refer to these projects in advance of the BTWC Meeting of Experts taking place in Geneva from 16-20 July.

5 July 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The House of Lords EU Sub-Committee on External Affairs considered your letters of 3 July and 5 July concerning the documents above at its meeting on 12 July. We are happy to clear the budget proposals annexed to your letter of 5 July.

The Committee noted that the budget increased by €0.7 million. This 70% increase was mainly due to a project which was added at the UK's request. As this seems to be in contrast to the Government's usual across the board policy to seek budget reductions, we would be interested to hear your further comments on this one change of emphasis.

We were grateful for your response to our questions about botulinum toxin. It has been drawn to our attention that this toxin is readily available on the internet. We would therefore like to know whether the Government is satisfied that sufficient controls are in place on the import of botulinum toxin into the UK and the EU in preparation for its clinical use for botox. Can you also inform us whether you are aware of any security incidents involving botulinum toxin in the EU and beyond?

16 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 16 July 2012 in which you raised questions about Government policy on EU budgets and botulinum toxin.

Member States' financial contributions are divided amongst five budget headings for the 2007-13 period. Funding for non-proliferation and disarmament projects falls to the CFSP budget within Heading 4 (the EU's external action budget). On 18 June 2012 I took part in a House of Commons European Committee debate on the European External Action service and made the point then that the UK wanted to see EU external spend under Heading 4 represent a larger portion of a smaller overall EU budget and to see the EU use its resources to deliver real impact on the ground.

The UK currently contributes approximately 17% of the CFSP budget. There will not necessarily be a corresponding increase in the UK's CFSP contribution should the budget of an EU Council Decision increase – the extra money would normally be found from within the (Heading 4) budget, and would be subject to a decision by the budget authority, by qualified majority voting. All the headings are part of an annual budget decision. Annual budget decisions must fit within the multiannual financial framework which is agreed unanimously by all member states at septennial intervals.

The project relating to the UN Secretary General Mechanism (SGM) for Investigation of Alleged Use of Chemical and Biological Weapons (SGM) accounts for most of the increase in the new budget. This is an example of where the EU can use its resources to deliver real impact. The UK sees the SGM as important to the UK's overall security interests because it contributes to the strengthening of international responses to violations of the global and total prohibition on the use of chemical, biological and toxin weapons. The project to be funded focuses on the training of the experts on the SGM roster and the repositioning of equipment to enhance the UN Secretary General's capability to launch investigations into alleged use quickly and efficiently. Inclusion of this project is important for the overall EU strategy against the Proliferation of Weapons of Mass Destruction and a success for the UK. We would of course resist any suggestions that any new projects, such as this one should lead to any increase in contributions by Member States.

In my letter of 5 July 2012, I indicated that when the Council Decision was first submitted for Parliamentary Scrutiny we did not have a detailed budget breakdown at the time and estimated Euro 1.0M. This was based on the figure in the Explanatory Memorandum on Council Joint Action 2008/858/CFSP in support of the Biological and Toxin Weapons Convention (BTWC) submitted for Parliamentary Scrutiny on 15 May 2008. The final 2008 budget figure was in fact EUR 1.4M, as noted by the William Cash MP, Chairman of the House of Commons European Scrutiny Committee in his letter to me of 17 July 2012, copied to you. When EUR1.4M is used as the baseline rather than EUR

IM, the budget increase for this Council Decision is therefore 21% rather than 70%. I recognise that this is still a significant increase but one which I support for the reasons outlined above.

The 2008 Council Decision was underspent by approximately 27% (and so total expenditure was in fact around 1.02M Euro). This was in part due to an over-estimation by the EU of travel costs and budgeting for sixteen assistance visits when only nine took place. The EU has assured Member States that steps were taken this time to ensure more accurate calculations. We will ensure discussion of progress at CODUN (Working Group on Global Disarmament and Arms Control) meetings in Brussels.

BOTULINUM TOXIN

My officials are still consulting the Medicines and Healthcare Products Regulatory Agency (MHRA) and the Home Office about your questions relating to import controls of Botulinum toxin and security incidents involving Botulinum toxin outside of the EU and beyond. They are consulting with e.g. Interpol and others which has resulted in a delay. I am sorry for this but will reply as soon as possible.

2 August 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 16 July 2012 in which you raised questions about Government policy on EU budgets and botulinum toxin. My letter to you of 2 August responded to your question about EU budgets. My officials have now received responses from the Medicines and Healthcare products Regulatory Agency (MHRA) and the Home Office which lead on the questions you raise about botulinum toxin and security issues. You said it had been drawn to your attention that botulinum toxin is readily available on the internet and you specifically asked:

- a) whether the government is satisfied that sufficient controls are in place on the import into the UK and the EU in the preparation for its clinical use for botox and;
- b) if we are aware of any security incidents involving botulinum toxin in the EU and beyond.

IMPORTS

The primary aim of the MHRA is to safeguard public health through a system of regulation for medicines and medical devices. The MHRA leads on related import controls in the UK for medicines for human use. Medicinal products containing botulinum toxin, authorized for use in the UK, are manufactured either in Germany or the United States. In my letter of 3 July I noted that medical and cosmetic products containing botulinum toxin (i.e. botox) are very dilute and unsuitable for misuse by terrorists.

There are no UK restrictions on the importation of unprocessed or raw botulinum toxin, but there is no evidence that unprocessed botulinum toxin is imported into the UK as a starting material for authorized medicinal products. That said, controls on starting materials are currently achieved through obligations placed on the licensed manufacturer of the medicinal product.

At early stage manufacturing, the sites making intermediate and bulk products will have been inspected by an EU Competent Authority (or a Mutual Recognition Agreement partner) to verify compliance with EU Good Manufacturing Practice (EU GMP). All sites have to be certified by EU Qualified Persons that they comply with both EU GMP and the requirements of the Marketing Authorisation.

Finished products must be supplied from sites that have been shown to comply with EU GMP following inspection and which also undergo re-testing at the site of import to verify that they comply with Marketing Authorisation conditions. Although there are a range of tests at import, the key tests are those to show that the product is sterile (i.e. that they do not contain any Botulinum species or other microorganisms) and that the toxin is at the low level specified in the Marketing Authorisation which only produces the therapeutic effect but not toxic effects.

Imports of medicines without Marketing Authorisations in the UK (unlicensed medicines) are required to be notified to the MHRA under The Medicines for Human Use (Marketing Authorisations Etc.) Regulations 1994 (SI 1994/3144) and The Medicines for Human Use (Manufacturing, Wholesale Dealing and Miscellaneous Amendments) Regulations 2005/2789, as amended. The MHRA also requires that unlicensed medicines notified for import into the UK under these regulations are compliant with European GMP or equivalent. The MHRA will ask importers for evidence of

compliance for sources where compliance is not known. GMP requirements for injectable products include sterility. The MHRA normally accepts that products manufactured in facilities successfully inspected by EU member states, the Pharmaceutical Inspection Cooperation Scheme (PIC/S) or the US Food and Drug Administration (FDA) are compliant with GMP requirements, and will request evidence of compliance where this is not evident.

WEBSITES ADVERTISING BOTOX

In the UK, there are strict legal controls on the retail sale, supply and advertisement of medicinal products. "Botox" is a Prescription only Medicine (POM) for human use. In the UK POMs may only be legally sold or supplied to the public through registered pharmacy premises, by or under the supervision of a pharmacist and prescribed by an authorised healthcare professional, for example a doctor, dentist, or independent prescriber. POM cannot be advertised directly to the public. A UK registered pharmacy may have a presence on the internet, however the requirements of UK legislation apply equally to both UK internet pharmacies and bricks-and-mortar premises.

In the US and other countries some medicines that would be POMs in the UK are available without prescription and appear on overseas websites. Additionally, there are no formal restrictions on an individual importing medicines into the UK provided they are strictly for use by that person or a member of their immediate family.

The MHRA actively monitors the availability of medicines being offered on-line but this is focused on identifying websites operating within the UK where unlicensed activity involving medicines may be taking place.

SECURITY INCIDENTS

The Home Office receives open source reporting from the Police National CBRN Centre on potential security incidents inside and outside the UK relating to a range of hazardous substances including botulinum toxin. None of the reporting received from the EU and beyond relating to botulinum toxin appears to be the obvious result of a breach of security.

The MHRA and the Home Office would be happy for you to follow up further with them directly if necessary.

28 August 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

Thank you for your letter of 28 August 2012 on the above documents. The House of Lords EU Sub-Committee on External Affairs considered the letter at its meeting on 26 September 2012.

We would like to question further whether you consider that botulinum toxin could fall into the hands of terrorists? Does the Government have any concerns that this could happen?

I look forward to receiving your reply within the standard ten working days.

3 October 2012

Letter from James Brokenshire MP, Parliamentary Under Secretary for Crime and Security, Home Office, to the Chairman

Thank you for your letter of 3 October, from the EU Sub-Committee on External Affairs, in which you ask whether the Government considers that botulinum toxin could fall into the hands of terrorists and if we have any concerns that this could happen.

Laboratories in the UK holding botulinum toxin are subject to UK security controls under the provisions of Part 7 of the Anti-Terrorism, Crime and Security Act 2001. We are content that UK legislation strikes the right balance between enabling legitimate use of toxins such as botulinum toxin and restricting access by terrorists.

Laboratories holding botulinum toxin have been assessed by police security advisors and no concerns have been identified with the security regimes. There is evidence of interest by terrorist groups in using botulinum toxin as a biological weapon. However, the focus is on using basic recipes, which would produce a crude mixture of bacteria and would be unlikely to result in the production of significant amounts of Clostridium botulinum neurotoxin.

There have been no known instances of attempted acquisition of botulinum toxin by suspected terrorists in the UK. As a result, the Government does not have any specific concerns about botulinum toxin falling into the wrong hands at this time.

25 October 2012

BURMA: RESTRICTIVE MEASURES

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing with regard to the adoption of an EU Council Regulation concerning restrictive measures against Burma. Unfortunately on this occasion, in order to meet the necessary adoption timetable I have regrettably had to agree to override scrutiny.

As you are aware an amending Council Decision renewing the restrictive measures against Burma was adopted on 26 April 2012. This suspended all sanctions on Burma, apart from the arms embargo. In order to give legal effect to the Decision a Council Regulation was adopted on 10 May. The draft content of the Regulation was only agreed in Brussels on 3 May and this did not allow sufficient time for me to provide your committee with the opportunity to scrutinise before adoption.

It was important to have the Regulation adopted as soon after the Council Decision as possible in order to give legal effect to the Decision and to provide as much clarity to the implementers of the sanctions, such as HM Treasury and the Home Office, as well as to industry.

10 May 2012

BUSINESS DURING RECESS

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

FOREIGN AND COMMONWEALTH OFFICE: EU BUSINESS DURING THE QUEEN'S JUBILEE RECESS 30 MAY– 10 JUNE 2012

I would like to take this opportunity to alert you to EU activities that might take place during the forthcoming recess when your Committee is not sitting.

We expect progress on the following before Recess:

Biological and Toxin Weapons Convention (BTWC): An EM covering a Council Decision in support of the BTWC in the framework of the European Union Strategy against the proliferation of Weapons of Mass Destruction was recently deposited for consideration by the Committees. Agreement has been reached at official level in Brussels to renew support of the BTWC. I hope the Committee will be able to consider the Explanatory Memorandum in advance of the General Affairs Council as we expect agreement to be sought at GAC on 29 May.

International Code of Conduct on Outer Space Activities: An EM covering a Council Decision in support of the EU-led initiative to negotiate an International Code of Conduct for Outer Space Activities was recently deposited for consideration by the Committees. This is the first time Parliamentary scrutiny has been required for documents relating to this subject. Until this point, the UK has been engaged in informal EU negotiations on the text of the Code and diplomatic discussions with third parties. I hope the Committee will be able to consider the Explanatory Memorandum in advance of the General Affairs Council as we expect agreement to be sought at GAC on 29 May.

BTWC: World Health Organisation (WHO) Activities in the area of Bio-Safety and Bio-Security: An EM covering the new draft EU Council Decision in support of WHO activities in the area of bio-safety and bio-security in support of the Biological and Toxin Weapons Convention (BTWC) was recently deposited for consideration by the Committees. We have submitted an amendment to the Council Decision seeking a specific reference to the need to consult EU Member States on WHO projects as they are developed. The amendment and the Decision will be discussed at CODUN on 24 May 2012. Depending on the outcome of those discussions, a further Explanatory Memorandum may be submitted.

During recess unpredictable developments in certain regions may lead to policy being agreed through the EU at pace. Whilst my officials will endeavour to keep you as up to date as possible, there may be occasions where an override is operationally necessary. However, my officials will continue to submit Explanatory Memoranda on appropriate documents, and if there are any significant policy developments we will ensure you are alerted. My officials will also continue to work closely with your clerks to avoid unnecessary overrides during the recess period.

Restrictive Measures Guinea-Bissau: Targeted restrictive measures were recently adopted against six individuals who have been identified as being a threat to the peace, security and stability of Guinea-Bissau. Given the continued fragility of the situation on the ground in Guinea-Bissau it is possible that there will be a push to impose further measures over the coming weeks and should this happen it is likely that there will be a need to impose such additional measures as soon as possible in order to exert maximum pressure on the targets. My officials will continue to work closely with your clerks to avoid unnecessary overrides during the recess period.

I thought it would also be useful to flag up some issues that we expect to emerge **once Parliament has returned in June:**

Green Line Crossing Report: In June 2012 the European Commission will issue its eighth report on the implementation of Council Regulation (EC) 866/2004 of April 2004 and the situation resulting from its application covering the period 01 January 2011 until 31 December 2011. The report will evaluate the implementation of the Green Line Regulation. The regulation defines the terms under which provisions of EU law apply to the movement of persons, goods and services across the Green Line in Cyprus. We will submit an Explanatory Memorandum in due course once the report has been deposited with Parliament.

Montenegro: The Report request by the December European Council to look at 'Montenegro's progress in the implementation of reforms, with a particular focus on the area of rule of law and fundamental rights, especially the fight against corruption and organised crime' is expected to be published at the end of this month. We will submit an Explanatory Memorandum in due course. I hope the Committee will be able to consider the Explanatory Memorandum soon after they return from recess as we expect the decision on negotiations to be sought at the European Council on 29 June.

EUSRs: The mandates for the EUSRs for Sudan & South Sudan, the Southern Mediterranean, Afghanistan, African Union, Horn of Africa, South Caucasus & Georgia, Central Asia and Bosnia & Herzegovina expire on 30 June. We are in the process of obtaining documents from the EEAS and preparing EMs. We aim to deposit them before Committees return. I hope the Committee will be able to consider the Explanatory Memorandum soon after they return from recess.

21 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

FOREIGN AND COMMONWEALTH OFFICE: EU BUSINESS DURING THE PARLIAMENTARY RECESS FROM 25th JULY TO 8th OCTOBER 2012

I would like to take this opportunity to alert you to EU activities that might take place during the forthcoming recess when your Committee is not sitting.

Restrictive and Appropriate Measures on Zimbabwe – Renewal: As per my letter of 05 July, discussions are underway in advance of the Appropriate Measures renewal date of 20 August. We anticipate that the adoption of Council Decisions will likely take place at the Foreign Affairs Council meeting of 23 July. A draft Council Decision is not yet available.

CSDP Mission EUMM Georgia - Extension of Mandate: The mandate for this CSDP mission expires on 14 September 2012. A 12 month extension is currently being negotiated in Brussels and will need to be agreed prior to expiry of the current mandate. A draft Council Decision will not be available before Recess, in part due to the UK's robust approach in protracted negotiations, pushing for efficiency savings and reduced staffing numbers, on which there is currently no agreement.

The EU seminar in preparation for the conference on a Middle East Weapon of Mass Destruction Free Zone, (MEW MDFZ) will build upon last year's seminar on the MEW MDFZ conference, for which the UK was one of the co-conveners. The Seminar will bring governmental and non-governmental experts together from the EU, P5, the Middle East and the conference host country Finland - to work towards a successful MEW MDFZ conference, which will probably be held by the end of the year. The seminar will be particularly useful because Israel engaged in last year's -

while remaining to be convinced on the conference itself - and it will bring in a considerable range of civil society expertise. The budget of 352 000 Euros needs to be approved quickly, because the EAS aim to hold the seminar in the first week of November in advance of the conference in December. To achieve this they need to begin planning early. This funding will come from the EU RELEX budget and no further financial contribution will be required from the UK.

CSDP Missions EUPOL DRC and EUSEC DRC - Extension of Mandates: The mandates for these two CSDP missions expire on 30 September 2012. An extension is currently being negotiated in Brussels and will need to be agreed prior to the expiry of the current mandate. Whilst my officials will endeavour to keep you as up to date as possible, an override is likely to be operationally necessary to allow the missions to continue to operate after 30 September 2012.

CSDP Mission EUAVSEC South Sudan and EUCAP Sahel-Niger – Statement of Mission Agreements: There is a possibility that Statement of Mission Agreements between the EU and the Government of the South Sudan and between the EU and the Government of Niger will be agreed during recess. The agreements will set out the agreements between the mission and the host country and is expected to be standard text. There are no resource implications in accepting these agreements.

Publication of the 2012 EU Commission Report on the progress of Bulgaria and Romania under the Co-operation and Verification Mechanism: An EM covering Bulgaria and Romania's five-year progress under the CVM will be deposited as early as possible after the Commission's Report is published on 18 July. We expect European Council conclusions on the report to be agreed at the GAC on 24 September.

RESTRICTIVE MEASURES:

Under the **Iran nuclear sanctions regime**, the EU may make minor amendments during recess to the list of individuals and entities subject to sanctions, along with some technical amendments to the Regulation.

Given the deteriorating situation in **Mali**, it is possible that there will be a push to agree **restrictive measures** against members of the military junta and other groups in the country determined to prevent the restoration of full civilian democracy. Such measures would need to be imposed as soon as possible in order to exert maximum pressure on the targets.

Council Decision 2012/170/CFSP of 23 March 2012 extended the suspension of sanctions against the leadership of the Transnistrian region of the **Republic of Moldova** until 30 September 2012. The sanctions expire on 30 September 2012, so a further Council Decision is likely in September. An EU-commissioned independent report into the situation on the ground will inform the decision, but this is not yet available.

During recess unpredicted developments in certain regions may lead to policy being agreed through the EU at pace. Whilst my officials will endeavour to keep you as up to date as possible, there may be occasions where an override is regrettably operationally necessary. However, my officials will continue to submit Explanatory Memoranda on appropriate documents, and if there are any significant policy developments we will ensure you are alerted. My officials will also continue to work closely with your clerks to avoid unnecessary overrides during the recess period.

16 July 2012

CANADA-UK: MEMORANDUM OF UNDERSTANDING

Letter from the Chairman to the Rt. Hon William Hague MP, Secretary of State for Foreign Affairs, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs at its meeting on 26 September 2012 discussed the agreement signed on 24 September for the establishment with Canada of joint diplomatic missions and the sharing of embassy offices abroad. We have also noted press reports that similar arrangements may be made with Australia.

We would be grateful if you could tell us:

- if this is a new policy initiative, or is it an ad hoc action in a selected country for practical reasons? If the former, what is the reasoning and rationale for the policy?
- Do you plan to make similar arrangements with other Commonwealth countries in addition to Canada?
- what will be the remit of these shared missions: beyond sharing spaces will the diplomats also share functions or pursue shared policies?
- what implications does this have for the aspiration to work together with EU Member States on sharing embassy premises and functions, in particular with the French and Germans?
- what are the implications for the Common Foreign and Security Policy if there is to be closer political and diplomatic collaboration with Canada and potentially other Commonwealth countries?
- what are the implications for the functioning of the European External Action Service representation in third countries?

I would be grateful if you also provide list of the countries where the UK already shares missions, and with whom, and the nature of the relationship in each country, and where and how you plan to share missions in future.

I look forward to hearing from you in the standard ten working days.

3 October 2012

Letter from the Rt. Hon William Hague MP to the Chairman

Thank you for your letter of 3 October about the Canada-UK Memorandum of Understanding (MoU) on Enhancing Mutual Support at Missions Abroad.

Let me say at the outset that the MoU does not establish joint diplomatic missions. The purpose of the MoU is to give a bigger reach for both the British and Canadian diplomatic services at a lower cost through sharing premises and services at our missions abroad where it is of mutual benefit to do so. The MoU does not impact our respective autonomy in making or delivering policy, and none of our respective diplomats will work for each other's governments. It is of course worth noting that, as close allies, Canada and the UK already work collaboratively on a number of foreign policy issues, just as we do with our close European partners.

Under the terms of the MoU, British and Canadian missions may cooperate on certain aspects of consular service provision such as crisis planning. This too is not uncommon; British missions around the world variously assist nationals of certain European or Commonwealth countries, where their own governments are not present, just as we ask certain partners to assist British people in places where the UK does not have a diplomatic footprint.

The MoU represents an ad hoc initiative with Canada only at this time, although if it proves to be successful we may seek to sign similar agreements with other likeminded countries such as Australia.

I am confident that this closer cooperation with Canada will not come at the expense of the relationships we enjoy with our EU partners. They are not mutually exclusive. We will continue to work closely with EU member states, and to pursue UK objectives through the European External Action Service. We will continue our existing arrangements on co-location with France and Germany; and on sharing premises with other EU Member States, non-EU countries, and EU delegations, where there is a strong business case for doing so.

As you requested, I have attached a list of posts where the UK already shares premises with other diplomatic services. In all cases, these are shared office spaces rather than joint diplomatic missions, where each country pursues its own policies and objectives with complete autonomy. The decision to establish co-located missions is generally driven by pragmatic, cost-sharing objectives. We are open to considering the case for such arrangements where we have a constructive relationship with the third countries or organisations concerned.

I hope this has answered your questions, and allayed any concerns that the Committee may have. Please feel free to contact me again if you would like further information.

10 October 2012

CROATIA: ACCESSION PREPARATIONS

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 17 May and cleared it from scrutiny.

At this meeting the Sub-Committee considered that whilst there was some progress in Croatia's accession preparations, there remained many areas where the progress report indicated that more work was required. The Committee therefore would like to know what leverage exists should Croatia not meet the requirements for membership. At present Croatia's accession to the EU is expected to be July 2013. Can this be delayed should the Croatian government not make sufficient progress? What is the timeline for the ratification of the accession treaty across the 27 EU Member States? At what stage does this process need to be concluded? The Committee would welcome an update on Croatia's progress when the next two monitoring reports are published.

21 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 21 May in which you ask what leverage exists should Croatia not meet the requirements for EU membership in time for their expected accession on 1 July 2013.

Croatia can only join the EU once all 27 Member States have ratified the Croatian Accession Treaty. Ratification timetables depend on each Parliament and the process is underway in many EU Member States: eight Member States have already ratified (Bulgaria, Cyprus, Hungary, Italy, Latvia, Lithuania, Malta, and Slovakia). Others are likely to leave it until closer to the expected accession date.

There is no explicit provision in the Accession Treaty for Croatia's accession to be delayed. However, as part of the agreement to close accession negotiations, the UK pressed successfully for provision to be made, under Article 36(2) of the Croatia Accession Treaty, for the Council to act (by qualified majority on a proposal from the Commission) to take all appropriate measures should issues of concern be identified during the monitoring process.

The Treaty also includes a range of safeguard measures that could be imposed, including before accession, in specific areas where reforms are not complete. For example, the Commission is empowered to recover all state aids paid by the Croatian Government to state-owned shipyards if Croatia does not meet EU requirements under Chapter 8 (Competition) by the time of accession.

We have a shared interest in ensuring Croatia meets the requirements in good time and we continue to remind Croatia of the importance of this, both through our bilateral relationship and through the EU. At the General Affairs Council on 29 May I underlined the importance of Croatia urgently addressing all remaining issues, a point echoed in the Council Conclusions on the Commission's April monitoring report.

As I noted in my Explanatory Memorandum, the Commission's six-monthly monitoring reports to assess Croatia's progress against its own commitments made at the time of the closure of its accession negotiations provide a key opportunity for the Commission, Member States and the Council, on the basis of the available evidence, to hold Croatia to account. We have seen some evidence that this process is working, for example, Croatia's recent decision to withdraw a draft police law which had raised some concerns. We will continue to stress the need for Croatia to respond positively to the Commission's recommendations and for Croatia to ensure that detailed evidence of action is available to be included in the autumn Comprehensive Monitoring Report, a vital opportunity to provide the necessary assurance to Member States that Croatia will be ready on time. As I undertook last year, during the debate in the House of Commons on Croatia's accession, I will provide the Scrutiny Committees with a copy of each subsequent monitoring report, the next of which is due in October.

I would also like to note that I have received your letter dated 24 May and that I will be responding in a separate letter, together with the Justice Secretary.

12 June 2012

CSDP MISSIONS: GEORGIA AND THE DEMOCRATIC REPUBLIC OF THE CONGO

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs at its meeting on 26 September 2012 considered the above documents which were cleared at the Chairman's sift on 21 August 2012 (draft Council Decision on EUMM Georgia) and 18 September 2012 (draft Council Decisions on the Democratic Republic of Congo). The Sub-Committee would also like to thank you for your letter of 27 July 2012 on CSDP Missions: Information required for Scrutiny.

We would like to thank you for your commitment to provide more information to the Committee on CSDP missions in future. We regret, however, that both the Explanatory Memorandums on the above missions (EUMM Georgia, EUPOL RD Congo and EUSEC RD Congo) did not match the level of information you provided to us in the case of the EUJUST LEX – Iraq mission. Your letter on the EUJUST Lex – Iraq mission included an Annex with the key findings of the strategic review of the mission and a further annex detailing evidence of the mission impact. We would be grateful if you would please send us similar assessment documents for these three missions.

We note that in your letter, dated 27 July 2012, on the results of the Foreign Affairs Council of 23-24 July 2012, you mentioned that the Council took stock of the deteriorating security situation in the Democratic Republic of Congo. We therefore would request an assessment of whether this is the right time to be considering ending the two missions in Congo.

I look forward to receiving your reply within the standard ten working days.

3 October 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing in response to your letter dated 3 October requesting further information on the evaluation and impact of the above missions, to bring them in line with the level of information provided on JUSTLEX Iraq.

Unfortunately, the EEAS did not carry out an assessment of the impact of these missions, as they did for JUSTLEX in Iraq. I can assure the Committee that I have passed on – in Explanatory Memorandums and other letters to you – as much detail from the EEAS' reporting as my officials have been able to obtain.

We continue to press hard to ensure that full evaluation and assessment of impact is carried out routinely for all missions as part of the reporting process.

The Strategic Reviews are classified documents. I am therefore not in a position to share these with the Committee, since all our correspondence is, rightly, placed in the public domain. Instead I should like to propose that my officials responsible for evaluating CSDP missions brief the Committee orally, if the Committee would find that useful.

I note the Committee's unease at the prospect of closing the missions in DRC. I share your concerns about the situation in that country and want the EU's input there to deliver real improvements to the level of public security and proper rule of law. I am determined that we should remain engaged in the difficult process of building security and law enforcement structures which better serve the Congolese people.

The CSDP missions have been running since 2005 and I think this is the right time to question whether they continue to represent the best option for assisting DRC. As part of negotiations prior to the expiry of current CSDP mandates, we will consider handing over activities to other actors and EU Instruments, such as the Instrument for Stability. Alternative approaches of this type could have a greater impact in the country, particularly in the East, where as you say, the situation has deteriorated.

With regard to Georgia, we find the mission's reports to be a unique source of insight into the state of the Administrative Boundary Lines (ABL) between Tbilisi-controlled and breakaway territories. They provide a vivid picture of the hardships which these borders impose on ordinary Georgians. However as the ABLs have begun to ossify, the mission's ability to foster communication across them has started to decline. I am keen that the mission's activities be kept under review to ensure that it is properly resourced for the tasks it needs to do, but does not incur the wasteful expense of

maintaining excess personnel. If it would be useful to discuss the details of the mission's operational reports I would, again, be pleased to offer my officials for this purpose.

During the Parliamentary Election in Georgia on 1 October, the EUMM increased its visibility at the ABLs to monitor security and freedom of movement. I am glad to say there were no reported security incidents and the elections passed off peacefully. Your Committee may be interested to know that the Opposition party secured a majority of seats and will soon elect a new Cabinet.

15 October 2012

CSDP MISSIONS: HORN OF AFRICA AND SOUTH SUDAN

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am replying in response to Lord Roper's letter of 30 April about the CSDP mission EUCAP NESTOR.

It is true that CSDP missions typically have to operate without a full complement of staff. All member states find the costs of seconding staff to missions difficult. Some – including the UK – also find it difficult to spare important experts.

We have just received initial feedback from the EAS on the first round of recruitment for the NESTOR mission. 470 applicants applied for contracted positions, which should be ample to fill those posts funded from the CFSP budget. However a relatively disappointing 30 potential secondees applied for 29 posts within the first phase of deployment which are funded by member states. The EAS will now assess what gaps there may be in the initial deployment of seconded staff. On a positive note, it seems likely that the UK will be able to secure the secondment of British staff to key positions within the mission.

You also raised the question of whether EUCAP NESTOR will deploy on schedule. The planning process in Brussels appears to be on track. However the countries which will host mission staff (Kenya, Tanzania, Djibouti, The Seychelles and Somalia) may cause a delay by withholding confirmation that mission staff will have normal diplomatic accreditations and entitlements. We are discussing with the EAS and with our posts in the region what can be done to minimise this risk.

23 May 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The House of Lords EU Sub-Committee on External Affairs considered the document on the CSDP Mission in South Sudan at its meeting on 14 June and cleared it from scrutiny. It also took note of your letter on the CSDP Mission EUCAP NESTOR, replying to Lord Roper's letter of 30 April.

We agree with your assessment of the importance of the CSDP Mission in South Sudan. In light of this, we were concerned at the impression given in paragraph 31 of the Explanatory Memorandum that the Government is hesitating about seconding staff to this mission. We believe strongly that this mission is in the UK's national interest and that the Government should if possible aim to provide seconded staff.

On the EUCAP NESTOR mission we note the low number of applicants for the 29 posts to be filled within the first phase of the deployment for. Can you explain why there was such low number of applicants from secondees? We welcome the Government's position on secondment to this mission which seems to differ from its position on the South Sudan mission, as you state in your letter that the UK hopes to be able to secure a number of secondments. We would be interested to understand more broadly the Government's approach to secondments to EU CSDP missions? How does the Government decide on which missions it intends to support through seconded staff?

I look forward to receiving your reply within the standard ten working days.

19 June 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 19 June. You raise an interesting and important point concerning the secondment of UK staff to Common Security and Defence Policy Missions.

If I give an impression of hesitation with regards to South Sudan, that is only because secondments require UK resources, which as you know are scarce. When HMG seconds British staff into missions, we need to fund their salary, training, equipment and travel costs. These can amount to £80,000 pa for a junior officer and much more for a senior post. In the case of personnel who are serving public or military officers, HMG also has to take into account the loss of their services for the length of the secondment. Individuals such as – for example – aviation security experts or senior police officers are in short supply and it is a not a small matter to post them abroad for the duration of a CSDP mission.

Nonetheless we do seek to second British staff to missions when resources can be found. The Africa Conflict Prevention Pool has agreed in principle to provide funding sufficient for 5-10 secondments to the NESTOR mission in the Horn of Africa, which is the mission I judge to be the highest priority for the UK amongst the new civilian CSDP missions to Africa. We seconded a British expert in aviation security, Mr Des Ross, to the planning stages of the mission in Juba, but have judged that the substantial amount that would be required for a secondment across the 19 month life of the mission proper cannot be prioritised, given the other calls on scarce financial and personnel resources.

You ask why there were so few applicants for positions within EUCAP NESTOR. The answer – I imagine – is that other member states face the same tough resource allocation choices as the UK. Particularly with public finances across Europe as they are, many partners will be finding it difficult to find the money and staff to second.

It might be helpful to discuss these issues in more detail. I would be pleased to arrange for my officials concerned with the management of CSDP work in Africa to brief your committee if that would be useful.

2 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing to let your Committee know of an amendment to the Council Decision for the above CSDP Mission, which your Committee was informed of in April 2012. This letter follows up on notifications given to the Clerks to the Committees over the course of the past two weeks.

The original plans for the mission included counter-piracy activities in countries across the Horn of Africa, including Tanzania. However, the European Union has not yet received an invitation from the Government of Tanzania to deploy there. We have been working closely with the Government of Tanzania, in concert with the European Union and other Member States, to identify the issues that need to be overcome to allow Tanzania's agreement to the mission. The European Union's timetable has been pressing however; we have therefore joined a PSC consensus to proceed with the launch of the mission in those countries where the mission has been invited to work, with the provision that if an invitation from Authorities in Tanzania is received, it will deploy there without delay. We will continue with efforts to secure this outcome as soon as possible.

The amendments to the Council Decision make clear that the mission will initially deploy in Djibouti, Kenya, the Seychelles and Somalia but that deployment may also take place in Tanzania once invited by the Tanzanian Authorities. They allow the mission to be launched without delay while waiting for an invitation from the Government of Tanzania. The budget forecasted for activities in Tanzania will not be used until deployment takes place.

11 July 2012

CSDP MISSIONS: PALESTINIAN TERRITORIES

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing to update you on discussions in Brussels regarding the future of EUBAM Rafah, following up on Lord Roper's letter of 26 May 2011, my explanatory memorandum (EM) dated 9 December 2011 and Lord Roper's response to that on 19 December 2011.

In Lord Roper's letter of 19 December 2011 he requested information on whether EUBAM Rafah was fulfilling its original purpose of monitoring the Rafah border crossing. EUBAM Rafah has not been operational since 2007, when Hamas seized power in Gaza, although it has maintained the operational capability to redeploy rapidly. The Mission's mandate is to monitor, verify and evaluate the Palestinian Authority's performance at the Rafah Crossing and to contribute to Palestinian capacity building in all

aspects of border control and customs operation. When the Rafah Crossing point was reopened in May 2011, it was under Hamas control and so EUBAM Rafah was still unable to operate.

In response to EUBAM Rafah's difficulties, the last strategic review of the mission recommended a merger of the two Common Security and Defence Policy (CSDP) operations in the Palestinian Territories over six months. This outcome would have delivered cost reductions, and allowed the EU to maximise its potential to play a constructive role on MEPP, complementing UK policy priorities. The EM stated that there was a risk that the full merger would not be completed by the end of June 2012.

Israel have since rejected this proposal for a merger expressing concern about the political signal it would send and in addition adding that the two missions must maintain separate legal mandates and Heads of Mission. As the mission relies on Israeli and Palestinian buy-in to conduct its operations, EU Member States needed to develop an alternative way forward. After a lengthy debate between those member states – including the UK – who wished to maximise economies and those who wished to retain EUBAM's current size and profile, the following deal has been struck:

- (i) Efforts will continue to merge the two Heads of Mission;
- (ii) EUBAM Rafah's operational element in Tel Aviv will be reduced to two officers;
- (iii) The costs of EUBAM Rafah will be reduced by approximately 1 million Euros per year.

This outcome will result in the closure of the office in Ashkelon, which consumed the bulk of the mission's budget and significant staff reductions (approximately 50%). The change to the new mandate will include the addition of one member of local staff to the Gaza field office where monitoring of the security situation continues. This complete restructuring will still allow the mission to redeploy at short notice.

The UK pressed hard to maximise cost savings; our interventions contributed greatly to the outcome which achieves significant cost reduction for the mission. During discussions, the UK also raised concerns about the principle of a third party dictating the shape of EU assistance.

Preparations are now being made to extend the mandates of both missions in the Palestinian Territories until June 2013. A Strategic Review of both missions will be completed by the end of this year. I will submit an Explanatory Memorandum on the new mandates and budgets of both missions for scrutiny once it is circulated by the EEAS.

15 May 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The House of Lords EU Sub-Committee on External Affairs considered the documents above at its meeting on 21 June and cleared them from scrutiny.

We note that your Explanatory Memorandum states that "EUPOL COPPS trains Palestinian police and penitentiary officials in the West Bank, and has achieved impressive results" (Para 9). We would be grateful if you would please inform the Committee what these "impressive results" are as the Explanatory Memorandum does not provide any details.

You stated in your Explanatory Memorandum that "we want to avoid Israel dictating how the EU administers CSDP". We would be grateful if you would please explain to the Committee why Israel objected to the two CSDP missions being merged.

25 June 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing in response to your letter of 25 June 2012 to inform you as requested about the "impressive results" achieved by the European Union Police Mission for the Palestinian Territories (EUPOL COPPS), and to explain why Israel objected to the two CSDP missions in the Palestinian Territories (EU Border Assistance Mission for the Rafah Crossing Point – EUBAM Rafah, and EUPOL COPPS) being merged.

EUPOL COPPS aims to assist the Palestinian Authority to develop all aspects of its criminal justice system - from policing through to imprisonment. The Mission has gradually shifted focus from equipping counterparts and providing immediate assistance, to institution and capacity building.

The Mission's most notable achievement has been the Jericho Police Training College. When EUPOL COPPS opened its headquarters in Ramallah, the Palestinian Civil Police (PCP) lacked basic equipment for policing, such as vehicles, radios, shields, helmets or uniforms, or have a legal basis for its work. EUPOL COPPS constructed new infrastructures and helped develop the training curriculum. The Mission has also developed a course in Instructional Techniques to aid with the train the trainer aspect of the college. This effort proved the Mission to be instrumental in providing necessary equipment and training to ensure efficiency of the Palestinian police. The effectiveness of the police is central to improving security in the West Bank and demonstrating the responsibility and viability of a Palestinian state.

As well as establishing sustainable and effective policing, the Mission continues to support Palestinian capacity building in security through improving criminal justice, through reforms made with the Palestinian Authority. The mission provides strategic advice and expertise to the entire criminal justice chain based on their criminal justice action plan. The mission has had the following achievements in these fields:

- a) Helped to create and advise the Programme Steering Committee in order to improve project prioritisation and coordination, and closely monitor progress towards the Palestinian Civil Police objectives;
- b) Was the main provider of support to the Anti-Corruption Commission;
- c) Promoted efficient processes within the criminal justice sector with respect to human rights standards, for example – the Mission provided significant input to the Code of Conduct on the Use of Force and Firearms for Palestinian Security Forces;
- d) Facilitated the signing of a Memorandum of Understanding between the Palestinian Civil Police and Public Prosecution as part of the project to improve cooperation between the two. This is an important step towards constructing an end to end rule of law strategy, from arrest to rehabilitation, which helps to bring together coherently different Palestinian actors;
- e) Set up a joint programme with the UNDP aimed at addressing internal police accountability, anti-corruption and civilian oversight.

We have a strong desire to see a strategic evaluation of EUPOL COPPS to continue to ensure the effectiveness of the Mission and that it achieves value for money. We will be raising this with the Civilian Planning and Conduct Capability (CPCC) to request an evaluation in time to be used in time for the Strategic Review this autumn.

Israel argued that a merger of the two missions in the Palestinian Territories was not acceptable due to the missions' different histories, and expressed concern about the political signal it would send – one has a mandate for the West Bank and the other a mandate for Gaza. Israel further argued that merging the two would decrease the effectiveness of EUPOL COPPS, which Israel believed to be doing valuable work.

9 July 2012

CSDP MISSION TO NIGER

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

Thank you for your letter of 4 May 2012 about the CSDP Mission to Niger, which we received on 18 May 2012. The Committee is grateful for the information you provided and for the briefing given by your officials.

We would be grateful if you would provide us with a clearer understanding of what the focus of the mission will be and how you will assess the mission's success. Your letter states that the mission will have a maximum of 60 international staff. Could you provide us with an indication of the types of staff (police, military and others) and their tasks?

We agree that it is important that the mission engages with international partners in the region including the African Union and the Economic Community of West African States (ECOWAS). This is especially important as the proposed duration of the CSDP mission is two years and therefore creating synergies with partners who will remain in the region will provide long-term benefits and sustainability for the mission's objectives.

We note the Government's reservations about the accelerated deployment which was called for by a number of EU partners. We consider that, on the contrary, the mission deployment should be speeded up to provide people on the ground as soon as possible.

29 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter dated 29 May 2012, requesting a clearer understanding on the focus of the CSDP mission to Niger and how we will measure success.

Negotiations are ongoing in Brussels as to the details of the mission and will coordinate its activities with other actors including ECOWAS and the African Union. As soon as these are agreed, I will be forwarding an Explanatory Memorandum setting out the objectives and structure of the mission in detail.

Following the Technical Assessment Mission to Niger, it has been decided to reduce staffing from 60 to a team of 50 which will include specialists in Rule of Law, Criminality and Forensics and other disciplines. Although this team is small, the assessment concluded that it is sufficient to engage with key personnel within the Nigerien Security Forces and so to make a difference on the ground.

Negotiations are also ongoing into potentially expanding the mission into other parts of the region, particularly Mali and Mauritania. You will be aware of the instability in Mali and the increased activity of extremists there. These ideas for wider deployment are at an early stage and I will keep you updated as they develop.

The UK Representation is working hard to ensure deployment by 31 July 2012 - the target date for deployment which I gave in my letter of 4 May 2012. We have taken a helpful and constructive position throughout the mandate negotiation process so as to enable the earliest possible mission launch.

19 June 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 12 July and decided to clear it from scrutiny.

The Committee supports the proposal to launch a CSDP mission to Niger.

The draft Council Decision makes reference to the Concept of Operations Plus (CONOPS Plus) and the Operation Plan (OPLAN) as two documents. In your letter of 4 May you mentioned that there was an intention to unite the two documents. Can you inform us whether these documents were merged? If there is only one document, which includes the Concept of Operations and the Operation Plan, can you give us your assessment whether the approach of merging the documents has been positive and whether this approach should be followed when setting up future CSDP missions?

We note that the staffing numbers mentioned in the Explanatory Memorandum do not match the numbers indicated in your letter sent on 19 June 2012. Could you please explain this difference to the Committee?

I look forward to receiving your reply within the standard ten working days.

16 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter dated 16 July 2012, requesting further information on the planning for this mission and on staffing numbers.

You asked about the merging of the Concept of Operations (CONOPS) and Operational Plan (OPLAN). As I explained in my letter of 4 May 2012, the rapidly deteriorating security situation in the Sahel meant that planning for this mission was accelerated so as to enable an exceptionally speedy deployment. As a result, the CONOPS, was indeed merged with elements of the OPLAN.

An accelerated and truncated planning process is not ideal, but in exceptional circumstances, it was a reasonable response to an unstable situation. We have registered our view that accelerated planning

should not become the norm but should similar circumstances present themselves again, we would consider using this process again.

We have been monitoring the process closely to ensure that rapid planning does not undermine the integrity of the mission itself. In order to further manage the risks, the CONOPS PLUS will be reviewed during the first six months of the mission. The Head of Mission will draw up a full Operational Plan, which the UK will have the opportunity to evaluate and comment upon.

Regarding staffing, my letter of 19 June referred to 50 personnel. This is the number of international staff, but the Explanatory Memorandum also covered 28 local staff to be recruited locally, taking the total figure to 78.

I would like to take this opportunity to give you some initial information about possible CSDP operations in Mali. You will be aware of the alarming collapse of Government authority in the North of that country and the activities of extremists there. The Foreign Affairs Council next week will discuss the situation. A likely outcome – being strongly advocated by the French and other partners – is that Ministers agree to allow planning work for a CSDP mission to Mali to begin. Such a mission might help rebuild the Malian army, increase its capacity and put it in a position where it may, in the future, be able to restore Mali's territorial integrity. It is unclear whether the mission would be civilian or military led and what the costs would be. We are minded to support planning work as it is consistent with the Prime Minister's commitment to President Hollande that the UK will work closely with France to counter the increasing instability in the Sahel.

Beginning planning work does not, of course, commit us to launching a mission – a separate Ministerial decision, subject to scrutiny, would be required before we took that step. We will engage with the planning process to ensure that a mission is in line with the UK's objectives for CSDP work. These are that missions should be:

- Comprehensive in nature - working in partnership with other EU instruments and international actors (particularly in cooperation and support of ECOWAS activity and the implementation of any future UNSCR);
- Tightly focused (in this case on building Malian army capacity to enable a more active, successful approach to counter-terrorism and regional security);
- Small, and providing good value-for-money;
- Clear and achievable, has a date for withdrawal and a plan for hand-over.

I will keep you updated on plans for this mission as and when planning is agreed and launched and when more details become available.

27 July 2012

CYPRIOUS PRESIDENCY: DEVELOPMENT PRIORITIES

Letter from Lynne Featherstone MP, Parliamentary Under-Secretary of State, Department for International Development to the Chairman

Cyprus' EU Presidency began on 1 July 2012 and will end on 31 December 2012, to be succeeded by the next presidency trio beginning with Ireland. I am taking this opportunity to update the Committees on the Cyprus Presidency's development priorities and outline the UK's objectives in relation to these, set out below:

MULTI ANNUAL FINANCIAL FRAMEWORK 2014-2020

The Commission's draft regulations for the External Actions budget instruments for the Multiannual Financial Framework (MFF) 2014-2020, were published in December 2011. Council negotiations on the draft regulations have been underway since January. The Foreign Affairs Council approved a Partial General Approach (PGA) on 25 June 2012. A PGA is a Council version of each regulation with any unresolved issues in square brackets and no inclusion of financial amounts. Council clearance of the PGA gives the Presidency a mandate to enter into informal trilogues with the European Parliament and the Commission. The European Parliament is expected to produce its first reading on the Commission's draft regulations in autumn 2012.

The UK's top priority for the overall MFF negotiations is budgetary restraint, ensuring that the EU budget contributes to domestic fiscal consolidation. However, the UK sees the EU's External Spending (Heading 4) as a relative priority and will be arguing for a strong development outcome in the negotiations with a focus on protecting or increasing the proportion of Official Development Assistance (ODA) within a reduced overall post-2013 EU budget.

TRADE

In addition to monitoring the follow-up to the January 2012 European Commission Communication "Trade, Growth and Development: Tailoring trade and investment policy for those countries most in need", the Cypriot Presidency is expected to press for the early launch of negotiations for Deep and Comprehensive Free Trade Agreements with at least one of the Southern Mediterranean countries. The UK will be offering its full support to Presidency efforts to make more rapid progress in this area.

The Cypriot Presidency will also look to conclude negotiations on the Commission's proposed revision of the Market Access Regulation, under which those African, Caribbean and Pacific (ACP) countries that do not ratify an Economic Partnership Agreement by a set deadline will lose their current preferential access to the EU market. The UK supports setting a deadline, but will be pressing the European Commission to prepare a timetabled plan for addressing outstanding issues with the affected countries in order to ensure that they retain current preferences.

HUMANITARIAN AND RESILIENCE

Within the acknowledged Cypriot capacity constraints, there is a limit to their ambitions on the humanitarian front. They do, however, plan to focus on disaster resilience - although this is largely to allow on-going work to run into the Irish Presidency. This is welcome and sits well with DFID's priorities. The UK will continue to support the EU's initiative to build resilience to disasters in the Sahel and to call for a focus on results. The International Development Secretary has convened a group of Political Champions to apply greater political drive to disaster resilience in vulnerable areas such as the Sahel, and Commissioner Georgieva of DG ECHO, working closely with Commissioner Piebalgs of DG DEVCO will continue to play a key role. To support the success of this work, the UK will continue to prioritise a closer working relationship between the Commission's humanitarian and development departments.

We will also engage closely with forthcoming legislative proposals on the European Voluntary Humanitarian Aid Corps, drawing on the lessons learned from the establishment of the UK Government's own International Citizen Service. With Syria likely to be an ongoing priority, the UK will continue to work closely with the Commission and other Member States to ensure that our humanitarian options are not duplicated.

SOCIAL PROTECTION

The Cypriot Presidency will have to take forward work on the Commission's Communication on Social Protection, expected in the autumn. Increased support for social protection is especially important given the IMF's call for social protection systems to be put in place ahead of future global shocks. The UK was concerned that the first draft of the Communication was overly supportive of EU social protection models. These concerns have been addressed by the Commission and we will continue to ensure that the development of social protection systems reflects national processes and that the EU abides by aid effectiveness principles.

POST-2015 DEVELOPMENT GOALS

There will be several key processes and outputs on post-2015 development goals (and the interlinked Sustainable Development Goals (SDG) agenda coming out of the Rio +20 Conference) in Europe under the Cypriot Presidency. In the Development Council, the EU (DEVCO) is currently undertaking a consultation on the post-2015 question. The International Development Secretary will ensure UK views are fed in. Your Committee may also want to feed in views directly through the online consultation. The Commission will then begin negotiations on a Communication on post-2015 development goals, taking into account the results of the consultation, with final publication of the Communication expected in January (at the beginning of the Irish Presidency).

Post-Rio conclusions, including on SDGs, are being taken forward simultaneously in the environmental council. HMG will work to ensure parallel discussions on SDGs and post-2015 development goals are

closely coordinated. This will include working closely DEVCO Commissioner Piebalgs who has been appointed as one of the Panellists to the post 2015 High Level Panel.

2 October 2012

Letter from the Chairman to Lynne Featherstone MP

Thank you for your letter of 2 October 2012 which the House of Lords EU Sub-Committee for External Affairs considered at its meeting on 11 October.

We would like to thank you for the update on the Cyprus Presidency Development Priorities with its useful account of the Government's views. However, the Committee considered that it would have been more useful for its scrutiny had it been sent before the Presidency started.

In future, we would be grateful, at the outset of each Presidency, you could send a list of the Presidency's foreign policy priorities, together with information on Government policy on each issue, and your assessment of the likely outcome.

There is no need to respond to this letter unless you wish to do so.

18 October 2012

CYPRriot PRESIDENCY: MINISTRY OF DEFENCE PRIORITIES

Letter from Gerald Howarth MP, Parliamentary Under Secretary of State and Minister for International Security Strategy, Ministry of Defence

Cyprus assumed the Presidency of the EU on 1st July. It will present particular challenges for the Common Security and Defence Policy (CSDP). With the ongoing tension in the relationship between Cyprus and Turkey, EU-NATO relations will be under increased scrutiny and strain during the 6 month Cypriot Presidency. This issue presented itself immediately with NATO's non-attendance at the July Policy Directors meeting in Nicosia owing to the unavailability of a NATO delegate.

The Cypriot Presidency coincides with a busy period for CSDP. The major issues which will affect the MOD are set out below:

- a) a strategic review of EU Training Mission Somalia in September;
- b) the expiry of the current EU Training Mission Somalia mandate (expires in December 2012);
- c) the expiry of the current EUFOR ALTHEA mandate (expires in November 2012);
- d) a review of the performance of the Operations Centre during its first six months; and
- e) a Foreign Affairs Council (Defence) and European Defence Agency Steering Board meeting in November 2012.
- f) the UK's review of its continued membership of the EDA.

A major focus of the Cypriot Presidency is Maritime Security and to this end the UK is providing a speaker to a Maritime Security Seminar in Paris in September. We are also supporting the Presidency through assisting with a Cypriot CSDP Orientation Course, the provision of a speaker to a CSDP Planning, Conduct, Capabilities and Strategy course and the provision of a speaker to a second Maritime Security Seminar in November. The department has already hosted a visit from the Cypriot Policy Director and is currently organising a second visit for early September.

A meeting of the Foreign Affairs Council (Defence) (FAC(D)) is scheduled for 19 November 2012. A European Defence Agency (EDA) Steering Board is normally scheduled for the morning of the FAC(D) but we have yet to receive confirmation of this. We are yet to receive a detailed programme for the FAC(D) but would expect it to cover Operations, EU Capabilities (including the EDA Steering Board Meeting) and potentially EU/NATO relations. The department will provide Written Ministerial Statements to Parliament both in advance of and after these meetings. The department will also provide Explanatory Memoranda alongside the EDA's Budget, Council Guidelines for the Agency's Work in 2013, and the Head of Agency's Report. Given the long and difficult process this year in the scrutiny of these documents, the department will expect to see a vast improvement from the EDA in the handling and release of these Limited documents.

30 August 2012

Letter from the Chairman to Dr Andrew Murrison MP, Parliamentary Under Secretary of State and Minister for International Security Strategy, Ministry of Defence

At its meeting on 11 October 2012 the House of Lords EU Sub-Committee for External Affairs discussed ways in which it could improve its scrutiny of the intentions and outcomes of EU Presidencies.

We were grateful for the letter from Gerald Howarth on 30 August on the Cypriot Presidency but the Sub-Committee concluded that it would have been useful to have received it earlier, at the outset of Presidency. We would be grateful in future to receive shortly before the start of each Presidency a list of the Presidency's defence and security priorities, together with information on Government policy on each issue and your assessment of the likely outcomes.

There is no need to respond to this letter unless you wish to do so.

18 October 2012

DUAL-USE ITEMS: COMMUNITY REGIME FOR DUAL-USE ITEMS (16726/11)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE A]

Letter from Mark Prisk MP, Minister of State for Business and Enterprise, Department of Business, Innovation and Skills, to the Chairman

In clearing this document from scrutiny on 17 January 2012 the Committee asked to be kept updated on the progress of the negotiations. I am pleased to be able to do so.

The proposal has been discussed at four meetings of the Council Working Party on Dual-Use export controls (DUWP). Because Delegated Acts have never been used before in the context of export controls it must be said that many Member States were initially very sceptical. This stage of discussions focussed on legal and procedural questions regarding Delegated Acts in general rather than on the Commission's specific proposal. Most of these questions have now been settled to our satisfaction by reference to existing agreements between the institutions and the advice of the Council Legal Service.

Eventually discussion did turn to the proposal itself. Article 15 of Regulation 428/2009 states that Annex I shall only be updated "in conformity" with the commitments entered into by the Member States as members of the international export control regimes. Member States were content that this provides a sufficient safeguard against any attempt by the Commission to amend Annex I in a way that is not consistent with agreements reached in the regimes.

For Annex II, a number of Member States were concerned that the original proposal to allow removal of items and destinations from the scope of the EU General Authorisations by Delegated Act was too broad. Amendments have been proposed that would only allow removal of a destination where that country has been made subject to an arms embargo imposed by the UN, EU or Organisation for Security and Cooperation in Europe (OSCE); and that would delete from the proposal the ability to remove items from the scope of the General Authorisations. These changes would significantly limit the Commission's ability to amend the General Authorisations.

A further, unrelated, amendment has been proposed that would allow for automatic updating of Annexes II and IV when Annex I is updated. All of these proposed amendments have been incorporated in a draft Presidency text that was agreed by the DUWP as the basis for informal discussions with the European Parliament.

The European Parliament's INTA Committee published its draft report on this proposal on 8 May. I understand that the report is due to be formally adopted by the Committee at its meeting on 11 July and will be considered by the European Parliament in Plenary some time after the summer break.

Realistically, therefore, I think it is unlikely that there will be any further progress until later in the autumn. I will provide a further update at that time.

9 July 2012

EU COUNTER-PROLIFERATION WORK

Letter from the Rt. Hon. David Lidington MP to the Chairman

The Council of the European Union endorsed the following document on 23 July 2012:

Six Monthly Progress Report on the implementation of the EU Strategy against the Proliferation of Weapons of Mass Destruction

In accordance with past practice I am submitting this document to your Committee for information.

The report brings together the many aspects of counter proliferation work in which the EU is involved. It highlights some key themes of the EU's work over the last six months including:

- Baroness Ashton's key role in the E3+3 process on Iran nuclear;
- its significant funding contributions in international fora, such as to the IAEA's Nuclear Security Fund and Low Enriched Uranium bank;
- its continuing project activities in support of the implementation and universalisation of key conventions and treaties, such as the Chemical Weapons Convention and Comprehensive Test Ban Treaty;
- and its well-resourced initiative to establish regional Centres of Excellence on CBRN Security.

We are in the forefront of efforts to shape this work, which helps us deliver on HMG's counter proliferation objectives.

25 September 2012

EU-CENTRAL AMERICA POLITICAL DIALOGUE AND COOPERATION AGREEMENT

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing to inform the House of Lords Commons European Scrutiny Committee of Council proposals on the Conclusion of the Political Dialogue and Cooperation Agreement between the EU and Central America and on the accession Protocol related to this Agreement.

The Political Dialogue and Cooperation Agreement aim to strengthen political dialogue and cooperation on issues of common interest to both parties, and is broadly non-contentious, except for a provision on a readmission agreement. The Agreement has also taken nine years to ratify, and is different from the EU-Central America Association Agreement, about which I wrote to the Committee about in December 2011. Further details are available in the Explanatory Memorandum.

Notwithstanding Scrutiny Committee clearance, we do not yet know when the Council Decisions on Conclusion of the Agreement and the accession Protocol will be agreed. We will update the Committee as soon as we receive this information.

3 September 2012

EU-CENTRAL ASIA STRATEGY

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

Lord Roper wrote to me on 30 April, welcoming the overview of Government priorities for Central Asia and of the EU Central Asia Strategy set out in my letter of 2 April, and seeking further assessment of the EU Strategy and its work streams. I will deal with Lord Roper's questions in the order they were posed in the letter, but would first like to update you on the process of the EU Strategy review.

Since I wrote on 2 April, the EEAS and Member States have agreed that - rather than conduct a full-scale review of the EU Central Asia Strategy during 2012 - we should focus on a lighter-touch implementation review and agree a future orientation to guide the EU in its engagement. This

“Strategy Review” was agreed under silence procedure on 15 May. The text will now be shared with Central Asian partners during the week beginning 21 May and could be reviewed again by Member States in Brussels if need be. The aim is to have it approved by the Foreign Affairs Council in June or July, possibly with short conclusions that will be circulated in due course.

A) WHAT IS THE GOVERNMENT’S ASSESSMENT OF THE EU CENTRAL ASIA STRATEGY, ESPECIALLY THE EFFECTIVENESS OF EACH WORK STREAM?

We believe that, overall, the EU Central Asia Strategy provides a useful framework for EU engagement in the region. The work streams it has generated are all important in terms of building the regional stability, greater rule of law and economic growth we wish to see (although arguably – see below – there is scope for the EU to prioritise better and to spread itself less thinly). While there is still clear room for improvement, the Strategy together with the active engagement of the EU Special Representative for Central Asia over the last five years, have helped the EU raise its profile and impact in a region of growing strategic importance, from what was a low base in 2007. The EU response to the 2010 Kyrgyz crisis is one example of improved engagement.

My comments below on the individual work streams need to be caveated by the fact we and our (modestly-resourced) missions in the region have been more actively involved in some EU programmes than others. The EU Central Asia Monitoring (EUCAM) project has provided a useful evaluation function since 2008, but we have used the implementation review to argue for more formal (ideally external) review and evaluation to be structured into the EU Strategy going forward.

— **The rule of law** initiative aims to promote legal and administrative reform underpinning both economic development and human rights. We judge that it has contributed to enhanced EU support to reform in several of the Central Asian countries and broader engagement by the Venice Commission. However we believe it is too early properly to judge results: this engagement will need to be sustained over a longer period to really deliver. EUCAM has called for development of clearer benchmarks to evaluate progress, which we would support. The establishment of EU Human Rights Dialogues with all five Central Asian countries has been a real success although, as noted in my 2 April letter, we see scope for these dialogues to become more results focussed. On **Energy**, the EU’s work to promote energy efficiency and renewable; to develop an energy dialogue with Caspian Sea littoral states (under the Baku Initiative, which covers the whole of the Eastern Europe and Central Asian region), and – in particular – to facilitate negotiations between Turkmenistan and Azerbaijan on a Trans-Caspian pipeline (TCP), has been of real importance. However in our judgement the EU has been slow to progress the TCP dossier: we are keen to improve momentum and engagement. We are less clear what value the EU adds in its energy dialogues with Kazakhstan, where the private sector is well-placed to lead developments. However the EU has supported us when lobbying on issues such as local content rules and shift rosters that penalise foreign investors. Work on **Education** (including reform of educational structures; policy dialogue; and support for vocational training) has, with its uplift in funding, begun to deliver some valuable work. For example in Uzbekistan the EU’s development programme has been quite successful, particularly through its continued higher education cooperation programme, TEMPUS, which offers grants for partnership with EU higher education institutions; and its university scholarship programme linked to ERASMUS: and its inclusive education programme for children with special needs. We would be keen to see it continue (and extended to countries like Tajikistan), ensuring that programmes are fully adapted to Central Asian realities. On **Security**, we judge that the flagship programmes of BOMCA (Border Management in Central Asia); CADAP (Central Asia Drugs Action Programme) and the co-ordination provide by CABS (Central Asia Border Security Initiative) have all made useful contributions. We would be keen to see the EU build on them further, including through greater co-operation with other players such as the OSCE. It is less clear with some of the other work streams (including economic development and transport) what real impact the EU has had to date. The EU acknowledges that it has yet to deliver under the economic work-stream, but partners who have been more

involved than us in the environment and water dossier point to useful engagement. We will be encouraging the EU to build evaluation mechanisms into its work in these areas and to look critically at what the EU can achieve in future interventions.

B) WHAT DOES THE GOVERNMENT CONSIDER AS THE MAIN WEAKNESSES OF THE PRESENT STRATEGY?

- Our main concern is that EU assistance is spread too thinly and lacks visibility. We have been using the “implementation review and future orientation” discussions to ensure a clearer focus on priority areas going forward. We are encouraging the EEAS to open (and fully staff) Delegation Offices in all Central Asian states as a key element of improving EU visibility: there is currently no office in Ashgabat. This would be without prejudice to the Multi-Annual Financial Framework for 2014 – 2020; and we have shown with the FCO’s own network shift that it is possible to add a network of Posts despite budget cuts, by rigorous attention to priorities (including opening an Embassy in Bishkek). We will continue to encourage the EU to think carefully about how best to work with partners in the region to maximise impact, while ensuring the EU’s own contribution is fully recognised. We have underlined the importance of personal, high-level engagement with senior leaders in the five countries and thus the need for regular visits by senior EU officials. We are supporting the renewal of the mandate of the EU Special Representative on Central Asia when it expires at the end of June, and will submit an Explanatory Memorandum on this in the usual way.

C) HOW DOES THE STRATEGY FIT IN WITH THE EU’S CONDITIONALITY REQUIREMENTS ON HUMAN RIGHTS AND DEMOCRACY?

- The Strategy itself states that, “human rights issues are not confined to annual human rights dialogues. The EU raises human rights concerns at all levels, including at the highest level and in the context of meetings held under the Partnership and Cooperation Agreements. Individual cases of concern have benefited from these efforts. Supporting human rights protection and promoting reform and modernisation in the areas of the rule of law, good governance and democratisation are key priorities in EU relations with Central Asia. Long term stability, development and prosperity depend on progressive implementation of policies in these areas”. We are active supporters of the promotion of human rights and governance in the full range of EU work in the region.

D) HOW DOES THE GOVERNMENT INTEND TO ENSURE THAT THE EU CENTRAL ASIA STRATEGY WILL BECOME MORE FOCUSED AND RESULT ORIENTATED IN THE FUTURE.

- We believe that – particularly in light of transition in Afghanistan – it will be important for the EU to focus on regional security issues in the mid-term. We are also arguing that the EU’s focus needs to remain on promoting rule of law/human rights and economic development. Despite the difficulties, it also has an important role to play in promoting regional co-operation.
- The current version of the “Strategy Review” has taken on board many of our concerns, with explicit recognition of the need for the EU to target its efforts more narrowly; recognition of the growing importance of regional security issues and a prioritisation of a number of useful areas for action; stress on the importance of promoting and protecting human rights; stress on the importance of quick advancement of the TCP; a focus on education, rule of law, key economic issues (including Kazakhstan and others’ WTO accession); and consolidation of the network of EU Delegations in Central Asia.
- We will continue to promote this more focussed approach as the review process continues. We are additionally looking at two possible ways in which the UK could contribute to more effective EU engagement in the region.

Following recent news of the current EUSR's decision to retire, we are keen to see an able and effective successor appointed and – to this end - will be running a UK candidate (Sir Anthony Brenton KCMB, former Ambassador to Moscow) for this position. We are additionally considering whether the UK should take a more formal role in the "chef de file" system by which the EU is delivering much of its regional engagement, although have yet to reach a firm conclusion on whether this would be the best use of our resources.

My understanding is that, now that the EU has decided to take its Strategy review work forward through an internal working document which will not be published, there are no longer formal Scrutiny requirements. However I would of course be glad to provide any further information which you require on UK or EU engagement in Central Asia.

22 May 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

Thank you for your letter of 22 May 2012 about the EU Central Asia Strategy which was discussed by the EU Sub-Committee on External Affairs at its meeting on 14 June 2012. We considered this a very helpful and thorough response.

We noted your comment that on the Energy Work Stream the EU has been slow to progress the Trans-Caspian pipeline (TCP) dossier. In light of the energy needs of the European Union we consider this an important dossier, particularly as the routing of this pipeline would help to assure energy security for the EU, avoiding countries whose bilateral disputes have resulted in energy shortages for Member States. We would urge the Government to ensure that the EU does improve the momentum and engagement with this matter.

We would be grateful if you could provide an update on the strategy review once it has been agreed at the Foreign Affairs Council in either June or July. Please could you at that stage inform the Committee whether you have been successful in getting a firmer commitment from the EU to engage more effectively with the TCP dossier?

19 June 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 19 June 2012. I am glad that you found my letter of 22 May 2012 helpful.

I agree with your assessment of the importance of the Trans-Caspian Pipeline (TCP) dossier. Since the inception of the idea of the TCP, we have taken an active and supporting role, both in Brussels through UKREP and in Central Asia. The government will continue to urge the EU to increase its momentum and engagement with this matter.

As you may be aware, following a proposal from the EEAS in mid-April on handling of the 2012 Central Asia strategy review, it was agreed by a clear majority of Member States that this exercise should take the form of an update of the existing strategy rather than production of a completely new strategy. We took the view that the existing strategy remained valid, needing to be refreshed rather than overhauled. We were concerned to ensure that the updated strategy contained an increased focus on security issues in light of the 2014 ISAF drawdown from Afghanistan. I believe that this was a good outcome, ensuring that the EEAS was focussed on implementing a good strategy rather than on producing a new strategy for the sake of it. Member States were fully consulted on the updating process.

The strategy review was agreed at the Foreign Affairs Council on 25 June 2012. I attach the text [not printed]. I am pleased with the emphasis placed by the review on the energy dossier and that it contains a key action point for the TCP system. Naturally the test will be in the implementation. We stand ready to work closely with EU colleagues in Brussels and on the ground in Central Asia to pursue this objective.

I would also like to use this opportunity to confirm that Patricia Flor of Germany was selected for the post of EU Special Representative for Central Asia by HR/VP Ashton and this was confirmed in the Foreign Affairs Council on 25 June. I attach a CV of Ms Flor [not printed].

10 July 2012

EU-INDIA SECURITY DIALOGUE

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing to inform the Committee that the EU and India are minded to agree a sub-dialogue on non-proliferation and disarmament in the framework of the ongoing Security Dialogue.

The dialogue is expected to be formally launched during the 6th EU-India Security Dialogue, which is due to be held in Brussels on 25th October 2012. A first round of the sub-dialogue would subsequently be organised at a later date, possibly in New Delhi.

The EU and India already discuss Non-Proliferation and Disarmament related issues within the framework of the Security Dialogue. The Sub-Dialogue on Non-Proliferation and Disarmament would permit a more in-depth dialogue at technical level which would report its outcomes to the broader Security Dialogue, held at a more senior level.

The FCO supports this sub-dialogue on the grounds that India has an important role in non-proliferation and disarmament discussions. The FCO sees this sub-dialogue as one route to developing a common understanding of the international non-proliferation architecture. To this end and to deepen UK-India political engagement, the UK has bilateral discussions with India across a range of disarmament and non-proliferation issues. The UK and EU discussions would be complementary.

24 October 2012

EU-MONGOLIA AND EU-IRAQ PARTNERSHIP AND COOPERATION AGREEMENTS

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

In April 2011, I wrote to you with Explanatory Memorandums for Council Decisions on the signing of the EU-Mongolia PCA, and the signing, provisional application and conclusion of the EU-Iraq PCA. At the time of writing, there were unresolved issues with the House of Commons European Scrutiny Committee (ESC) with respect to the application of the JHA opt-in and the citation of legal bases in agreements between the EU and its Member States, and third countries. This resulted in a number of these agreements remaining under scrutiny. Consequently, I was unable to comment in detail on some of the issues around the legal bases in the EMs, and could not provide a definitive list of the articles that could be considered pursuant to Title V. I undertook to write to Committees again following my appearance before the ESC evidence session on 27 April 2011, and when we had concluded consideration of the issues concerned.

I must apologise for the extended delay in writing back to you. As you are aware, the evidence session did not conclude issues around the JHA opt in and we had protracted exchanges with the ESC on the matter. I wrote to the ESC on 11 November 2011 setting out the government's position on the application of the JHA opt-in to international agreements and explaining that, with regret, that I was overriding their scrutiny block. Finally, the Decision to Sign the Iraq PCA was delayed by a horizontal legal debate within Brussels concerning JHA issues, which subsequently delayed the PCAs with the Philippines, Vietnam and Mongolia. The EU-Iraq PCA has now been signed, and the Council Decision to sign the EU- Mongolia PCA has been adopted at the Foreign Affairs Council, but I am pleased to provide you with updated Supplementary Explanatory Memorandums in retrospect.

14 June 2012

EU-PACIFIC DEVELOPMENT PARTNERSHIP (8030/12)

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

The EU Sub-Committee on Foreign Affairs, Defence and Development Policy cleared the above document from scrutiny at its meeting on 10 May 2012.

Your Explanatory Memorandum states that there are no new financial implications in this Communication. Commissioner Piebalgs, when announcing this Communication, however noted that the EU “intend to dedicate an extra €19 million to help [the Pacific countries] better adapt to the challenges of global warming”. Can you please explain to us from which budget line this additional money will be taken?

The Communication explains that one of the challenges the EU faces is to “deepen policy dialogue and adapt delivery modalities to support reform more effectively within the Pacific partners’ constraints and specificities, so as to facilitate adequate absorption of scaled-up financial assistance”. We would be grateful if you would provide us with an assessment of the absorption capacity of the region. How much of the €785 million EDF funding allocated to the region for the period 2008-2013 has actually been absorbed so far?

We note that the Communication and the Explanatory Memorandum do not make reference to the Commonwealth and its work in the region. There is no indication as to whether Australia and New Zealand were consulted on this Communication although they are key partners in the region.

We would be grateful if you would provide us in due course with an update on what the Commission and the European External Action Service are planning in terms of a “comprehensive climate diplomacy strategy for the Pacific” (EM Para 22). We would also like to be kept up-to-date on the forthcoming proposals from the Commission on Joint Programming and on the EU-wide mechanism for climate change adaptation and mitigation in the Pacific region (EM Para 28).

14 May 2012

Letter from Stephen O’Brien MP to the Chairman

The EU Sub-Committee on Foreign Affairs, Defence and Development Policy considered the above mentioned EM on 10 May 2012 and cleared it from scrutiny. The Committee asked for further information on five issues.

Firstly, I can confirm that the €19 million (£15.5 million) of additional funding to help Pacific countries adapt to the challenges of global warming was part of a reallocation, of €95 million (£77 million in total) to the Pacific region under the Mid Term Review of the EDF.

Secondly, with regard to the absorptive capacity of the region, the European Commission has confirmed that to date approximately €115 million (£94 million) of the €785 million (£638 million) of EDF 10 funding allocated to the region has been absorbed so far. Whilst the figure may seem quite low this should not be interpreted as a low level of absorptive capacity. EDF payment levels are always very low at the beginning of the programming period and increase gradually towards the end of the programming period. This is due partly to the fact that the European Commission is still spending money committed under EDF 9 and to timeframes between EU Member State approval of programmes and design and implementation. EDF 10 payment figures are already sharply increasing year-on-year and the Commission has confirmed that it is on track to commit all of the €785 million (£638 million) by 2013. The Commission is working through country systems to adapt delivery modalities in the Pacific to support reform and facilitate absorption of scaled up financial assistance. This includes preparing small island states to be eligible for budget support (adapted to small island states and smaller administrations) via support to the Pacific Financial Technical Assistance Centre for macro-economic assistance.

Thirdly, many of the Commonwealth Organisations such as the Commonwealth Secretariat, Commonwealth of Learning and the Commonwealth Local Government Forum play a significant role in the Pacific as part of their support for small states. And although, as the European Commission confirmed, Australia and New Zealand, two of the larger Commonwealth Countries in the region, could not formally be consulted in the drafting of the EU–Pacific Communication before all EU Member States had an opportunity to express their view; we understand that the Communication has been discussed informally with donors present in the region, including New Zealand and Australia and EU Member States.

Fourthly, in terms of the EU Climate Diplomacy Strategy for the Pacific, there is regular EU-Pacific political dialogue that includes climate change alongside EU financial support to promote and support the implementation of climate action in the Pacific. Recent dialogue has been mainly led by the European External Action Service (EEAS) given recent re-structuring in DEVCO. Dialogue includes the recent EU/Australia/New Zealand trilateral (where climate change is a standing agenda item), the EU-Pacific Islands Forum Ministerial meetings as well as the upcoming round table "Engaging with Asia-Pacific on climate change - European climate diplomacy" (Brussels, 4th June 2012).

As regards your fifth question, the EU is currently working with Pacific partners on a "Joint Pacific-EU Plan of Action on Climate Change" to deliver on the objectives of the "Joint Initiative", launched by EU Commissioner for Development, Andris Piebalgs and the Pacific Island Forum Secretary General, Tuiloma Neroni Slade in Strasbourg in December 2010. I will ensure that the Committee is kept up to date on forthcoming proposals from the European Commission on joint programming and on the EU-wide mechanism for climate change adaptation and mitigation in the Pacific region.

8 June 2012

EU-RUSSIA SUMMIT: ST.PETERSBURG, 9-14 JUNE 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing to update you and your committee on the 29th EU-Russia Summit. The following is drawn largely from the European External Action Service summary.

President Putin was accompanied by the Russian Ministers for Foreign Affairs, Energy and Justice. The EU was represented by President Van Rompuy and President Barroso. HR/VP Ashton and Commissioner Oettinger also participated.

In line with expectations, there were no particular deliverables or breakthroughs. Leaders discussed the global economic situation, economic developments in Russia, the EU and the Eurozone. Russia confirmed its strong interest in stability in the Eurozone and its intention to continue holding 40% of its large foreign reserves in Euro. President Van Rompuy also gave an update on the long-term work ahead within the EU and the Eurozone, aimed at strengthening growth and addressing the systematic challenges of the Economic Monetary Union.

The situation in Syria and the next meeting of the 3+3 on the Iranian nuclear programme were also raised. Both sides agreed that implementation of the Annan Plan was the best way forward on Syria.

President Putin underlined that the EU remained Russia's priority partner and argued that both sides should continue to implement the full potential of this relationship. Putin gave a positive assessment of common work over the past six months, welcoming the Partnership for Modernisation (P4M) and WTO accession in particular.

President Van Rompuy said that a comprehensive and ambitious New Agreement should become the centrepiece of the EU-Russia relationship. The EU wanted to be Russia's partner for further modernisation in line with the Partnership for Modernization (P4M) priorities (economy, rule of law, a vibrant civil society). Civil society should in this respect be seen as an integral part of modernisation and as a force of progress. Greater engagement of civil society would open up further development of political institutions and pluralism in Russia.

President Putin confirmed the schedule for WTO accession by July and thanked the EU for its support for Russia's accession. President Barroso noted that we see some protectionist measures by Russia that are incompatible with WTO commitments. He named the example of the import ban on live pigs and its possible extension to pork as a matter of particular concern.

President Putin gave a short update on the Partnership for Modernisation. Russia had adopted declarations on modernisation with 23 EU Member States. He also suggested strengthening our dialogue with the EU-Russia Civil Society Forum: it should attract the largest possible number of NGOs on an equal basis from both sides. President Barroso said that rule of law, a level playing field for companies, citizens' and businesses' rights and civil society engagement must all be part of it.

On energy, President Barroso underlined that energy investors needed legal certainty, notably on the privatisation process and market structures in Russia. We should establish common basic energy market principles that can help us in the energy chapter of the New Agreement. On the Third Energy Package, President Putin reiterated his familiar criticism, claiming that the EU changed the rules after multi-billion investments were made. President Barroso underlined that the Third Package had become law in the EU and would not be changed.

President Putin repeatedly underlined that there could be no real partnership without visa-free access for citizens. Both sides welcomed ongoing implementation of the Common Steps towards short-term visa-free travel, without referring to any deadlines.

President Putin raised human rights and rule of law issues himself. He underlined Russia's positive assessment of the EU-Russia Human Rights Consultations. President Van Rompuy said that Russia and

EU Member States were bound by common international commitments and reiterated the EU's demand to make the EU-Russia human rights consultations more effective.

The two sides also discussed a range of common neighbourhood issues including protracted conflicts such as Nagorno-Karabakh and Transnistria, but without making any progress.

I hope you will find this readout useful.

12 July 2012

EUROPEAN DEFENCE AGENCY: GUIDELINES

Letter from the Chairman to Gerald Howarth MP

The House of Lords EU Sub-Committee for External Affairs considered the above document at its meeting on 5 July and decided to hold it under scrutiny.

The Committee was puzzled that this document is named "Guidelines" as it does not appear to give any particular steer to the EDA, beyond endorsing its existing work. It is also difficult to see why the document was received a restricted "limité" distribution, given its contents.

We would be grateful if you would provide us with a more detailed Government view of the activity outlined in the documents, beyond stating that the UK is content that the Council has set the right focus and direction for the Agency's work in 2012, to enable us to clear it from scrutiny.

We look forward to hearing from you in the standard 10 working days.

16 July 2012

Letter from Gerald Howarth MP to the Chairman

Thank you for your letter of 16 July 2012 regarding the Council Guidelines for the work of the European Defence Agency (EDA) in 2012. With regard to the writing of Explanatory Memoranda (EM), my officials have now received updated guidance from the Cabinet Office and I will ensure that all future EMs contain the Government's view on the Council Guidelines below.

GOVERNMENT VIEW

The UK is content that the Council has set the right focus and direction for the Agency's work in 2012. Referring to the specific paragraphs within the Council Guidelines for the Agency's work in 2012 (17618/11), the Government's view is set out below:

PARA 2 (ENHANCING EUROPEAN DEFENCE CO-OPERATION BASED ON THE CAPABILITY DEVELOPMENT PLAN):

The Capability Development Plan (CDP) assesses EU capability development needs and plans and makes recommendations on areas for development. It marries future capability trends with current shortfalls. This brings together the plans of Member States, lessons learned from operations and future trend analysis to recommend priority actions. A review in 2011 re-shaped the previous top 12 priority areas into new top 10 actions (as referred to in the Council Guidelines), maturing actions and core drivers. This was approved by the EDA Steering Board (on which the UK sits as a participating Member State) in March 2011. We agree that this tool should be used to identify and take forward opportunities for co-operation.

PARAS 3 AND 4 (ENCOURAGING MEMBER STATES' COMMITMENT TO POOLING AND SHARING AND THE NEED FOR A SYSTEMATIC AND LONG-TERM APPROACH):

Whilst accepting there will be limits to the extent to which the UK can participate, we support the principle of EU Pooling and Sharing and are keen to explore potential opportunities. Ensuring the Agency's work is deconflicted with NATO's Smart Defence initiative is a key UK objective. Being able to work more closely with Allies and Partners, and getting the most out of our existing capabilities, is a critical element of our approach to sharing the burden of maintaining international stability. There are issues to be addressed associated with achieving this, principally around the question of national sovereignty and assured access to capabilities. The UK therefore agrees that the EDA should examine incentives, enablers and potential obstacles.

PARA 5 (EXPLORING SYNERGIES BETWEEN MILITARY AND CIVILIAN CAPABILITY DEVELOPMENT)

The UK supports this approach as key capabilities and technologies frequently fall across the civil and defence sectors, for example Single European Sky (SES) or Cyber security. However, we are clear where boundaries lie – civil sector activity is the Commission's domain whilst military requirements are a matter for the EU's defence arrangements. For example, in the SES Air Traffic Management (ATM) Research (SESAR) programme, the EDA is now sponsoring an implementation forum with the aim of coordinating defence engagement in SESAR. Whilst the UK is content that the Agency facilitates and supports a forum which brings together interested parties to discuss the implications of the deployment of SESAR, we are clear that this shall be without prejudice to the competence of Member States in defence matters.

PARA 6 (ENHANCEMENT OF THE EUROPEAN DEFENCE TECHNOLOGICAL AND INDUSTRIAL BASE)

The European Defence Technological and Industrial Base (EDTIB) strategy sets out policy objectives and enablers to consolidate demand and increase investment and competition, with the intention of ensuring increased security of supply in the European Technological and Industrial Base. Since the creation of the EDTIB strategy much has changed, including the global financial crisis, a drop in Member States' defence expenditure and implementation of the EU's Defence and Security Procurement Directive. The UK therefore supports the continued enhancement of the EDTIB strategy as a contribution to maintaining military capabilities, although we do not subscribe to a "Fortress Europe" concept for defence procurement.

PARA 7 (SUPPORT OF DETERMINING AND ADDRESSING EU POLICY IMPLICATIONS ON DEFENCE, INCLUDING IMPLEMENTATION OF SES, SESAR, RADIO SPECTRUM, SPACE POLICY, RESEARCH AND TECHNOLOGY THE EUROPEAN DEFENCE MARKET, CYBER SECURITY, MARITIME SURVEILLANCE, AIRWORTHINESS)

The UK agrees that the EDA has a role in determining and addressing the implications of these areas and will work with them to do so. The Agency should also identify, with the Commission and participating Member States, which activities which could improve the EDTIB are pursued in a EDA forum rather than a Commission one.

PARA 8 (ADMINISTRATIVE ARRANGEMENTS WITH THE SWISS CONFEDERATION, NORWAY, EUROPEAN SPACE AGENCY AND OCCAR)

The UK is supportive of building constructive relationships with our European partners whether they be members of the EU or not, as illustrated by the EDA-OCCAR Administrative Arrangement which recently passed through parliamentary scrutiny.

PARA 9 (CO-ORDINATION WITH NATO, OCCAR, AND LETTER OF INTENT (LOI) NATIONS)

The UK has led the way in seeking to co-ordinate activity between the EU and NATO, ensuring there is no duplication of effort. Work on making further improvements within existing European structures (e.g. in formalising the ability to hand over projects from the EDA to OCCAR where appropriate) should be done in conjunction with the Council Decision (2011/411/CFSP of 12 July 2011) which updated the Agency's statute, seat and rules. The EDA's primary role remains to support member States and the Council.

I would also like to address your concerns regarding the limite classification applied to the Guidelines document. As my officials explained in their briefing to Sub-Committee C on 5 July 2012, the limite classification is placed on working policy documents and does not indicate that the content is classified but rather that the policy work is sensitive. However, as the Committee has recognised, this does not excuse the delay in the removal of the limite classification, particularly as it only has merit whilst the policy is being developed. To this end, I have written to the Chief Executive of the EDA, Mme Claude-France Arnould, the head of the Council Transparency Service, and to the High Representative, Baroness Ashton, stressing the need for swift de-classification of documents to allow timely parliamentary scrutiny.

I have also raised the issue at a meeting with Mme Arnould in London and personally impressed upon her the seriousness of this issue. She assures me she is addressing it. In the meantime, if you could agree to hold such documents until release to the public is approved, we would be able to release them to you earlier.

As you know, my Department is now reviewing the merits of our membership of the EDA and expect to make a decision at the end of the summer, as we agreed 2 years ago soon after taking office.

26 July 2012

EUROPEAN DEFENCE AGENCY: RELATIONSHIP WITH THE ORGANISATION FOR JOINT ARMAMENT CO-OPERATION (OCCAR)

Letter from the Chairman to Gerald Howarth MP, Parliamentary Under Secretary of State and Minister for International Security Strategy, Ministry of Defence

The House of Lords EU Sub-Committee for External Affairs considered the above documents at its meeting on 5 July and decided to clear them from scrutiny.

We were grateful to receive a helpful briefing from your officials on the role of OCCAR and the agreements to be reached between the EDA and OCCAR and the EU and OCCAR.

One of the reasons for our request for the briefing was the absence in your Explanatory Memorandum of information on the Government's assessment of the policy implications of the EU documents under scrutiny and the position the Government intended to take in Council. Could you in future ensure that this information is included in all Explanatory Memorandums so that the Committee can conduct its scrutiny role efficiently?

11 July 2012

EUROPEAN DEVELOPMENT FUND

Letter from the Chairman to Lynne Featherstone MP, Parliamentary Under-Secretary of State, Department for International Development

The House of Lords EU Sub-Committee on External Affairs at its meeting on 11 October 2012 considered the document above which had been cleared at the sift.

The Committee has concerns about two issues. In what ways will the under-spend impact practically on DfID programming and spending? Specifically, how will it be possible to re-allocate such a large sum effectively and maintaining its added value in such a short time within the DfID budget?

The second issue concerns the reasons for the under-spend. According to the European Commission, the under-spend is primarily due to new operational guidelines for budget support. It would seem that the conditionalities of the new guidelines, especially those on macro-economic stability, have proven extremely challenging for some recipient countries. The Committee would like to know if the new criteria are the most appropriate, or whether they get in the way of helping those who need the assistance?

I look forward to receiving your reply within the standard ten working days.

18 October 2012

EUROPEAN INTERNATIONAL INVESTMENT POLICY (11953/10)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE A]

Letter from Norman Lamb MP, Minister for Employment Relations, Consumer and Postal Affairs, Department for Business, Innovation and Skills, to the Chairman

I am writing to update you on the progress of 11953/10, the Draft Regulation establishing transitional arrangements for bilateral investment agreements between Member States and third countries. In our last update, dated 26 September 2011, my predecessor Edward Davey noted that trilogue discussions had begun with the aim of reaching an early second reading deal, with the Presidency acting on the basis of a mandate agreed in COREPER. These discussions have been extensive and taken longer than

expected. However, I now believe we are close to an agreement that is beneficial to the UK's investors and maintains the UK's position as a highly attractive location for investment.

In September's letter Edward set out the UK's position, highlighting our red lines for negotiations - that no further competency would be transferred beyond that conferred by the Lisbon Treaty, and the Commission would not be able to arbitrarily rescind an entire UK bilateral investment treaty (BIT) - and the next steps for the Regulation.

In terms of ensuring no further transfer of competency the UK has been successful in securing wording in article 1 of the Regulation to ensure that this is the case. Article 1 of the Regulation now explicitly states that it is "without prejudice to the division of competences established by the Treaty".

Article 6 has always been the most contentious element of the Regulation as it sets out the conditions for Member States' existing BITs to remain in force.

During negotiations, we have secured substantial improvements to article 6. The Commission's latest proposal has softened significantly from the original draft, which would have allowed the Commission wide powers to arbitrarily remove existing BITs at any time. The current wording only requires member states to take measures where provisions in their BITs constitute a "serious obstacle to the negotiation or conclusion" of EU-wide BITs with third countries. As such it is within the UK's red line on this issue.

I note in your predecessor's reply – dated 8 November 2011 - to Edward's previous letter that you requested more details on what constitutes an obstacle. The revised draft does not specifically define this, and, ultimately, it will be for the European Court of Justice to make a ruling on this question. However, in practical terms, based on the text set out above, a member state BIT would generally only constitute a "serious obstacle" where it contains a higher level of investment protection than a proposed EU-wide BIT with the same country, and the member state concerned therefore refuses to agree the EU-wide BIT.

In reality, the new wording makes the situation where the Commission would seek to remove provisions constituting a serious obstacle to a negotiation or conclusion of a new EU BIT highly unlikely to succeed. This is because the negotiation mandate and final agreement are subject to QMV and the vast majority of member states, especially the large vote holders, have existing BITs with countries that form the Commission's wish-list for agreements. Given the similar content of existing member state BITs, it is likely that if one was deemed to have provisions constituting a serious obstacle then so would all the others. This would mean any proposed agreement, which falls short of the existing BITs protection for member states, could be rejected by the Council with ease. In addition to this the first two draft investment chapters, for inclusion in the Canada and Singapore FTAs, offer high levels of investment protection that if matched and repeated in all new agreements I would view as providing suitable levels of protection for investors.

6 June 2012

EUROPEAN NEIGHBOURHOOD POLICY

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs considered the documents above at its meeting on 19 July and decided to clear them from scrutiny.

The Committee would like to thank your officials for providing us with an extremely helpful briefing. We also welcomed the inclusion of the UKREP desk officer dealing with these files in our discussion which provided a useful insight into the deliberations in Brussels. We hope that the inclusion of UKREP desk officers in our briefings can be repeated more regularly in the future.

Your Explanatory Memorandum provided a useful overview of the documents, focusing mainly on the processes under the ENP. We would have welcomed more political analysis of the progress in the European Neighbourhood Policy (ENP) and whether it is achieving its objectives on the ground. I would be grateful if you would include such an analysis in future updates.

There is no need to reply to this letter.

24 July 2012

EUROPEAN UNION SPECIAL REPRESENTATIVES

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs considered the documents above at its meeting on 14 June and decided to hold them under scrutiny pending the receipt of information on the individual budgets of the EUSRs.

We consider that the work of the European Union Special Representatives is important. We therefore would ask you to request the High Representative to introduce a system of annual reporting from all EUSRs directly to national parliaments in order that we can gain a better understanding of their work and priorities.

As the Sub-Committee has recently launched a follow-up inquiry into the EU NAVFOR Operation Atalanta, we will be considering the role of the EUSR for the Horn of Africa in greater detail in that context. We note with interest your support for the EUSR to establish a presence in Mogadishu but question what impact this will actually have and what costs this will involve.

The Explanatory Memorandum on the Council Decision extending the mandate of the EUSR for the Southern Mediterranean region notes that the EUSR has been working closely with major International Financial Institutions to support the region. Can you inform the Committee whether the EIB will be able to maintain its current funding levels to the region and whether other EU Member States will be able to continue to provide the levels of finance as in the past two years?

We note that your Explanatory Memorandum on the Council Decision appointing the EUSR for Central Asia mentions that the UK is presenting Sir Anthony Brenton as a candidate. We welcome the Government's efforts and would be grateful if you would provide us with the details on who was appointed once the decision has been taken.

Concerning the Council Decision appointing the EUSR for Human Rights, we note that the EM makes no reference to the work on human rights of the Council of Europe Commissioner for Human Rights. We are concerned that there might be duplication in the two roles and would be grateful if you could reassure the Committee that the EUSR and the Council of Europe Commissioner will seek ways to avoid any duplication of work.

We also note that Baroness Ashton informed the European Parliament that, in addition to the Action Plan, the Council of the European Union would shortly be adopting a strategic framework on human rights and democracy. Article 3 of the Council Decision states that the mandate of the EUSR shall be to "contribute to the implementation of the EU's human rights policy, in particular the European Union Strategy on Human Rights and Democracy and Action Plan, including by formulating recommendations in this regard". We understand that the Strategy on Human Rights and Democracy has now been renamed Strategic Framework. As this is a core element of the EUSRs mandate we consider that it is essential that we are provided with the details of the strategic framework, even in its draft form.

I look forward to receiving your reply within the standard ten working days.

14 June 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

As you are aware, seven mandates for EU Special Representatives (EUSRs) are due to expire on 30 June 2012. These are for EUSRs to Sudan and South Sudan; the Southern Mediterranean; Afghanistan; the African Union; Horn of Africa; South Caucasus; and Central Asia. The mandate for the EUSR to Bosnia and Herzegovina will also require amendment by 30 June, though it remains in force, in order to take account the handover of some tasks from the EU Police Mission and to provide a new budget. A mandate for a new EUSR for Human Rights is also under consideration. We have submitted EMs on all these mandates to the Scrutiny Committees and your Committee has already cleared some of them.

My view is that, overall, the EUSRs are contributing to UK security and prosperity interests by playing an important role supporting HMG efforts to deliver UK international objectives. We see a strong case for ongoing UK support for these EUSRs.

— Afghanistan: in line with UK foreign policy objectives, the EUSR is driving forward the EU Action Plan for Afghanistan, the roadmap for better

coordinated, more focused EU civilian effort, and for EU support to the Afghan government to deliver on the Kabul and Bonn conferences;

- African Union: negotiations are still underway in Brussels. We firmly believe that continuation of the mandate should be based on need and demonstrate value for money. The EEAS originally presented an unacceptable open-ended mandate and budgetary requirement, which we refused to approve. We have also pushed hard to achieve a political commitment to phasing out the position within 2 years. We believe this is a good outcome for the UK, allowing the EUSR's work to transition to the EU Delegation to the AU without cutting the post precipitously. We will insist that the budget delivers value for money and will present the revised version to the Committee.
- Bosnia and Herzegovina: the EUSR will support UK efforts to encourage stability in the region and progress towards NATO and EU membership. The EUSR will play an increased role on rule of law activity following the closure of the EU Police Mission (EUPM) and establish new field presences in Banja Luka and Mostar;
- Central Asia: the UK's main interests in Central Asia broadly fall under three strands: energy/commerce; regional stability/security; and governance/human rights. These interests are substantial and growing, but the UK has only limited resources to put into our national network. We need the continuation of the EUSR mandate to help leverage the EU's vastly larger resources and push for progress in the region. We have put up an excellent UK candidate for this role: Sir Anthony Brenton, former Ambassador to Moscow.
- Horn of Africa: The Foreign Secretary wrote a joint letter to Baroness Ashton with Italian Foreign Minister Frattini, in March last year setting out why the EU needed to step up its political efforts to deliver a comprehensive EU approach to the Horn of Africa and Somalia that brought together the EU's political, development and security work to maximum effect. The EUSR plays a full role in regional stability and Somalia's Djibouti Peace Process. A renewed mandate requires the EUSR to establish a presence in Mogadishu. We judge that this is politically important in order to maximise the EUSR's impact with Somali interlocutors.
- South Caucasus: The region is of strategic importance to the UK and the EU. We support the EUSR's continued efforts to resolve conflicts and facilitate the implementation of any settlements in coordination with the United Nations, the OSCE (Organisation for Security and Cooperation in Europe), and the OSCE Minsk Group which aims to promote a settlement of the conflict in Nagorno-Karabakh. The EUSR represents the EU in the "Geneva Talks" process, the mechanism for seeking a resolution to the conflicts in Georgia (Abkhazia, South Ossetia), which the UK strongly supports.
- Southern Mediterranean: in line with UK's priority objective to raise the profile of EU engagement in the Middle East and North Africa, the EUSR has provided a single point of contact and played a key role in enhanced regional cooperation. The European Neighbourhood Policy is one of the best tools the UK can use to support change in the region. The work of the EUSR is in line with the UK's Arab Partnership, working to build more open, free societies underpinned by vibrant economies.
Sudan and South Sudan: we judge that the EUSR has already supported UK objectives of implementing the Comprehensive Peace Agreement (CPA) leading to South Sudan's independence; supporting and expanding the Darfur political process; and supporting mediation efforts between Sudan and South Sudan. She has kept Member States informed of developments in both countries, helping to ensure consistency of EU policy in line with UK objectives.
- Human Rights: the EUSR for Human Rights is a critical role that has the potential to enhance the EU's effectiveness in promoting respect for human rights beyond its borders and to amplify the UK's own values and influence

in this field. During negotiations on the EU Human Rights Strategy, we were alert to the possibility of duplication between the role of the Council of Europe's Commissioner for Human Rights and the new EUSR. For this reason we worked to secure language in both the Strategic Framework and the EUSR mandate to ensure that the EUSR coordinates appropriately with international organisations, including the Council of Europe.

In addition to shaping the policy content of the mandates, we have succeeded in securing significant savings against the initial budgets proposed by the Commission. For example, we have identified savings of Euro 100,000 by sharing a Financial Officer between the EUSR for the Southern Mediterranean and the EUSR for Human Rights. We have also worked to ensure that an additional Political Adviser for the EUSR MEPP office (on a mandate which is not up for renewal until 2015) is cost-neutral. We have slashed unnecessary travel, resisted large increases in communication costs, insisted on synergies between EUSR's and the EU delegations and ensured that the EU will continue to review the role and cost of EUSR's in the months after these particular budgets have been agreed. The forthcoming review of EUSR's this year will provide a further opportunity to scrutinise the value of EUSR's. We are confident that our money is only being used to pay for the politically agreed priorities of the EUSR's, and that the mandates we have agreed represent value for money for the UK taxpayer. To assist the Committees in carrying out scrutiny, you may find it useful to see the attached summary of the outcomes [not printed].

The Committees will note that the budgets have increased overall by comparison with last year. There are three main reasons for this. First, in many cases the proposed mandate extensions this year are for 12 months, rather than 10 months as last year. Second, the EEAS has made a convincing case for the need to improve security for EUSR's working in the most dangerous areas (e.g. Sudan and South Sudan, Afghanistan). As for the FCO, the majority of cost increases were for security. Third, the UK and other Member States have asked the EUSR's to deliver more to ensure that the EU is bringing to bear the collective weight of Member States on key priorities like the Horn of Africa and the Southern Mediterranean.

Regrettably, the EEAS and Commission only provided both the mandates and the budgets for the EUSR's in the last few weeks. We have just received a mandate for the AU EUSR. We have complained in negotiations, as well as directly with Cathy Ashton's Office, about the short timelines Member States have been given. We have underlined that we need sufficient time for Parliamentary scrutiny, and that bringing forward the mandates at a very late stage may lead to a delay in clearance. We will discuss further with the EEAS to ensure that this is not repeated when the mandates come up for renewal again next year.

We remain mindful of the Committee's comments in response to the mandates last year on the need to move towards more double-hatting of EUSR's. I fully agree with the Committee's views on this. We are seeking to make progress on this by establishing a clear timescale for mandates to become double-hatted. I will write again to the Committee on this point.

18 June 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The House of Lords EU Sub-Committee on External Affairs at its meeting on 21 June considered the documents above and your letter of 18 June on the Renewal of EU Special Representative (EUSR) mandates, and decided to clear the documents from scrutiny. We are still waiting to receive your Explanatory Memorandum for the extension of the mandate of the EU Special Representative to the African Union.

We note in the draft EU Strategic Framework on Human Rights and Democracy there is a reference to the work of the European Parliament in the field of human rights and democracy. We would suggest that National Parliaments also make a significant contribution in this field, as demonstrated at last Thursday's address by Daw Aung San Suu Kyi in Westminster Hall. We therefore ask you to consider amending the wording of the Strategic Framework to reflect this.

We look forward to the response to the questions in our letter of 14 June, including on the EUSR for the Horn of Africa (the value of having an office in Mogadishu) and the EUSR for the Southern Mediterranean (EIB finance to the region).

I look forward to receiving your reply within the standard ten working days.

25 June 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 12 July and decided to clear it from scrutiny.

The Committee noted that your Explanatory Memorandum was very complimentary about the work of the current European Union Special Representative (EUSR) and Head of Delegation to the African Union. You gave a number of arguments why it was worthwhile maintaining the post of EUSR including the good access and information the current EUSR gains. We consider that there is merit in keeping the title of European Union Special Representative as it has the benefits you mentioned, especially the enhanced access which you note also benefits the UK.

We would be grateful if you would please update the Committee on the progress report which the EUSR will produce at the end of December 2012 and on the details of the comprehensive mandate implementation report which the EUSR will produce at the end of the mandate.

16 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

My apologies for the delay in responding to your letter of 25 June regarding the above Council Decisions.

On the EU Strategic Framework on Human Rights and Democracy, I am grateful to the Committee for their suggestion. The Government fully agrees that national Parliaments have a vital role to play in promoting human rights and democracy. Effective parliaments help to advance human rights by ensuring that elected representatives are able to uphold, protect and realise human rights through better legislation, oversight and representation. The Strategic Framework – the first comprehensive, Council endorsed statement of the EU's values and commitments on human rights since 2001 – is intended very much to focus on what the EU can do in this regard. The accompanying Action Plan and appointment of Greek former Foreign Minister Stavros Lambrinidis as EUSR for Human Rights are designed to drive delivery and accountability on human rights actions. The Strategic Framework was adopted at the EU Foreign Affairs Council on 25 June. (For further details see the link http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/131181.pdf)

With regard to the EUSR for the Horn of Africa, we judge that Alex Rondos has so far fulfilled his mandate to ensure that the EU plays a full role in regional stability and Somalia's Djibouti Peace Process: the EUSR has become a focal point for the spectrum of the EU's activity in the Horn of Africa, has increased the EU's leadership on Somalia and regional issues, and has developed close relationships with key Somalis. The EUSR's overall budget has increased from €670,000 (for six months) to €4,950,000 (for the next twelve months). This increase is largely due to 'establishing a presence in Mogadishu' which requires expenditure on security measures, and a modest increase in staffing costs. Setting up an EEAS compound in Mogadishu International Airport matches the UK's ambition for the international community to increase its presence in Mogadishu, and we judge that it is politically important to maximise the EU's impact with Somali interlocutors and to better support the development of government institutions.

The Committee sought information about the loan capacity of the European Investment Bank (EIB). The EUSR for the Southern Mediterranean region does not have a formal role in the activities of the EIB. The Department for International Development (DFID) which leads on International Financial Institutions have advised that the European Investment Bank (EIB) provided €975m in finance to the Southern Mediterranean region in 2011. The bank's current operational plan anticipates that financing to the region will average €1.2bn per year in 2012 and 2013. The operational plan is reviewed annually by the EIB's Board of Directors. Future EU funding will depend on the outcome of budget negotiations, which are on-going. We do not have specific information on how individual member states use their bilateral finance in particular regions.

Disappointingly, the UK candidate was not successful in his bid for the post of EUSR for Central Asia. Patricia Flor of Germany was selected by the High Representative for the job and her appointment was confirmed in the Foreign Affairs Council on 25 June. I have corresponded separately with you about Ms Flor.

On your request to ask the High Representative for an annual report on all EUSRs to national Parliaments: EUSRs already report internally to the Council Working Group system, which provides for oversight by Member States. The internal reporting process with Member States oversight allows for an uninhibited exchange of views and ensures EUSRs are held accountable for delivery of their

mandates. This is the right focus to ensure EUSRs are effective. The creation of an additional reporting obligation upon EUSRs would compromise their effectiveness.

15 August 2012

FALKLAND ISLANDS: EU POSITION ON ARGENTINE NATIONALISATIONS

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

Lord Roper wrote to me on 30 April in his capacity as Chairman of the European Union Committee, following up on previous correspondence regarding EU support for the UK position on the Falkland Islands.

In his letter he expressed concern about the recent decision by the Argentine government to nationalise energy company YPF. We share this concern. Indeed, the Foreign Secretary made a statement on the day of the announcement by the Argentine government, expressing his concern at what was the latest in a series of trade and investment related actions by Argentina which were damaging to business interests. He committed to working with Spain and EU partners to ensure the Argentine authorities upheld their international commitments and obligations.

On the day of the announcement by Argentina, Cathy Ashton, EU High Representative for Foreign Affairs, also made a statement in which she referred to Argentina's decision as a cause for grave concern and gave the Spanish government the full backing of the EU. She announced the postponement of the EU-Argentina Joint Cooperation Committee that was due to take place the following week. On 23 April, the EU Foreign Affairs Committee, attended by the Foreign Secretary, discussed the issue. The EU services are now analysing options for responding to recent trade initiatives by Argentina with a view to taking measures. It will also be discussed at the Trade FAC meeting on 31 May.

15 May 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

Thank you for your letter of 15 May about the EU response to the decision by the Argentine government to nationalise the energy company YPF.

At its meeting on 24 May 2012 the EU Sub-Committee on External Affairs noted the contents of your letter. We are grateful for the information you provided.

The Committee considers this an important issue and would be grateful if you would provide an update on the work of the EU services on how to respond to the recent trade initiatives by Argentina and on the outcome of the Trade FAC on 31 May.

29 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 29 May, following up on our previous correspondence regarding the decision by the Argentine Government to nationalise the energy company YPF.

EU ACTION IN THE WTO

The most significant development since your last correspondence is that on 25 May the EU announced that it had launched a challenge to Argentina's import restrictions at the World Trade Organization (WTO). In accordance with WTO dispute settlement procedures, the EU has issued a request for consultations with Argentina, through a letter from the EU's Permanent Representative to the WTO, Angelos Pangratis, to the Argentine Ambassador in Geneva, H.E. Mr Alberto Pedro D'Alotto. This is the first stage in the WTO dispute settlement system. If these negotiations fail within the 60 day period allotted, the EU can request a WTO Panel be established to rule on the legality of Argentina's actions.

The EU action is not directly related to Argentina's appropriation of Repsol's majority stake in YPF. The key issues that the EU has cited are:

- The subjection of all goods to a pre-registration and pre-approval regime, called the “Declaracion Jurada Anticipada de Importacion”
- The various different licences then applied to hundreds of goods.
- The systematic and non-transparent pressure put on Argentine importers to increase the local content of their products which has the net effect of inflicting major losses to industry in the EU and worldwide.

Since the EU made this announcement Japan, Ukraine, Turkey, US, Canada, Australia and Guatemala have requested to join the consultations on the Argentine case, as they are also adversely affected by Argentine trade policies.

The British Government fully supports the EU’s decision to initiate a WTO dispute settlement case against Argentina. We have made clear that it is essential that all WTO members meet their obligation to abide by the WTO’s rules. We hope the case can be settled through the consultation process.

TRADE FAC

Trade restrictive measures by Argentina were discussed at the Trade Foreign Affairs Council on 31 May 2012. Member States called for a movement away from protectionism and the opening of markets. Member States also welcomed the beginning of WTO dispute settlement proceedings on Argentina’s import restrictions and a brief discussion followed examining other potential responses to the protectionist measures.

This government will continue to work closely with the EU and other member states on this issue.

28 June 2012

FOOD AID CONVENTION: EXTENSION

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

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 21 June.

We are concerned that this document did not reach the Committee before agreement was reached in Council. We regard it as strange that the UK Government had to resort to abstaining on an issue in order to avoid an override when it would appear that informing Parliament earlier should have been possible.

In the past the policy was that Food Aid should be sourced as close to the point of famine as possible. Can you please confirm whether this remains the policy of the Government and the EU?

Would you also please outline what policy is implemented to ensure that food aid given at any time does not undermine the farming sector of receiving countries and their regions.

25 June 2012

Letter from Stephen O’Brien MP to the Chairman

The European Affairs, Defence and Development Sub-committee considered the above mentioned EM on 26 June 2012 and cleared it from scrutiny. In doing so you wrote to me to express your concerns that the Committee had not had the opportunity to scrutinise the Council Decision before we voted on it in Council, although we did abstain as the UK Parliamentary scrutiny process had not been completed. I take very seriously our obligations to Parliament and the scrutiny process plays an important part in holding the Government to account for its actions in Europe.

In this case the European Commission released the Council decision a month before it was due to go to Council which meant we got sight of it the week before the Committee’s last meeting before the recess. This did not give us enough time to prepare the EM and submit it to the Committee before it went to recess and before the Council Decision was approved in Council.

The Food Aid Convention, signed in 1999, came to an end on 30 June 2012, following the decision not to extend it beyond this date. The new Food Assistance Convention which was agreed in April

2012, and which is proposed to replace it, will come into force on 1 January 2013. A separate EM covering Council Decisions allowing the EU to become a signatory of the new Convention is being sent with this letter.

In your letter you also asked two questions. The first:

IN THE PAST THE POLICY WAS THAT FOOD AID SHOULD BE SOURCED AS CLOSE TO THE POINT OF FAMINE AS POSSIBLE. CAN YOU PLEASE CONFIRM WHETHER THIS REMAINS THE POLICY OF THE GOVERNMENT AND THE EU?

We confirm that as a basic principle enshrined in the new Convention, if food assistance is provided in kind, it should be procured as close to the location of the emergency as possible (Art 2,b, iii).

The second question was:

WOULD YOU ALSO OUTLINE WHAT POLICY IS IMPLEMENTED TO ENSURE THE FOOD AID GIVEN AT ANY TIME DOES NOT UNDERMINE THE FARMING SECTOR OF RECEIVING COUNTRIES AND THEIR REGIONS?

The new Food Assistance Convention proposes a wider, more general objective, "addressing the food and nutritional needs of the most vulnerable population through commitments made by the Parties to provide food assistance that improves access to, and consumption of, adequate, safe and nutritious food." Key among the changes is the shift in emphasis from food aid to food assistance. This reflects donors' adoption of cash or voucher based transfers as sometimes more appropriate means to respond to the needs of food insecure populations than food aid alone.

One important objective is to support local markets and in particular the local farming sector as much as possible. This is emphasized in Art 2,a,v of the new Convention which underlines the general principle that food assistance is not to undermine local production, market and marketing conditions and commercial trade. The new Convention further emphasizes this principle by reaffirming the need to link humanitarian relief, recovery and sustainable development activities and to strengthen the self-reliance and resilience of local communities wherever possible (preamble and Art 2,a,ii-iii).

12 July 2012

FOOD ASSISTANCE CONVENTION (12393/12, 12398/12)

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

The House of Lords EU Sub-Committee for External Affairs considered the documents above at its meeting on 19 July and cleared them from scrutiny. We would like to thank you for your assistance in keeping our Committee informed at the earliest stage about the Food Assistance Convention by sending us the Convention ahead of the Council Decision and also for explaining in detail why the Council Decision was urgent.

In your Explanatory Memorandum you noted that the UK had already made a contribution which exceeds the UK's commitment for 2012. Your Explanatory Memorandum does not mention whether other EU Member States have followed the UK's example. We are concerned that some Member States might reduce their commitments during the period when neither Convention is in place. We would be grateful if you would update us at the end of October and at the end of the year whether our EU partners have provided the same level of food aid in comparison to the two previous years.

We note that the Government is aware of the concern that the new flexible transfer modalities could lead to reduced food aid. How does the Government intend to ensure that the new flexibility in transfer modalities does not weaken the objective of greater food and nutrition security? Will the Government insist that the EU makes its commitments in terms of quantity (tonnes of wheat or its equivalent in other foods) and value, and not just in value?

We note that there is likely to be an increased use of cash or voucher transfers to honour commitments. We are concerned that this could provide greater opportunities for abuse and corruption. How will the EU and the Government ensure that any cash or voucher transfers are not abused or misappropriated?

I look forward to receiving your reply within the standard ten working days.

24 July 2012

**Letter from Lynne Featherstone MP, Parliamentary Under-Secretary of State,
Department for International Development to the Chairman**

Thank you for your letter of 24 July highlighting points of concern with regard to the new Food Assistance Convention.

The Government welcomes the greater flexibility provided by the new Food Assistance Convention on how to deliver humanitarian assistance. However, there is a risk that financial commitments to humanitarian food security programmes may be reduced as a result. We are mitigating this risk by supporting only programmes which demonstrate an urgent need. We are also investing in improved and timelier needs and response assessments such as the “Integrated Food Security Phase Classification” (IPC). This global data analysis tool builds on existing data collection and assessment methods. It provides better analysis of food security information and makes results globally available. The IPC responds to recommendations agreed by relevant government institutions, technical advisory committees, donors and implementing agencies, on acute and chronic food insecurity. In the medium term it will also improve programming and value for money.

Our recent “Disaster Resilience Approach Paper” also emphasizes the fact that we insist on needs being clearly identified before we support a response. We are funding assessment work to develop this.

We are working to identify what it means for our programmes to strengthen people’s resilience in food and nutrition security, social protection and climate change in an era of frequent shocks. We are bringing our humanitarian and development programmes closer together so that development programmes will also help people when their food security is under stress. These measures will hopefully help to reduce the humanitarian burden during emergencies.

We are working closely with the EU and with other donors to ensure that all programmes, including those using cash or vouchers, are based on appropriate assessments and that they deliver outcomes in a timely manner. We will support appropriate guidance and tools to strengthen assessment methodologies, including risk and market feasibility assessments to determine the most appropriate responses, be that food aid or cash and vouchers.

I appreciate your concern about possible abuse and corruption resulting from use of cash and vouchers. However the evidence is that abuse of food aid delivered in kind is a greater cause for concern than cash or vouchers; and in fact we believe that alternative delivery modes by their very nature contribute to reducing abuse and corruption.

In addition, we are using innovative technologies, such as mobile phone transfers, wherever possible. Such technologies deliver assistance more discreetly, and are therefore better suited to prevent abuse or misappropriation than conventional in-kind delivery. Where vouchers are concerned, potential suppliers undergo stringent vetting procedures before being shortlisted.

Finally, the whole implementation process is closely monitored and subject to robust reporting. We support better beneficiary accountability across all programmes. Recipients of emergency services should know the details of programmes supporting their needs and be encouraged to participate in managing them, as well as having access to impartial complaints procedures if they suspect foul play.

17 September 2012

FOREIGN AFFAIRS COUNCIL AND GENERAL AFFAIRS COUNCIL: 23 AND 24 APRIL
2012

**Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and
Commonwealth Office, to the Chairman**

I am writing to inform you about the outcomes of the Foreign Affairs Council (FAC) and General Affairs Council (GAC) which met in Brussels on 23 and 24 April respectively. My Right Honourable Friend the Foreign Secretary attended the FAC. I attended the GAC.

FOREIGN AFFAIRS COUNCIL (FAC)

The FAC was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Baroness Ashton of Upholland. A provisional report of the meeting and all Conclusions adopted can be found at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/129739.pdf

The agenda items covered were as follows:

Burma

Ministers agreed Conclusions (see link above) suspending EU sanctions against Burma, except the arms embargo and for equipment that can be used for internal repression. The suspension will last for 12 months, with a review after six months.

The Foreign Secretary stressed that sanctions had given the EU significant leverage. The decision to suspend rather than lift sanctions now was the right one. There were still political prisoners, continuing conflict in Kachin State, and difficulties with the Parliamentary oath, over which the National League for Democracy had not attended the re-opening of Parliament on 23 April. These unresolved issues underlined the need for the EU to retain leverage as the reform process continued.

The Prime Minister also welcomed the decision:

"I welcome today's decision by our EU partners to support the UK's call to suspend sanctions against Burma. As I saw for myself, President Thein Sein has taken important steps towards reform in Burma, and it is right for the world to respond to them. But those changes are not yet irreversible, which is why it is right to suspend rather than lift sanctions for good. As Aung San Suu Kyi herself has said, suspending sanctions will go some way in strengthening the hand of the reformers in Burma."

Afghanistan

Ministers exchanged views on the EU's role in Afghanistan ahead of the NATO Summit on 20-21 May. This discussion will feed into a further exchange, and probably Conclusions, at the FAC on 14 May.

The Foreign Secretary urged the EU, along with the rest of the international community, to send a strong signal of its commitment to Afghanistan. The UK had announced £70 million worth of annual support to Afghanistan's National Security forces. The EU needed to be similarly ambitious with its contribution.

Africa

Ministers discussed developments in Mali/Sahel, Sudan and South Sudan and Guinea-Bissau.

On Mali, Ministers agreed Conclusions (see link), making clear their support for the efforts of Economic Community of West African States (ECOWAS) and countries in the region in their attempts to restore constitutional order in Mali. Ministers also supported an accelerated implementation of the EU Strategy for Security and Development in the Sahel, including the deployment of a civilian Common Security and Defence Policy (CSDP) mission to Niger by July 2012. This was welcomed by the Foreign Secretary who also drew attention to the important role of Algeria in tackling Al-Qa'ida in the Islamic Maghreb.

Conclusions on Sudan and South Sudan were agreed (see link above) expressing concern about the escalating conflict between Sudan and South Sudan. The Foreign Secretary urged the EU to keep up its active engagement in promoting restraint and a peaceful solution.

Conclusions were also agreed on Guinea-Bissau strongly condemning the coup d'état and demanding the reestablishment of the legitimate government and the restoration of the constitutional order.

Syria

Minister agreed Conclusions on Syria (see link above) welcoming the unanimous adoption of UN Security Council Resolutions 2042 and 2043 and calling for their full implementation. Ministers also agreed a further round of EU sanctions.

After the meeting the Foreign Secretary made the following statement:

"Today, we agreed as EU Foreign Ministers to give our full support to the deployment of a UN Supervision Mission in Syria (UNSMIS) of up to 300 unarmed observers. We supported the unanimous call from the UN Security Council for the Assad regime to end immediately its use of violence against civilians and implement fully its commitments under Kofi Annan's Plan. Recent reports of the continuing use of brutal military force are

deeply concerning and it is vital the EU and its international partners keep up the pressure on Syria until we see a visible and sustained change in the regime's use of military force, and implementation of the Annan Plan.

"EU Foreign Ministers also agreed to ban the export of further goods and technology which might be used for internal repression to Syria, which will include items that could be used to produce chemical or biological weapons.

"Despite the urgent need for Assad to end the violence immediately, he and his close supporters continue to lead comfortable lives. Today the EU has also agreed to ban the export of luxury goods to Syria.

"The UK will continue to push for the EU and international partners to maintain the pressure on the Syrian regime, including through the Friends of Syria group."

Middle East Peace Process

Ministers had a short discussion where many expressed concern about the threat posed by settlements to any viable two-state solution. Ministers agreed to work towards a further substantive discussion in May with a view to also adopting Conclusions.

Iran

Baroness Ashton briefed Ministers on the Istanbul E3+3 (UK, Germany France, Russia, China and the US) talks of 14 April. Ministers praised Baroness Ashton's role in facilitating the talks. The next round is set for 23 May in Baghdad.

Other issues

There was discussion about Argentina following its expropriation of the Spanish petroleum company Respol's shareholding in YPF, an Argentinean oil company. The Foreign Secretary expressed sympathy with Spain and agreed that the EU should be concerned about Argentina's increasingly protectionist trade measures, and supported consideration of a full range of options for how to respond.

Ministers also briefly raised Libya, Belarus and Suriname.

GENERAL AFFAIRS COUNCIL

The GAC was chaired by the Danish EU Presidency, Mr Nicolai Wammen, Minister for European Affairs. A provisional report of the meeting can be found at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/genaff/129266.pdf

Multiannual Financial Framework

The General Affairs Council focused on the proposed Multiannual Financial Framework (MFF) for the period between 2014 and 2020. The meeting was split into two discussions: the first, responding to the Danish Presidency's draft negotiating box text covering the remaining parts of Heading 1 (Structural and Cohesion Policy) and Heading 2 (Common Agricultural Policy); the second, discussed a legislative package of proposals on Cohesion Policy. As with earlier meetings, I argued for the need for overall budgetary restraint, restating our position that the Commission's proposal would need to be reduced by at least €100 billion in payments.

Along with the UK; Germany, Austria, Finland, France, Italy, the Netherlands, the Czech Republic and Sweden argued for budget discipline. A second group, comprised of Bulgaria, Estonia, Greece, Croatia, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovenia and Slovakia, argued that the amounts set out in the Commission's proposal were appropriate. These countries also sought particularly to protect levels of Cohesion Funds.

On the Common Agricultural Policy, I argued that there needed to be substantial reductions in the levels of funding. These cuts should be focused on market distorting direct payments to farmers, which do not offer good value for money for the UK taxpayer.

I emphasised that to achieve the best value for money, Structural and Cohesion Funds (SCFs) should be targeted to the newer, poorer member states. One step towards this would be to remove transition regions. I also promoted the idea that the build up of unspent commitments from the 2007 to the 2013 period should be addressed before we agree the envelopes for the 2014 to 2020 period. One way to address the problem would be through a payments guarantee system, where recipients would have more flexibility to prioritise between commitments made under the old programmes and the new projects that would come on stream in 2014.

Some countries pushed for proposals to tie the allocation of SCFs to macro-economic criteria. We support measures to improve economic governance, but are concerned that some of the proposed

ideas seek to use SCFs as a backdoor mechanism to circumvent existing agreements in this area. I explained our opposition to these proposals.

The Presidency sought a partial general approach on elements of the package of Cohesion Regulations published by the Commission in October. This package establishes how Cohesion funding is allocated, how the funds are used and the rules that govern their use. An agreement was sought on the least controversial aspects of these Regulations. I raised the key outstanding issue of disagreement in the debate by objecting to the inclusion of references to Country Specific Recommendations when agreeing strategic programming. At the December General Affairs Council, the majority of Member States stated a clear preference for the broader national reform programmes (not the recommendations) to be the point of reference. The Presidency agreed to address these concerns by placing this section in square brackets to indicate that they would need to be agreed at a later stage in the negotiations. A partial general approach, on the basis that “nothing is agreed until everything is agreed,” was reached.

The Multiannual Financial Framework will next be discussed at the 29 May GAC in Brussels.

9 May 2012

FOREIGN AFFAIRS COUNCIL AND GENERAL AFFAIRS COUNCIL: 23 AND 24 JULY 2012

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing to you to inform you about the Foreign Affairs Council (FAC) and the General Affairs Council (GAC) which will meet in Brussels on 23 and 24 July respectively. My Right Honourable Friend the Secretary of State for Foreign and Commonwealth Affairs will attend the FAC. I will attend the Eastern Partnership Ministerial meeting and the GAC.

FOREIGN AFFAIRS COUNCIL (FAC)

The FAC will be chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Baroness Ashton of Upholland.

Southern Neighbourhood

Ministers will review developments in Syria, Libya and Egypt.

Ministers will take stock of the latest situation on the ground in **Syria**. We expect a further round of EU sanctions including additional individuals and entities linked to the Syrian regime. We believe sustained EU pressure complements our activity elsewhere, including in the UN Security Council to build pressure on Syria. We are calling for the EU and Member States to send clear messages to non-EU countries that are blocking tougher action on Syria to change their position. We are also seeking to agree strong Council Conclusions urging a ceasefire in Syria and calling for robust UN Security Council action under a Chapter VII UN Security Council Resolution to support Annan’s plan.

On **Libya**, it is highly unlikely that we will have a new Prime Minister and Cabinet appointed in time for the FAC. Ministers will want to welcome the holding of elections on 07 July and the overall conduct of the electoral process – a huge achievement for the Libyans. Ministers will also want to discuss follow-up support to the incoming Libyan Government. We anticipate conclusions.

On **Egypt**, High Representative Ashton will brief Ministers on her visit to Cairo, planned for 18-19 July. This should provide a further opportunity to reaffirm the importance of EU support for the political transition and keep up pressure to maintain the momentum of the process and tackle economic and human rights concerns.

Africa

On **Sudan and South Sudan**, we expect discussion to focus on progress in implementing the African Union roadmap for resolving the outstanding issues between the two countries. The July FAC will be the last opportunity to adopt formal conclusions ahead of the August 2012 deadline for implementing the roadmap and complying with UN Security Council Resolution 2046. We expect conclusions to reinforce the urgency of fully complying with the roadmap and the UN Security Council Resolution. In addition, Ministers are likely to discuss the deteriorating humanitarian situation in both countries and the pressing need for unimpeded access to parts of Sudan affected by conflicts. Ministers are likely to discuss the Sudanese Government’s response to recent protests in Khartoum.

On **Mali/Sahel**, Ministers are expected to discuss the UN Security Council Resolution (2056) adopted on 5 July which restated the international community's commitment to supporting regional efforts to restore peace and stability. We are seeking Council Conclusions, which welcome the UNSCR, express continued support for the ongoing political process and transition and call on the region to provide further detail on any planned military intervention. We look forward to further discussions on a CSDP mission in Mali.

On **Democratic Republic of Congo (DRC)** Ministers may have a short discussion on the situation in eastern DRC where the M23 militia continues its offensives against the Congolese army. They may consider what further pressure could be put on Rwanda to cease its support to the M23. They may also welcome the initiative of the International Conference on the Great Lakes Region (ICGLR) to seek a regional resolution to the conflict.

Common Security and Defence Policy

Ministers are expected to discuss High Representative Ashton's report on CSDP activities over the past seven months to end June 2012. We welcome the report, and in particular the concrete achievements over that period notably, the revision and extension of EUNAVFOR Atalanta's mandate to help counter piracy, as well as the imminent launch of three new CSDP missions: EUCAP Nestor in the Horn of Africa, EUCAP Niger (Sahel), and EUAVSEC in South Sudan.

We expect that the discussion would underline that any EU action should be informed by a joined-up approach amongst all relevant EU actors. It would also reiterate the importance of adequate resourcing of CSDP missions and operations. Ministers are likely to adopt Conclusions reinforcing these messages.

China

High Representative Ashton is expected to report back on the EU–China Strategic Dialogue which took place in Beijing on 9-10 July. While we do not expect a substantive discussion, it will provide an opportunity for Ministers to look ahead to the EU–China Summit on 20 September. Our priorities for the Summit are trade and investment, global security, climate change and energy, and human rights.

Energy and Foreign Policy

Ministers are expected to discuss the European External Action Service's (EEAS) non-paper on Energy and EU foreign policy over lunch. We welcome the discussion and support the EEAS proposal to seek greater engagement on energy matters. The Service can play a useful role promoting a shared approach to energy developments and supporting bilateral action when agreed by the Council, but this must be balanced with the legitimate interest of Member States to speak individually, both bilaterally and in international fora.

The Eastern Partnership Ministerial

Foreign Ministers from the EU and Eastern neighbourhood countries will attend a partnership meeting after the FAC. The meeting will focus on the Eastern Partnership Roadmap – published on 15 May – that guides the work of the EU with its six eastern partners - Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine - until the Vilnius Summit in 2013. We support our eastern partners seeking a closer relationship with the EU but also recognise the need to incentivise political and economic reform in the east.

GENERAL AFFAIRS COUNCIL (GAC)

There are three main items on the GAC agenda in July. The first is the follow-up to the June European Council; there will be a presentation and discussion of the Cypriot Presidency's work programme, and; the final item on the agenda is the Multiannual Financial Framework (MFF).

June European Council

The Commission will give a presentation on how they intend to deliver on the June European Council Conclusions. These called on the Commission to take forward the proposals on Growth, in the "Compact for Growth and Jobs". This included, deepening the Single Market, making progress on delivering a Digital Single Market by 2015, reducing the regulatory burden, completing the internal energy market by 2014 and developing a European Research Area. €120bn of financing is to be made available through actions such as the creation of Project Bonds and increasing the lending capacity of the European Investment Bank. The June European Council conclusions also called for recommendations for additional action Member States could take to tackle unemployment, restructure the banking sector, growth friendly fiscal consolidation measures and action to modernise public administrations.

The Conclusions also agreed points on Justice and Home Affairs; a proposal for the establishment of a European Unitary Patent regime with the Headquarters of the Patent court split between Munich, Paris and London. The June European Council sought additional work on nuclear safety stress tests; and it agreed joint messages and action on Syria and Iran. Specifically the European Council have called for a Syria free from Assad and his brutal regime; reaffirmed its commitment to Overseas Development Assistance and endorsed the Human Rights Strategy.

Presidency Programme

Cyprus will present the Programme for their Presidency, which will include the timeline for discussions on the MFF, Growth, Financial Services, Common Asylum Policy, Maritime Policy, Social and Employment Policy and Enlargement.

For their Presidency, the Cypriots have chosen the theme 'Towards a Better Europe', which, in their words, means an EU more relevant to its citizens and a more effective Europe with an emphasis on growth, social cohesion and job creation. They also want to promote the underlying principle of solidarity.

Multiannual Financial Framework (MFF)

The discussion on the MFF will be the most substantive discussion at this GAC. The Cypriots will outline their ambitions for their Presidency including setting out a work programme to build on the Negotiating Box developed by the Danish Presidency.

The June European Council agreed to aim for a final agreement on the MFF by December 2012, which means an intensive six months of discussions ahead. This will be the first discussion of the MFF under the Cypriot Presidency. We expect it to include a stock-take of progress made under the Danish Presidency, and a debate on the recent amendments the Commission has made to their proposals to reflect the changing growth forecasts.

For the UK, I will again be underlining our position on this negotiation; we will not give up the rebate; we oppose new EU taxes; we argue for budget reform; and we will demand budgetary restraint.

The Commission has released an update to their original proposals from June 2011 to reflect the change in growth forecasts and to factor in the recent decision on Croatian accession. A copy of these proposals will be made available in the library of both Houses. The proposals increase the overall ceiling by approximately €15bn. Whilst underlining our support for Croatian accession I will oppose the proposed increases, especially those to administration and structural funding in richer Member States and argue that any new costs arising from Croatia's accession should be met by re-prioritising the existing budget.

18 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

RESULTS OF THE FOREIGN AFFAIRS COUNCIL AND GENERAL AFFAIRS COUNCIL: 23-24 JULY 2012

I am writing to you to inform you about the Foreign Affairs Council (FAC) and the General Affairs Council (GAC) which met in Brussels on 23 and 24 July respectively. My Right Honourable Friend the Secretary of State for Foreign and Commonwealth Affairs attended the FAC. I attended the Eastern Partnership Ministerial meeting and the GAC.

FOREIGN AFFAIRS COUNCIL (FAC)

The FAC was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Baroness Ashton of Upholland. A provisional report of the meeting and all Conclusions adopted can be found at:

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/131990.pdf

The agenda items covered were as follows:

Southern Neighbourhood

Ministers discussed developments in Syria, Libya, Egypt and Lebanon.

On **Syria**, Ministers agreed Conclusions (see link above), which condemned the increasing use of force by the regime and called on all parties to end the violence and implement the Annan plan. They expressed disappointment with Russia and China for blocking action at the UN and welcomed the

adoption of new round of sanctions on Syria which imposed an asset freeze and travel ban on an additional 26 Syrian individuals, and an asset freeze on two additional entities closely linked to the regime. The EU strengthened the arms embargo to oblige member states to inspect ships and aircraft in their territory suspected of carrying weapons to Syria.

On **Libya**, the adopted Council Conclusions welcomed the peaceful conduct of elections on 7 July. Ministers also discussed further assistance to the incoming Libyan Government.

On **Egypt**, High Representative Ashton briefed Ministers on her 19 July visit to Cairo.

The FAC adopted Conclusions on Lebanon which expressed support for the government in handling the political and security impact of the Syria crisis.

Africa

On Sudan and South Sudan, the Council reiterated its support for the implementation of the African Union roadmap for resolving the outstanding issues between the two countries. Ministers adopted Council Conclusions which reinforced the urgency of fully complying with the roadmap and UN Security Council Resolution 2046.

On **Mali**, Ministers discussed UN Security Council Resolution (2056) adopted on 5 July which restated the international community's commitment to supporting regional efforts to restore peace and stability. The FAC adopted Council Conclusions which supported a properly planned, UNSC-mandated ECOWAS capacity-building role, and envisaged a CSDP mission assisting the restructuring of the Malian army.

The Council took stock of the deteriorating security situation in the Democratic Republic of Congo.

On **Zimbabwe**, Ministers adopted Conclusions that put into effect the UK's proposal to respond to a peaceful and credible constitutional referendum with a suspension of the majority of the restrictive measures in place, as well as agreeing to suspend the restrictions on development assistance under Article 96 of the Cotonou Agreement. This will allow EU discussions with the Government of National Unity in respect of the next European Development Fund from 2014.

On **Somalia**, the Council adopted conclusions on Somalia. These sent a clear signal to the Somali leadership that the EU will not accept any extension of the transitional period and that obstruction of the political process will be met with appropriate action.

Common Security and Defence Policy

Ministers discussed High Representative Ashton's report on CSDP activities over the past seven months to end June 2012. The FAC agreed Conclusions looking forward to the imminent launch of three new missions in the Horn of Africa, the Sahel and South Sudan. The Conclusions emphasised the importance of a Comprehensive Approach to crisis management while noting continuing force generation and capability challenges.

Asia

High Representative Ashton briefed Ministers on the EU-China Strategic Dialogue which took place in Beijing on 9-10 July. The High Representative also briefed on her attendance at the ASEAN Regional Forum (ARF) in Cambodia. She met US Secretary of State Clinton and issued a joint EU-US statement on Asia/Pacific. Ashton signed a Partnership and Cooperation Agreement with the Philippines; and noted that the EU had acceded to the ASEAN Treaty of Amity and Cooperation.

Energy and Foreign Policy

Ministers discussed the European External Action Service's (EEAS) non-paper on Energy and EU foreign policy with Energy Commissioner Gunther Oettinger.

The Eastern Partnership Ministerial

Foreign Ministers from the EU and Eastern Neighbourhood countries attended a partnership meeting after the FAC. The meeting focused on the Eastern Partnership Roadmap – published on 15 May.

Other business

Ministers also agreed EU Priorities for the 67th session of UNGA and EU Priorities for cooperation with the Council of Europe in 2012-2013. Ministers adopted the EU's position for the Association Council's eleventh meeting with Israel and the ninth meeting of the EU-FYROM Stabilisation and Association Council meeting, both in Brussels on 24 July.

Other items adopted were:

- the six-monthly Progress Report on the implementation of the EU Strategy against the Proliferation of Weapons of Mass Destruction,
- the EU Working Paper on the outcome of the 2012 Review Conference on the UN Programme of Action to Prevent, Combat and Eradicate the illicit trade in small arms and light weapons,
- approval of letters of reply to lawyers of entities listed under Cote d'Ivoire restrictive measures.

The Council decided to grant €1.7m in support to the biological and toxin weapons convention (BTWC) for projects promoting the universality of the BTWC and supporting its implementation and effectiveness.

Other points adopted were:

- Member States' financial contributions to the European Development Fund in 2012;
- The Food Assistance Convention;
- a WMD free zone in the Middle East;
- ballistic missile non-proliferation under the EU Strategy against WMD Proliferation;
- a Protocol establishing an association with Israel on Conformity Assessment and Acceptance of Industrial Products;
- a Protocol with Jordan on general principles for their participation in EU programmes.
- Negotiations of EU missions for EUCAP NESTOR, EUCAP SAHEL NIGER and EUAVSEC South Sudan;
- visa facilitation between the EU and Moldova and the EU and Ukraine;
- specific measures to reinforce financial stability in Spain;
- proposal for a Council Decision on the EU's position within the ACP-EU Committee of Ambassadors regarding a decision to reassign part of the unallocated resources of the 10th European Development fund to intra-ACP cooperation;
- the protection of classified information within the EU in relation to the Organisation for Joint Armament Cooperation;
- an administrative arrangement concerning cooperation with the European Defence Agency (EDA).

GENERAL AFFAIRS COUNCIL (GAC)

There were four items on the GAC agenda in July: Multiannual Financial Framework; the Cypriot Presidency work programme; follow up to the June European Council; and European Parliament Resolutions, Decisions and Opinions.

Multiannual Financial framework (MFF)

At the first discussion of the MFF under the Cypriot Presidency Commissioner Lewandowski briefly presented their recently revised proposal which, he assured the meeting, was a "purely technical" update. In response, I restated the UK position on the size of the budget, our abatement and EU taxation and made our discontent clear on this new proposal, which took us in the wrong direction. I observed the intellectual incoherence of the Commission's position; when a Member States' public finances fell behind the curve due to poor growth one part of the Commission forced it to undertake more austerity and raise taxes whereas, another department responded to the lower growth figures by requesting more money.

Several colleagues intervened along similar lines. In addition, Germany stressed the need to improve the way we spend the budget.

The fifteen so-called "Friends of Cohesion" countries spoke to a joint oral statement, presented by Poland and which included Romania, Hungary, Bulgaria, Latvia, Lithuania, Portugal, Spain, Czech

Republic, Malta, Slovakia, Slovenia, Estonia, Greece and Croatia. The statement said that the Commission's update meant less cohesion funding, and this, they argued, was contrary to the June European Council Conclusions.

The Presidency would return to the negotiations at the next meeting on the 30 August.

Cypriot Presidency Work Programme

The Presidency presented its work programme for the upcoming 6 months, based around their four priorities of a sustainable and efficient Europe; a growth-based economy; a Europe more relevant to its citizens and a Europe closer to its neighbours. The Presidency planned to re-energise the Integrated Maritime Policy, including a planned declaration on the future development of EU Maritime Policy. On enlargement they would continue to work with all accession countries, including Macedonia, where they hoped to see concrete progress in the autumn.

Follow-up to the June European Council (28/29 June)

The Presidency announced said that they would issue a paper on Economic and Monetary Union after the summer break that would form the basis of bilateral meetings in late September. The Presidency also recalled that there would be a discussion on the European Semester in the General Affairs Council in September in at ECOFIN in October to ensure work is taken forward swiftly. The Presidency also announced their plan to present a revised compromise "Common Understanding" on Interinstitutional cooperation to give effect to the Growth Compact agreed at the June European Council.

On banking union, I emphasised the need to find the right balance of what measures are done at 17 and 27. I welcomed the ECB undertaking a central supervisory role for the Eurozone; but this should not be on a legal base intended for the Single Market and the 27 as a whole. And on the European Semester, I welcomed the improvements we had seen to date but urged increased transparency – including through an earlier discussion on draft Commission analysis – and emphasised the need to allow as much time as possible for scrutiny by national Parliaments. Commissioner Sefcovic welcomed the suggestion to involve national Parliaments and said they were looking into how they could accommodate them better in the process.

European Parliament Resolutions, Decisions and Opinions

The Presidency took note of the work of the European Parliament, in particular the Resolution on the June European Council and the adoption of the recast 'Single European Railway' area.

Other business

The Commission highlighted the recent developments in Romania. They were pleased to announce that the Romanian Prime Minister had recently agreed in writing to address the concerns of the Commission in full. Romania noted that there was now a roadmap agreed by Barroso and the Romanian Prime Minister, with many elements already implemented and they remained committed to full implementation as quickly as possible.

The Commission highlighted the recent finalisation of their review of EU Agencies and a series of recommendations for improving their effectiveness. They would aim to provide a roadmap by the end of the year on how to ensure these principles were introduced into the day-to-day work of the Agencies.

The Council position on the EU Budget for 2013 was approved by a qualified majority as an A point. The UK, alongside the Netherlands and Sweden voted against. Austria abstained. The European Parliament would now assess the dossier aiming for an agreement in November. The Council adopted a regulation which makes minor and technical amendments to the Statute of the Court of Justice of the European Union, with the aim of improving the Court's efficiency as an A point.

27th July 2012

**Letter from Norman Lamb MP, Minister for Employment Relations,
Consumer and Postal Affairs, Department for Business, Innovation and Skills, to the
Chairman**

The Trade Formation of the EU Foreign Affairs Council will meet in Brussels on Thursday 31 May 2012. I will represent the UK for all the items on the agenda.

The substantive agenda involves “legislative deliberations” and “non-legislative activities”. On the legislative deliberations, there may be an AOB item on the establishment of transitional arrangements (“grandfathering”) for bilateral investment agreements between Member States and third countries. This will be for information only, and no discussion is expected. Any discussion on the legislative items will however be public and filmed.

There are a number of “non-legislative” items. First, Ministers will be invited to approve three “A” Points, namely: the launch of FTA negotiations with Vietnam; Council Decisions to sign the EU-Peru and Colombia FTA; and approval of the EU Agreement with Moldova on Geographical Indications. The UK supports these proposals. We will therefore support approval by the Council of the three “A” items. No discussion is expected.

Following approval of the “A” Points, Ministers will be invited to discuss a number of “non-legislative” items. First is a discussion on trade and green growth, focusing on how the EU could promote and contribute to the global liberalisation of trade in environmental goods and services. Then, there will be a discussion on Japan following a presentation by Commissioner De Gucht, the EU Trade Commissioner, on the state of play of the scoping exercise for an EU – Japan FTA. Although there is opposition among some EU Member States, the UK strongly supports launching an FTA negotiation with Japan. We will urge the Commission to work towards the launch of negotiations at the next EU-Japan Summit.

There will also be a discussion on the work of the EU-US High Level Working Group. Commissioner De Gucht will update Ministers on the latest developments regarding the activities of the High Level Working Group and will invite Ministers to discuss the next steps in the process which is expected to lead to opening comprehensive negotiations for a trade deal with the US. The UK has been one of the few vocal Member States on this issue, and we will encourage the Commission to drive forward the process.

The next substantive discussion will be on Canada, where Commissioner De Gucht will update Ministers on progress regarding completing the EU-Canada Comprehensive Economic and Trade Agreement (CETA). We will express strong support for concluding an ambitious deal this year, while emphasising the need to ensure the deal reflects the UK’s key priorities.

The last substantive non-legislative item involves an orientation debate on the contribution of trade to the growth agenda. We will highlight the benefits of trade for economic growth and stress the need to push for trade and openness in the EU and internationally.

There is an AOB item on Argentina’s trade restrictive measures. This item has been raised by Spain to reiterate its concern about Argentina’s recent decision to nationalise YPF in which a Spanish company, Repsol, has a substantial interest. We will express UK support for Spain and reiterate the need for the EU to maintain a robust stance and a united front in our dealings with Argentina.

Over lunch, Commissioner De Gucht will share with Ministers his assessment of the overall state of play, and prospects for conclusion, of the EU – India FTA negotiations, and invite views from the Ministers. Ministers will also discuss EU trade relations with China. The UK strongly supports an FTA with India and favours a more coherent EU-China trade policy. We will express continued support for an ambitious FTA with India that reflect the UK’s interests, and will call for a more coherent and considered approach to EU-China trade policy.

The Government’s main aims will be to:

- Support approval by the Council of the “A” items relating to **trade agreements with Vietnam, Peru and Columbia, and Moldova**;
- Welcome the discussion on **trade and green growth**, while cautioning against arbitrary differentiation between sustainable and non-sustainable products in determining tariff concessions in FTA negotiations.

- Underline the strategic importance of an ambitious **EU - Japan FTA** and call for the launch of negotiations at the next EU-Japan Summit.
- Reiterate support for an ambitious but realistic **trade and investment agreement the US**.
- Express strong support for concluding **EU – Canada Comprehensive Economic and Trade Agreement** this year, while emphasising the need to ensure the deal reflects the UK’s key priorities, such as in financial services.
- Welcome the discussion on the **contribution of trade to economic growth**, stressing the need to resist protectionist and trade restrictive measures.
- Express continued support for an ambitious **FTA with India** that reflects the UK’s interests
- Call for a more coherent and considered approach to **EU-China trade policy**.

25 May 2012

Letter from Norman Lamb MP to the Chairman

I represented the UK on all the issues discussed at the Foreign Affairs Council (Trade) that took place in Brussels on 31 May 2012. Please see attached [not printed] a Post Council Written Ministerial Statement on the subject, which will be laid in both Houses on Wednesday 13 June 2012.

12 June 2012

Letter from the Chairman to Norman Lamb MP

Thank you for your letter of 25 May 2012 about the EU Foreign Affairs Council (Trade) which was considered by the EU Sub-Committee on External Affairs at its meeting on 14 June 2012.

We noted in your comments on the EU-Japan FTA that some Member States opposed the launch of an FTA negotiation with Japan. We find this disappointing and would be grateful if you could explain why some Member States have reservations and how the discussion can be moved forward?

20 June 2012

GUINEA-BISSAU: RESTRICTIVE MEASURES

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I regret that we have not be able to provide you with the Explanatory Memorandum for your Committee’s consideration before a Council Decision and Council Implementing Regulation concerning restrictive measures imposed on Guinea-Bissau were adopted in the EU.

Following a military coup d’état in Guinea-Bissau in April the EU imposed targeted sanctions (travel ban and asset freeze) on those individuals who had been identified as threatening the peace, security or stability of Guinea-Bissau. These were adopted on 3 May 2012.

Since the adoption of EU measures the UN Security Council has adopted resolution 2048(2012) which imposes a travel ban on some of those individuals already targeted through the EU measures. In addition to this on 25 May 2012 EU member states have agreed to target a further 15 individuals who are have been identified as meeting the designation criteria for listing.

In order to exert maximum pressure on the “Military Command” in Guinea-Bissau these measures will be adopted on 1 June which regrettably coincides with Parliamentary Recess and is before your next Committee meeting. My officials received the first draft of these documents on 23 May 2012 which did not allow sufficient time for them to be submitted to your Committee for scrutiny at your meeting of 30 May.

As you know, the responsibility to keep your Committee informed on issues concerning restrictive measures is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable.

31 May 2012

GYMNICH: INFORMAL MEETING OF EU FOREIGN MINISTERS, 7 AND 8 SEPTEMBER 2012

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office to the Chairman

I am writing to inform you about the informal meeting of EU Foreign Ministers (Gymnich), which was held on 7-8 September in Cyprus. My Right Honourable Friend the Foreign Secretary attended the meeting.

The informal format of the Gymnich allows EU Ministers to engage in a free-ranging discussion on a number of issues. In contrast to arrangements in the Foreign Affairs Council (FAC), Ministers do not agree any formal written Conclusions. The next FAC will be held on 15 October.

The Gymnich was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Baroness Ashton of Upholland. Her remarks following the meeting can be found at:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/132289.pdf

The following issues were covered at the Gymnich:

WATER

The EU Commissioner for Development, Andris Piebalgs, noted that there were still 900m people without proper access to water, and 1.2m children dying each year from water-borne diseases. On current trends by 2050 there would 2.7bn people without proper access to water. This would impact on the world's ability to increase food and energy production for a larger population, with dramatic consequences for stability, security and migration flows. Since 2008 the EU had spent Euro 2 bn in 60 countries on water and sanitation.

Ministers had a wide-ranging discussion covering the issues at stake, and what actions the EU could and should undertake. There was broad consensus among Ministers that water stress could be a source of conflict. Discussion focused on the added value that the EU could bring on this issue. Baroness Ashton concluded that there was agreement on the need for the EU to adopt an action-orientated, coherent and long-term approach by building on and developing its strategies for regions where adequate water supply was a cause of tension, expanding them to new areas where appropriate, and by operating in partnership with the UN, regional organisations and the private sector.

EDUCATION

The EU Commissioner for Education, Culture, Multilingualism and Youth, Androulla Vassiliou, introduced this topic, calling for education to be a central component of the EU's response to the Arab Spring, and integral to its strategies on the European Neighbourhood and the Western Balkans, arguing that through education the EU could "export stability and import friendship".

Ministers discussed the role of education in conflict and post-conflict stabilisation; the importance of focussing on women; the value to EU objectives of access to EU educational institutions for the European Neighbourhood; and the important role that education can play in promoting EU values and EU prosperity.

SYRIA

Discussion focused on the ongoing tragedy in Syria. Ministers made it clear that the humanitarian crisis there was an absolute priority, including assisting neighbouring countries with managing the influx of refugees and continuing to monitor closely the human rights abuses in Syria. There was also general agreement to support the diplomatic process, and consider a further set of sanctions. The Foreign Secretary reiterated the need to keep working on a number of different tracks, including

keeping up the pressure on the regime through sanctions, engaging with the opposition, preparing for the transition, stepping up the humanitarian effort, referring the situation in Syria to the International Criminal Court, and continuing to support international diplomacy in particular the work of the Special Representative Brahimi.

IRAN

Baroness Ashton updated Ministers on her latest activities regarding Iran. Ministers discussed the two-track approach. The Foreign Secretary stressed the need for further sanctions to be implemented in parallel to the negotiating track. The effectiveness of the latest round of sanctions was highlighted. Ministers agreed that additional sanctions should be developed. Baroness Ashton concluded that the EU should prepare a new round of sanctions.

OTHER ISSUES

There was a short exchange on other issues, including the relationship between Armenia and Azerbaijan in light of the recent return of a prisoner from Hungary to Azerbaijan under the Strasbourg Convention on prisoner transfers, and subsequent reactions. On Georgia there was agreement that the forthcoming elections should meet the highest standards of fairness. On the Democratic Republic of the Congo there was agreement that the EU should maintain pressure to stop the violence.

24 September 2012

HORN OF AFRICA: SUPPORTING RESILIENCE (8744/12)

Letter from the Chairman to Lynne Featherstone MP, Parliamentary Under-Secretary of State, Department for International Development

The House of Lords EU Sub-Committee on External Affairs at its meeting on 26 September 2012 considered the document above and decided to hold it under scrutiny.

The Committee welcomes this initiative and the EU's commitment to improve the links between humanitarian and development interventions and their long term engagement to enhance resilience.

We also welcome the focus on the Intergovernmental Authority on Development (IGAD) and hope that this organisation will be further strengthened through this initiative as we consider it important to do so.

We would however be grateful if you could explain to us where the funding for the SHARE project will come from and how much money is being made available. We note that the staff working document lists a number of sources of funding. It states "A mix of funding could be available, from recent allocations to new initiatives, and including funds re-allocated from EDF resources, as for instance funds for financing short-term fluctuations in export earnings as requested by ACP Ambassadors." Could you explain what are the "new initiatives"? The Explanatory Memorandum does not comment in any detail on the Commission's proposals for future initiatives. Would you please outline what is the Government's assessment of these priorities?

Would you also please explain the Government's views on how to increase engagement with Eritrea and the more volatile areas of Somalia in the context of the SHARE initiative?

I look forward to receiving your reply within the standard ten working days.

3 October 2012

Letter from Lynne Featherstone MP to the Chairman

Thank you for your letter of 3 October 2012, following consideration of the above document and the Explanatory Memorandum. I am pleased to note that the House of Lords EU Sub-Committee on External Affairs welcomes the EU SHARE initiative, the EU's commitment to improve humanitarian-development links, and its long term engagement on resilience.

You asked for information on funding for the SHARE initiative. The European Commission aims to mobilise €270 million for SHARE over 2012 and 2013, to support the recovery of the population following the food insecurity crisis in the eastern part of the Horn of Africa. SHARE will be funded

from the Commission's commitments for humanitarian and development assistance. €120 million from the 10th EDF reserve has been allocated to the SHARE initiative. In addition to this, funds have been allocated to SHARE from the Instrument for Stability (IfS) and the Food Security Thematic Programme (FSTP). For example, the IfS are providing support for rural resilience and stability in Southern Ethiopia.

You asked about new initiatives funded under SHARE. We are pleased to note the Commission Decision of 1 August 2012, which supports the use of €22 million from the 10th EDF allocations for unforeseen needs in Ethiopia, Kenya, Somalia and Djibouti. This will provide resilience oriented humanitarian assistance to the region, as part of the SHARE initiative. This will help vulnerable populations to resist future drought and conflict affected shocks through distribution of seeds and tools; livestock support; food and cash transfers; nutrition support; enhanced access to clean water; support to primary healthcare; enhanced humanitarian coordination and security; and support to long term refugees.

The UK supports the Commission's plans and priorities under SHARE, and we welcome this focus on resilience in one of the most vulnerable parts of Africa. However, we continue to emphasise to EU Commissioners and Officials that EU initiatives must add value to what is already being done, and must address structural problems of insecurity and poorly functioning markets as well as ensuring that interventions are prioritised and results-led. We consider that the resilience agenda must be country owned and led, and so support the focus of SHARE on working with partner governments and with the Intergovernmental Authority on Development (IGAD).

You ask specifically for views on increasing engagement with Eritrea and the more volatile areas of Somalia in the context of the SHARE initiative. Although we believe Eritrea suffers from chronic food insecurity, the Government of Eritrea does not agree, and therefore most international humanitarian organisations are unable to work there. Unfortunately, the European Commission has withdrawn humanitarian funding, as the Eritrean government prevents its officials from travelling around the country to assess and monitor. Eritrea will therefore not directly benefit from the €22 million allocation under SHARE outlined above. We will continue to push for proactive engagement on both sides.

Resilience in Somalia is taking root, with some useful international initiatives gaining momentum. However, expectations need to be managed, with many areas of Somalia still inaccessible, and insecurity still a major problem. The UK Government is working with others including the Commission to develop a lasting political solution, and the conditions on the ground that will help establish the foundations for stabilisation and resilience.

19 October 2012

HORN OF AFRICA AND YEMEN: EU COUNTER TERRORISM ACTION PLAN

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs at its meeting on 11 October considered the above document and cleared it from scrutiny. The Committee noted that the working groups in Brussels would be discussing this action plan in October and we would appreciate an update on the outcome of those discussions.

The Committee would also be grateful if you could provide further information on two points. The first is that the Action Plan commits the EU to coordinate its counter-terrorism strategy with other regional and international actors such as the Inter-Governmental Authority on Development (IGAD), East African Community (EAC), East African Police Chiefs Organisation (EAPCO) and Interpol amongst others. The Committee would be interested to hear if there are structures in place to facilitate such coordination and how would this cooperation look in practice?

The Committee is also aware that the African Mission in Somalia (AMISOM) has been successful in their assault against Al-Shabaab and has held Mogadishu since August and re-took the port of Kismayo in early October. Considering the growing importance of AMISOM in securing the security of the region, the Committee would be interested to hear further details of AMISOM: operational capacity; international funding; role of the UK (if any) in the training of AMISOM and strategic plans would all be of interest.

I look forward to receiving your reply within ten working days after the working groups meet in Brussels.

18 October 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am grateful to your Committee for clearing the above document at your meeting on 11th October.

In your letter to me of 18th October, you requested further information about how the EU intended to coordinate the activities envisaged in the Action Plan with the activities of other regional and international actors.

Two EU scoping studies in the Horn of Africa region are taking place this week. These will design the terms of reference for the future EU programmes, which will flow from the Action Plan. Experts' meetings, which will include the UK, will be held with the principal local and regional organisations operating in the region. The first output from each study will be a mapping exercise of other donor activity. The experts will report back to the external CT working group in Brussels (COTER) on 7th November and their findings will be incorporated into the next draft of the Action Plan.

As the EU is in the earliest stages of designing its future counter-terrorism programmes in the Horn of Africa, it is too early to say at present what form the coordination with other donors will take. As I mentioned in the EM, Denmark initially proposed this Action Plan with UK support, as we are very keen to see the EU step up its counter-terrorism activity in the region. But clearly, any activity resulting from the Plan must be complementary to, and not duplicate, ongoing or planned activity by member states or other actors.

You also requested further information about the role of the African Union Mission in Somalia (AMISOM). The UK fully supports AMISOM in its efforts to create secure space in Mogadishu and southern Somalia and we welcome the recent advance of AMISOM and Somali forces, increasing the area recovered from Al Shabaab control. AMISOM has played a key role in helping to create the space and stability that has enabled political progress in Mogadishu, including the end of the transitional period. AMISOM is authorised through UN Security Council Resolution 2036 for up to 17,731 uniformed personnel to reduce the threat posed by Al-Shabaab and other armed opposition groups in four sectors of south central Somalia in order to establish conditions for effective and legitimate governance across Somalia. AMISOM receives funding through the UN logistical support package, the EU Africa Peace Facility, the UN Trust Fund for AMISOM and through bilateral support. Last year, the UK contributed approximately £16 million in bilateral support to AMISOM, on top of our support through the UN and the EU. We have also played a leading role in ensuring that the Mission has the means to operate effectively by leading UN Security Council Resolution negotiations on AMISOM in the UN. In addition, the UK provides some support to pre-deployment training for AMISOM troops and we have a small advisory team providing in-country support and mentoring to AMISOM in areas such as stabilisation, strategic communications and medical advice.

29 October 2012

INVESTOR-STATE DISPUTE SETTLEMENT TRIBUNALS (11868/12)

Letter from the Chairman to Jo Swinson MP, Minister for Employment Relations, Consumer and Postal Affairs, Department for Business, Innovation and Skills

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 26 September and decided to hold it under scrutiny while the negotiations continue. We would like to thank you for the offer to keep us informed on the progress of the regulation in advance of any key decisions and look forward to the updates.

We would be grateful for your assessment of what the level of claims might be, and whether this proposal is likely to lead to a significant number of cases before the ECJ? If several Member States were responsible for potential costs how would the level of contribution for each Member State be decided?

The Explanatory Memorandum also notes that there was a debate between the EU and Member States over the extent of the EU's competence over non-FDI investment matters and matters related to investment. We would be grateful if you would provide us with more details about this debate.

The Commission's proposal mentions that the UK and Ireland have specific procedures on the management of awards rendered under the ICSID Convention. How will this proposal impact on this?

The proposal states that when the Union is acting as a respondent, the Member State concerned must provide all necessary assistance to the Commission. What does this mean in practice? The proposal also states that the Commission may decide to settle the dispute even if the Member State concerned does not consent, if the Commission considers that there is an overriding interest of the Union. Is there clarity on what an "overriding interest of the Union" is?

I look forward to receiving your reply in the usual ten working days.

3 October 2012

IRAN: SANCTIONS

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing with regard to the adoption at the 15 October Foreign Affairs Council of a new Council Decision and Implementing Regulation imposing new sanctions against Iran.

Firstly, I regret that I found myself in the position of having to agree to the adoption of these measures before your Committee had had an opportunity to scrutinise the documents. I take seriously the responsibility to keep your Committee informed on issues concerning sanctions. Unfortunately, the timelines in this case were extremely tight: a final text was agreed on the afternoon of Friday 12 October and was then adopted by the Foreign Affairs Council on Monday 15 October. Therefore the need to override of scrutiny was, regrettably, unavoidable.

The measures themselves were subject to intense negotiation, where the UK Representation to the EU worked hard to secure the tough new sanctions against Iran. I submit an Explanatory Memoranda on the documents that have now been agreed.

These measures include action to limit Iran's access to key materials and equipment that could be used in its nuclear programme. The measures also target key industries that help to fund the programme. The European Union agreed to take action in five main areas: trade, energy, finance, shipping and further asset freezing measures.

On trade we agreed an extension of the ban on exporting equipment for the Iranian Energy Sector; a ban on exporting graphite; a ban on exporting metals (defined as "raw and semi-finished metals"); a ban on exporting naval equipment (for ship building and maintenance) and a ban on exporting software for integrating industrial processes.

On the energy sector a gas embargo (a prohibition on import, purchase or transport of Iranian natural gas and a ban on construction of oil tankers were agreed.

In the area of finance the EU agreed a "financial cut-off", prohibiting all but specifically licensed trade with a notification system for humanitarian up to EUR 100,000 and similar payments (up to EUR 40,000) was agreed; a full listing of the Central Bank of Iran except to permit channels for the provision of liquidity and repayment of debts; and a full ban on the public provision of export credit guarantees (adding short term to the already prohibited medium and long term).

On transport a ban on the flagging and classification of Iranian oil tankers and cargo vessels and a ban on the leasing / chartering of vessels for the transport or storage of Iranian oil were agreed.

Finally new designations which impose an asset freeze on further Iranian companies were also agreed. The designations include all of Iran's leading energy companies, their subsidiaries and front companies and the key Iranian Energy Ministries.

We believe it is an urgent priority that the European Union continues to have a robust response to continued Iranian defiance of its international obligations, including acting to prevent Iran acquiring the goods needed to develop its nuclear programme and halting the trade and financial flows that fund the programme.

The Government is committed to the dual track policy of increasing pressure against Iran in order to persuade it to negotiate seriously about its nuclear programme.

Throughout 2012 there have been various announcements by Iran recording continued progress on the ground with its programme, in particular the installation of more centrifuges at its underground

facility at Qom. In this, Iran is continuing on its path of provocation. This is an enrichment programme that has no plausible civilian use, in a site that the Iranian authorities hoped to keep secret. The International Atomic Energy Agency has repeatedly expressed its concerns about the possible military dimensions of Iran's nuclear programme, including its latest report of September 2012 and the subsequent Board of Governors resolution.

We remain clear that the dual track policy of pressure and engagement remains in place. Sanctions in place are targeted, proportionate and reversible. Iran has the power to end sanctions and further international isolation by changing course.

Once again let me reiterate how seriously I take the responsibility to keep your Committee informed on issues concerning sanctions – and my regret that on this occasion an override of scrutiny was unavoidable.

I would of course be happy to answer further questions the Committee may have about these measures.

30 October 2012

IRAQ: EUROPEAN UNION INTEGRATED RULE OF LAW MISSION

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 14 June and cleared it from scrutiny.

Your Explanatory Memorandum notes the Government's support for the transition of the work of EUJUST LEX – Iraq to the Iraqi authorities and an end to the mission once the 18 month period comes to an end. The Committee would be grateful if you would provide us with an update on the Mission once the first six month review has taken place as this will be an important time to assess whether closing down the mission is the appropriate step.

We understand that the Commission and the European External Action Service are presently working on a revised operational plan for the Mission. We would be grateful if you could also update the Committee on the evolution of this plan, together with an update on the budget should the operational plan already be finalised at that stage. I look forward to hearing from you on the points in the this paragraph within the standard ten working days.

14 June 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am grateful to the House of Lords EU Sub-Committee for clearing the Explanatory Memorandum on the EU CSDP Rule of Law Mission in Iraq.

You requested more information on the Mission's Operational Plan and Budget. The latter has now been agreed in Brussels. The final figure is € 27,150,000 for the year from 1 July 2012 to 30 June 2013. The breakdown in my Explanatory Memorandum of 31 May 2012 is still accurate.

The Operational Plan is a planning document detailing the resources and capability required to execute the Mission mandate. It has been discussed and agreed in Working Groups in Brussels and focuses on Mission objectives, design, implementation and logistical support.

Following negotiations in which the UK has played a leading role, the Operational Plan reflects the views of the UK as to the areas on which the Mission's mandate should focus. As outlined in my Explanatory Memorandum these include police investigative training, institutional capacity of the various judicial training agencies and the professional development of penitentiary officers.

I believe it is vital to evaluate the impact of the Mission's work and have asked the Embassy in Baghdad and the Representation in Brussels to take a close interest in the mission's review of its work due in six months. This will be an important opportunity to assess whether the Mission is delivering its mandate particularly to developing the capacity of Iraqi training actors in the field of Rule of Law.

I will write to both the Lords and Commons scrutiny committees after the six month review has been completed.

29 June 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

Thank you for your letter of 29 June 2012 on the above subject, which was considered by the EU Sub-Committee for External Affairs at its meeting on 5 July 2012.

Thank you also for copying to me your letter of 21 June to William Cash, Chair of the House of Commons European Scrutiny Committee, on the same subject. We were particularly interested in the level of detail contained in your letter to William Cash, in particular the two appendices. These both presented to us the kind of information which we have repeatedly requested for all EU missions when we consider extensions of mandates i.e. assessments of previous performance and evidence of mission impacts. Would you please therefore arrange for your officials to send us evaluations such as these whenever mandate extensions for CSDP evidence of missions come to us for scrutiny.

16 July 2012

JOINT EU-CARIBBEAN PARTNERSHIP STRATEGY

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

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 19 July, which was cleared at the Chairman's sift.

We would like to thank you for providing us with the Strategy ahead of the adoption of the Council Conclusions, which are due to be adopted in September. We welcome this early engagement with our Committee.

I do not require a response to this letter.

24 July 2012

JORDAN: EU ACTION PLAN

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I wrote to your predecessor on 16 January to explain the ongoing discussions in the EU surrounding the formal adoption of the EU-Jordan Action Plan (copy attached) [not printed]. I further wrote in February in response to his letter of 3 February asking about the application of conditionality in the EU-Jordan Action Plan.

The EU-Jordan Action Plan is the first Action Plan agreed post-Lisbon. Following pre-Lisbon practice, where Action Plans were agreed via a CFSP Decision, the EU-Jordan Action Plan was initially envisaged to be agreed by a Decision of the European Council, and hence was deposited in Parliament in April 2011.

However, after due consideration among EU partners, it was agreed that a Council Decision would not be an appropriate mechanism for agreeing the Action Plan. This was for two reasons. Firstly, the Action Plan is a political document and does not contain any legally binding obligations or create any new financial obligations. Secondly, the Action Plan covers a wide range of subjects, including areas of exclusive, shared, and Member State competence. This range cannot be captured in a Council Decision alone, as this can only establish a position of the EU in areas of EU competence.

The solution agreed by all EU partners was that the EU-Jordan Action Plan would be agreed as an annex to both Council Conclusions and Conclusions of the Representatives of the Governments of the Member States meeting within the Council. The Action Plan was hence agreed as an annex to these two sets of Conclusions on 22-23 March. It is long-established practice that Council Conclusions are not submitted for scrutiny and hence we do not intend to formally submit either the Conclusions or their annex, the Action Plan, for scrutiny.

Whilst the Action Plan is therefore not subject to the scrutiny reserve, we have no desire to avoid parliamentary oversight of the Action Plan, which I re-attach here [not printed]. The Action Plan sets

out areas for deeper co-operation between the EU, its Member States and Jordan, ranging from human rights and trade, to migration and social reform. We would be happy to answer any further questions the Committee has with respect to the Action Plan.

It is our expectation that future Action Plans will be agreed in the same manner, as annexes to Conclusions, and so will not be liable to a formal scrutiny reserve. If so, we would adopt the same approach of providing the Action Plans to the Committee for its oversight.

14 May 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

Thank you for your letter of 14 May about the EU-Jordan Action Plan.

We note that your letter sets out how the Council intends to agree future Action Plans. You say that in future Action Plans will be agreed in the same manner, as annexes to Conclusions, and so will not be liable to a formal scrutiny reserve.

First, we note that Article 2(1) of Decision 2002/357 states “The position to be taken by the Community within the Association Council and the Association Committee shall be laid down by the Council, on a proposal from the Commission, or, where appropriate, by the Commission, each in accordance with the corresponding provisions of the Treaties establishing the European Community and the European Coal and Steel Community.” We therefore consider that a CFSP Decision under Article 25.5 TEU would be the appropriate form of adopting an Action Plan and not as an Annex to Council Conclusions.

Second, even if Article 2(1) does not apply, it is not clear to us that the Action Plan is devoid of legal effect. The significance being that positions taken by the EU in international agreements having legal effect are, by virtue of Article 218.9 TFEU, adopted by Council Decision. It seems to us significant that the recitals to the Recommendation in the original proposal note that the parties to the Euro-Mediterranean Agreement are bound to “take any general or specific measures required to ... see to it that the objectives set out in this Agreement are attained”. They also make it clear that the recommendation to implement the Action Plan is made for the purposes of attaining the objectives of the Agreement. This is indicative of the implementation of the Action Plan being part of a wider obligation to take specific and general measures to attain the objectives of the Agreement.

Third, even if there was no specific obligation for the Council to take a decision under either Article 2(1) of Decision 2002/357 or Article 218.9 TFEU, it nevertheless seems the appropriate mechanism given that Article 25.5 TEU requires the adoption of an EU position under the CFSP by means of a decision.

If Action Plans are not agreed upon as Council Decision we would still consider that they should be deposited as an EU document given their importance in accordance with the terms of reference of our Committee, especially as not doing so would be a significant step back in our capacity to scrutinise this work of the Council.

29 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 29 May 2012, emphasising the Committee’s concerns around the decision that the EU-Jordan Action Plan would not be subject to Parliamentary Scrutiny. I hope to be able to address these concerns and answer the specific questions you raised on the Action Plan.

The EU-Jordan Action Plan covers possible cooperation on a wide range of action within the framework of the Euro-Mediterranean Agreement, which in turn is a mixed agreement involving the EU and Member States. The finalised EU-Jordan Action Plan was sent to the committee for oversight on 14 May 2012. This version of the action plan did not vary from the draft originally deposited. In answer to one of your questions, the prolonged discussion on the action plan focussed on an appropriate mechanism for agreeing the plan and not on its contents.

As you will recall, this was the first Action Plan proposed for adoption within the framework of an Association Agreement to be agreed after the entry into force of the Lisbon Treaty. You asked why this mattered. Pre-Lisbon practice on approval of such action plans was inconsistent. Some were approved by a Council Decision based on the legal basis of CFSP and were thus submitted for scrutiny; others were not, and so were not submitted for scrutiny. There is no direct equivalent post-Lisbon for the CFSP legal base used pre-Lisbon. The entry into force of the Lisbon Treaty

therefore necessitated consideration as to the most appropriate process to approve the action plans that would have previously been approved by CFSP Council Decision. It also provided an opportunity to ensure consistency of practice.

It was initially envisaged by the Commission that the EU-Jordan Action Plan would be approved by a Council Decision. However, after substantive and lengthy discussions between Member states and the EU Institutions, it was agreed that a Council Decision would not be an appropriate mechanism for the following two reasons.

Firstly, the use of a legally binding Council Decision risked implying that the Action Plan itself had legal effects. Whilst, as you note, the Euro-Mediterranean Agreement is a legally binding treaty, the Action Plan to be adopted by the Association Council is politically binding. The Action Plan does not amend the Euro-Mediterranean Agreement, nor does it purport to impose new legally binding obligations on the Parties to the Agreement. It is important for legal certainty that this distinction is maintained, and adoption of the EU position on an action plan by Council Decision risked undermining that distinction.

Secondly, the Euro-Mediterranean Agreement is mixed, and in addition to areas of EU competence the action plan covers political dialogue which is Member State competence, as well as areas of unexercised shared competence. It is important in preserving the distinction between EU action and action by the Member States that the Council, an EU institution, only adopts positions to be taken by the EU, and does not purport to adopt positions of the Member States. It was therefore a key concern to the UK that any mechanism for adopting a position of both the EU and its Member States, as in the case of the Action Plan, respected that principle.

It was for both the above reasons that two sets of Conclusions, one of the Council and one of the Representatives of the Member States meeting within the Council, was considered the most appropriate mechanism for the EU and its Member States to approve the Action Plan. Other options considered were:

- to adopt a position of the EU and Member States by twin Decisions, one a Council Decision under Article 218(9) Treaty on the Functioning of the European Union, and the other a Decision of the Representatives of Member States meeting within the Council, or in the alternative by a single hybrid Council/Member State Decision. However, this would not have met the concern that a legally binding Decision was not an appropriate mechanism for establishing a position on a politically binding document.
- To adopt a position by an I/A point in Council. I/A Notes are the mechanism by which issues are presented to Council (including Conclusions and Decisions). They are not by themselves indicative that an instrument is legally binding and would have enabled clearance by the Council. However this was not considered an ideal solution because I/A notes do not make clear the legal status of the accompanying document. The status of the Action Plan was such that Conclusions were considered to provide the more formal approval appropriate for this politically binding instrument.

The solution arrived at reflects agreement reached between the EU Institutions and other Member States. It ensures that the Action Plan is endorsed not just on behalf of the EU but also Member States, reflecting the mixed nature of the Euro-Mediterranean Agreement and the subject matter covered by the Action Plan itself. It also avoids the implication that the Action Plan has legally binding effects.

I hope this explains why the Action Plan was approved through Council Conclusions. As such, it does not attract formal scrutiny. However, I am committed to promoting parliamentary oversight of EU decision-making. It has never been the Government's intention to weaken Parliament's role in this regard. For this reason, in the case of any future Action Plans likely to be adopted within the framework of Association Agreements, I would be happy to provide the Committee with the draft version of the Action Plan when it is first passed to Council/Member States for approval of the position to be taken on it, and answer any questions the Committee may have.

18 June 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

Thank you for your letter of 18 June 2012 which was considered by the EU External Affairs Sub-Committee at its meeting of 28 June.

We can infer that you do not consider Article 218(9) TFEU to be an appropriate legal basis for the adoption of the EU position in the EU-Jordan Association Council from your explanation that the Action Plan does not impose legally binding obligations. However you have not addressed the other legal provisions which were highlighted in my letter of 29 May as pointing towards the need for a Council Decision for this purpose rather than Council Conclusions. We should therefore be grateful if you provide your views on the impact of Article 2(1) of Council Decision 2002/357 and Article 25(5) TEU. In addition we note, and invite your comments on, the fact that the Commission proposed the adoption of the previous Action Plan on the legal basis of the predecessor to Article 29 TEU.

We should also like to know the Commission position on the use of Council Conclusions, as its right of initiative has been curtailed by not using Article 2(1) of Decision 2002/357 as a legal basis.

Finally we should be grateful if you would clarify the penultimate paragraph of your letter, where you indicate that you would "be happy provide the Committee with the draft version of the Action Plan when it is first passed to Council/Member States for approval". Do you intend to do this by depositing the document and providing an Explanatory Memorandum?

29 June 2012

KOSOVO: EUROPEAN UNION RULE OF LAW MISSION

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The above document was cleared from scrutiny at the Chairman's sift and the EU Sub-Committee on External Affairs considered it at its meeting on 24 May.

The Sub-Committee considers that the mission is important and would therefore be grateful for a further update on its work after the summer recess.

In your assessment of the mission could you also comment on what effect the reduction in personnel has had on the mission?

We understand that EULEX's structure will be revised from three pillars (police, justice and customs) to two ("strengthening/mentoring" and "executive" (in practice judicial)). Please would you inform the Committee whether this process has been successful.

The length of the mission will depend on Kosovo meeting a number of benchmarks which are currently being discussed. We would be grateful to receive further information on the nature of the benchmarks and how the Government view Kosovo's progress in meeting them.

29 May 2012

MALI

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office to the Chairman

I am writing to update the Committee on the situation in Mali and to give notice of consideration being given to a CSDP mission in that country.

As you know, the situation in Mali is deteriorating rapidly, with more than half its territory, particularly in the north of the country, occupied by a variety of organised crime groups and terrorist groups, some affiliated to Al-Qaeda. The Malian army is in disarray and is unable to retake control of the North and is deeply divided, underfunded and poorly led.

The EU has been considering its approach under the broad remit of the €650m EU Strategy for Security and Development in the Sahel. As part of that strategy, a civilian CSDP mission deployed to Niger in August to improve the capacity of the Nigerien security forces to tackle terrorism and organised crime in Niger, with a focus on border security.

The European External Action Service has now drawn up an options paper looking at Mali. This options paper proposes a military CSDP mission to Mali. The paper sets out three options for such a mission. The lightest option calls for a training deployment of 100-200 officers, intended to enhance

the capacity of the Malian army and so strengthen its hand in negotiations with - and military action against – rebels in the North. The heaviest option calls for a deployment of 500 to include forward support units to train and mentor Government forces. This option might involve EU forces in combat.

The British Government believes that CSDP could play a useful role in rebuilding the Malian army to retake the North. The French share this assessment and are pushing for a rapid political decision to launch a CSDP mission with a mandate to train and advise the Malian military.

I have noted the Committee's reservations on the accelerated planning process for the CSDP mission to Niger. I share the committee's desire that any CSDP deployment should be well-planned and based on a clear understanding of Mali's needs. However I also see the need to respond quickly to a conflict that is rapidly destabilising the Sahel. The French - who have a substantial presence in the Sahel and therefore understand the region well - believe that urgent action is required to reverse the country's collapse.

Discussions are continuing. Officials are taking a supportive position, but also taking opportunities to remind the External Action Service and French colleagues that a well-planned mission will be more effective at delivering to Mali the support which it needs.

I will update the committee again once a draft Council Decision is available for scrutiny.

15 October 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The House of Lords EU Sub-Committee for External Affairs at its meeting on 11 October 2012 was given a useful informal briefing by your officials on the situation in Mali, for which we would like to thank you.

The Committee noted that the African Union (AU), Economic Community of West African States (ECOWAS) and United Nations representatives are due to meet in Bamako on October 19 to discuss the way forward in Mali. The Committee would be very interested to hear the outcome of that meeting. The Committee would also be grateful if they could be kept updated on any significant changes in the situation in Mali.

I look forward to receiving your reply within ten working days following the 19 October meeting.

18 October 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing in response to your letter of 18 October, requesting an update following the meeting of the Support and Follow-up Group on the Crisis in Mali, joint chaired by the AU, UN and ECOWAS, which was held in Bamako on 19 October. The meeting was attended by Stephen O'Brien, the Prime Minister's Envoy and Special Representative to the Sahel.

The main objective of the meeting was to discuss and endorse the draft ECOWAS strategic concept for the resolution of the crisis in Mali (appended), which provides a framework of action for the Malian authorities. The strategic concept will also allow the international community to move forward in unison on a plan to restore Mali's territorial integrity, produce a legitimate government, address the humanitarian situation and provide a credible mediation process. In addition, by involving 25 countries and organisations with a diverse set of self-interests and regional agendas, the meeting provided an opportunity for Mali to set out its priorities and to clarify the roles of interested parties.

There were other positive outcomes from the meeting. Encouragement was given to ECOWAS, the AU, UN and EU to finalise joint planning, in cooperation with Mali, to respond to the Malian authorities' request for help. Conclusions called for sanctions against terrorist, rebel and criminal networks who fail to cut ties with terrorists, and encouraged the international community to support capacity building of the Malian defence and security services. There was also recognition of the need for greater international and regional support to address the humanitarian situation arising from the crisis in northern Mali.

The meeting in Bamako maintained the momentum built since the High Level Event in the margins of the UN General Assembly. A Human Rights Council Resolution was adopted on 26 September that registered concern at the deterioration in the human rights situation in northern Mali and called for an immediate halt to abuses. On 12 October, a UN Security Council Resolution (2071) was adopted under Chapter VII of the UN Charter. The resolution: reaffirmed the UN's commitment to a unified Mali; called for greater coordination from the international community, including on security,

development and humanitarian issues; and declared the UN's readiness to authorise an international military force to intervene in Mali. The Secretary General has been asked to report on the implementation of the resolution within 45 days. Finally, at the European Foreign Affairs Council on 15 October, Conclusions were agreed that called on the Malian Government of National Unity to adopt a roadmap towards the restoration of constitutional order and the preservation of a united Mali.

31 October 2012

MULTI-ANNUAL FINANCIAL FRAMEWORK (2014-2020): THE FINANCIAL INSTRUMENTS OF THE EXTERNAL ACTION'S PART OF THE EU BUDGET

Letter from both the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, and Stephen O'Brien MP, Parliamentary Under Secretary of State, Department for International Development, to the Chairman

We would like to take this opportunity to update the Committee on progress that has been made since the ten Explanatory Memoranda (EMs) on the draft regulations covering the Financial Instruments of the External Actions Part of the EU Budget ("Heading 4") were issued (submitted to the Committee in December 2011). One covered the Commission proposal to establish common rules and procedures for the implementation of the EU's External Action instruments in the next MFF; and the other nine covered draft regulations/communications covering expenditure on EU's external actions for the period 2014-2020:

PROPOSED REGULATIONS	€billions (2011 prices)
i. Development Cooperation Instrument (DCI)	20.6
ii. Pre-accession Instrument (IPA)	12.5
iii. European Neighbourhood Instrument (ENI)	16.1
iv. Partnership Instrument (PI)	1.0
v. Instrument for Stability (IFS)	2.5
vi. European Instrument for Democracy & Human Rights (EIDHR)	1.4
vii. Instrument for Nuclear Safety Cooperation	0.6
viii. Instrument for Greenland	0.2
ix. Multiannual financial framework for the period 2014 to 2020 of the ACP-EU Partnership Agreement (outside Budget)	30.3

GENERAL

Council negotiations on the European Commission's draft regulations for the next MFF have been underway since January. These intensive discussions are on-going and will be completed in the next few days. The Danish Presidency will then draft the text of the so-called "Partial General Approach" (PGA) to be approved at the General Affairs Council (GAC) on 25 June. A PGA is a Council version of each regulation with any unresolved issues in square brackets and no inclusion of financial amounts. Unfortunately these draft texts will not be available for the Committee to scrutinise before they go to the GAC on 25 June, as final agreement on them will not be reached until Wednesday 20 June at the earliest. The agreed text for the PGA will be approved under Qualified Majority Voting. Council clearance of the PGA will give the Presidency a mandate to enter into informal discussions with the European Parliament (EP) and the Commission on the basis of the text agreed. The EP is expected to produce its first reading on the Commission's draft external actions regulations in September/October. The Coalition Government will continue to work unrelentingly and uncompromisingly to ensure that the UK retains its sovereign decision-making powers and to hold the EU Institutions accountable for the effective implementation of EU external policies.

The Council has yet to begin detailed negotiations on the financial levels of the MFF. The Presidency is expected to propose a Council position between June and October on financial amounts. It is anticipated that the Council will make a first attempt to agree financial amounts by the end of this year, although there is no fixed period for the negotiation.

DEVELOPMENT COOPERATION INSTRUMENT

As with all the Instruments, no consideration has yet been given to financial levels, either for the overall Instrument or for its component parts. On the policy side, the aspects of the Commission's proposal that UK welcomed, including the emphasis on the poorest countries, the 100% ODA requirement for country programmes, the thematic programme on climate change, and moves to align programming more closely with countries' own priorities, have been accepted by Member States. The precise definition of which countries should graduate from EU bilateral grant assistance is still under discussion. The Council has not followed the Commission's proposal to make more extensive use of delegated acts. This has resulted in the deletion of all references to that procedure in the text as well as of the three Annexes setting out areas of activity under the different cooperation programmes (geographic; thematic; pan-African) proposed by the Commission. Key elements from these annexes have been reintroduced in corresponding articles and would therefore not be subjected to the delegated act procedure. The proposed pan-African programme is still included, but its precise function and of course financial level have still to be established.

PRE-ACCESSION INSTRUMENT

The UK welcomes the Commission's IPA proposal covering 2014-2020. It reflects the outcome of last year's consultation process and addresses many of the weaknesses of the current instrument (2007-2013) although we will need to ensure that monitoring and evaluation is sufficiently robust. The Council has been highly supportive of the Proposal although a small number of issues remain to be agreed:

i) *Size of the Performance Reserve.*

The reserve is to make IPA more of an incentive for beneficiary countries and particularly to reward good performance. However the size of the reserve for each country allocation is still open to question.

ii) *Sector Budget Support*

The existing IPA instrument allows for the use of Budget Support on an exceptional basis only. The Commission (with UK support) is looking for IPA to include a provision of Sector Budget Support to be an option for future programmes where needs are justified.

iii) *Removal of the distinction between candidate and potential candidates*

The existing distinction is regarded as being too restrictive preventing beneficiary countries from gaining access to the full range of IPA support until it achieves candidate status. The UK supports the Commission's proposal subject to beneficiaries having sound financial procedures in place.

EUROPEAN NEIGHBOURHOOD INSTRUMENT

While supportive of the policy aspects of the Commission's proposals for the ENI, several parts of the text have been adjusted in response to the concerns of the Council. The main changes made to the Commission proposal can be summarised as follows:

- ensuring that regional cooperation was appropriately taken into account in the draft Regulation
- including specific references to the Eastern Partnership, the Partnership for Democracy and Shared Prosperity and the Union for the Mediterranean in the draft Regulation, rather than referring to the "Eastern and Southern dimensions of the European Neighbourhood Policy"
- complementing the draft proposal, the Council agreed that Union support would aim at establishing an area of shared prosperity, and more specifically seek to achieve progressive integration into the Union including improved market access through deep and comprehensive free trade areas. Union support would also be targeted, among other elements, at science, technology and innovation as well as environmental protection

- The Council agreed language to stress the involvement of all Member States in the programming process and not only of those that had committed to joint programming.
- The one outstanding issue for the Council is to define precisely how a flexible mechanism for linking country allocations with performance on implementing reforms will work.

PARTNERSHIP INSTRUMENT

There was some initial resistance to the concept of the Partnership Instrument in Council, but there is now full support for a new arrangement for emerging economies and other upper middle income countries. This will enable the DCI to have a sharper focus on poor countries. The Commission's references to delegated acts have been removed.

INSTRUMENT FOR STABILITY

There is general Council consensus on the effectiveness of the IfS' flexibility and responsiveness. The Commission's proposal introduces the ability for IfS to be used in counter-terrorism activity, which UK supports. There are no other EU instruments that can be used in counter-terrorism activity. Much careful negotiation has been undertaken to enable results of EU interventions to be better tracked and especially to build in performance indicators to ensure comprehensive lesson learning across the whole Instrument can be undertaken efficiently. The areas of activity have been moved from the Annexes into the body of the Regulation, with consequent complete removal from the Regulation of the provisions on delegated legal acts. Furthermore, the possibility for the Commission to adopt Exceptional Assistance Measures without prior information to the Council was not agreed.

EUROPEAN INSTRUMENT FOR DEMOCRACY & HUMAN RIGHTS

Overall the Council supports the proposal. The UK welcomes the commitment the EIDHR has shown to the promotion of human rights and democracy globally and considers it to have performed well. We believe it will continue to play an important role in the period 2014-20. EIDHR has faced some criticism for the time it takes to approve new project ideas and the speed of response to rapidly evolving situations, for example those seen in North Africa in 2011. The UK welcomes the intention in the proposal to respond more flexibly to the situation in countries facing the most serious challenges and in response to fast-moving events. With regard to EIDHR's work on election observation missions, the UK welcomes the intention to support initiatives at all stages of the electoral cycle, not just at election periods.

INSTRUMENT FOR NUCLEAR SAFETY COOPERATION

UK recognises the importance of the Instrument in promoting a high level of nuclear safety and discussions focused on safety related issues. The negotiations were satisfactorily concluded on 25 May.

INSTRUMENT FOR GREENLAND

The current framework for cooperation between the EU and Greenland will expire on 31 December 2013. The Council agreed that the importance of the Arctic region for the EU and its increased climate-induced accessibility, as well as the structural weaknesses of Greenland, justify a new financial instrument. The partnership between the European Union, Greenland and Denmark should facilitate consultations and policy dialogue in areas such as global issues, including energy, climate change and environment, natural resources including raw materials, maritime transport, research and innovation, as well as Arctic issues. Furthermore, the objectives of the partnership are to support and cooperate with Greenland in addressing its major challenges, including the sustainable diversification of the economy. It will also contribute to the capacity of the Greenlandic administration to formulate and implement national policies, in particular in new areas of mutual interest.

COMMON RULES AND PROCEDURES FOR THE IMPLEMENTATION OF THE EU'S EXTERNAL ACTION INSTRUMENTS IN THE NEXT MFF

The UK is content that the draft proposals do not include any plans to impose a single approach to joint programming. Draft language on monitoring and evaluation has been strengthened as have references to results and impact. UK believes the Common Implementation Regulation will contribute to simplifying EU aid procedures and enable the Instruments across Heading 4 to be more coherent.

MULTIANNUAL FINANCIAL FRAMEWORK FOR THE PERIOD 2014 TO 2020 OF THE ACP-EU PARTNERSHIP AGREEMENT

There is broad Council support for the EDF II Internal Agreement draft text. Decisions on overall figures and whether the EDF will become part of the EU Budget will be decided under the wider MFF negotiations. We expect a draft EDF Implementing Regulation to issue in the autumn followed by a draft EDF Financial Regulation in December.

18 June 2012

NEW ZEALAND: FRAMEWORK AGREEMENT

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing to advise the European Scrutiny Committee that negotiations will now begin for an EU/New Zealand Framework agreement. On 2 April the European Council made the recommendation that negotiations should begin for the Framework agreement, which would be 95% modelled on the Framework Agreement being considered between the EU and Australia.

The EU and New Zealand have a longstanding cooperative relationship which has developed on the basis of the 1999 joint declaration on relations between the European Union and New Zealand. In 2007 an adoption of a non-binding joint declaration on relations and cooperation shaped the next 5 years. Following the review of this in 2012 a further upgrade of the relationship has become desirable for both sides. The proposed EU-New Zealand Framework Agreement would upgrade and replace the joint declaration of relations and cooperation. It would create a coherent legally-binding overall Framework for the EU's relations with New Zealand. All existing sector specific agreements would remain in place.

The UK Government welcomes the decision for negotiations to begin on this Framework. The basis of the Agreement is built around shared values, including strengthening bilateral dialogue and developing common solutions to global challenges. Human Rights, non-proliferation of weapons and the fight against Terrorism will form the basis of the cooperation. This would also serve to raise the profile of both EU member states, including the UK, and New Zealand in each others' regions. The Agreement would include provisions in the area of Justice and Home Affairs, including security and migration. The Agreement would also cross-reference and seek to include other areas of cooperation including:

- Environment
- Climate Change
- Civil Protection
- Energy
- Transport
- Financial Services
- Customs
- Taxation
- Financial cooperation, including anti-fraud provisions
- Agriculture, rural development and forestry
- Maritime affairs and fisheries
- Employment

- Education
- Culture
- Research and innovation
- Information society

It is unclear at this stage how long negotiations may take. The UK will look to contribute in full to discussions at the EU to ensure the UK's interests are protected and enhanced. The UK Government hopes that with negotiations commencing, that they will lead to a beneficial Agreement for both the European Union and New Zealand.

9 May 2012

OUTER SPACE ACTIVITIES: PROPOSAL FOR AN INTERNATIONAL CODE OF CONDUCT

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs considered the document above at its meeting on 24 May and cleared it from scrutiny.

This is the first time the Committee has been informed in any detail on the EU work on a Code of Conduct on Outer Space Activities (and we note that the draft Code of September 2010 was not attached to your Explanatory Memorandum). As this matter has been ongoing since 2008 when the Council adopted Conclusions on a draft Code it is regrettable that the Committee was not updated at the time.

The Explanatory Memorandum focuses predominantly on the Council Decision and does not provide a detailed picture of the Code itself. It merely states in Paragraph 13 of the Explanatory Memorandum that the Government considers the code "a valuable means of building trust, transparency and predictability in the uses of outer space, and enhancing safety, sustainability and security in an increasingly congested and competitive environment. It will provide a mechanism for coordinating responses to space debris, mitigation and avoidance." It does not identify whether any problems have been raised, such as how the code will address anti-satellite weapons (ASAT). To what extent would the United States and other non-EU countries be willing to support a code which prevented the use of ASAT?

The Explanatory Memorandum does not mention China once nor does it consider the Chinese and Russian proposal for a binding Treaty (the proposed treaty on the Prevention of the Placement of Weapons in Outer Space and the Threat of Use of Force Against Outer Space Objects (PPWT)) and how these countries have reacted to the EU's initiative. We would be grateful for the Government's assessment of the Chinese and Russian governments' views on this initiative as both these countries have significant space programmes.

The Explanatory Memorandum notes that the Minister for Universities and Science has an interest in this issue. There is no mention of the Ministry of Defence (MOD). As this document impacts on security matters we would like to know whether the MOD were consulted on this proposal and on the discussions leading up to the Council adopting the draft Code.

29 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing in response to your letter of 29 May 2012 and specifically the questions you raised with regard to the EU's proposal for an International Code of Conduct on Outer Space Activities.

In 2007, the European Union (EU) launched its proposal for a voluntary, non-legally-binding International Code of Conduct for Outer Space Activities with the aim of establishing a normative framework and universally-agreed set of best practices to complement the existing legal instruments governing activities in outer space. To this end, the EU, working closely with Member States, produced a preliminary draft Code in 2008 (Council Conclusions 17175/08), revised in September 2010 (Council Conclusions 14455/10).

The September 2010 Council Conclusions (14455/10) authorised the High Representative to 'engage with third countries that have an interest in outer space activities, with the aim of establishing a text that is acceptable to the greatest number of countries and of adopting the Code of Conduct at an ad hoc diplomatic conference.' Following these consultations and the receipt by the EU of a number of written comments from third parties over the past two years, the EU and Member States produced a revised draft text. This text was formally presented to the international community for their consideration at the Multilateral 'Kick-Off' Meeting on 5th June, authorised by Council Decision 33884, and is now the subject of ongoing negotiations. Attached is the latest endorsed and publicly-released version of the text, as set out in the September 2010 Council Conclusions (14455/10) [not printed]. We undertake to share with the Committee the final text of the Code once it has been negotiated.

The draft Code sets out a number of general principles to govern responsible behaviour in space, and contains a number of discrete provisions designed to build trust, transparency and predictability in the use of space. These include specific measures on space debris mitigation, the exchange of information on space policies and programmes, notifications of space manoeuvres, and the creation of ad hoc consultation and investigatory mechanisms.

Critically, the draft Code recognises that most activity in space can have dual military and civil use, but does not seek to define civil or military applications or to prejudge issues before the Conference on Disarmament (CD) or the UN Committee on the Peaceful Uses of Outer Space (COPUOS).

As outlined in the explanatory memorandum, the Government regards the Code as a valuable means of building trust, transparency and predictability in the uses of outer space, and enhancing safety, sustainability and security in an increasingly congested and competitive environment. With little chance of progress on a legally-binding agreement on space security in the short- to medium-term due to the sharp differences within the CD over the merits and focus of any prospective Prevention of an Arms Race in Outer Space (PAROS) treaty, the Code represents the only viable international instrument for strengthening international norms against the use of counter-space capabilities and the avoidable creation of long-lived space debris. Broad support for it will provide an important confidence-building measure on which we and other international partners can build.

Third parties have raised a number of issues during the EU's consultations to date, in particular with the EU and Member States' intention to negotiate the Code outside of existing UN fora and with the references to 'self-defence' in the current text.

We and the EU have been clear that since the Code covers all space activities, it would not be appropriate for the Code to be negotiated in either existing international disarmament (e.g. UN General Assembly (UNGA) 1st Committee or CD) or civilian fora (e.g. UNGA 4th Committee and COPUOS). We have considered the possibility of the Code being negotiated by the upcoming Governmental Group of Experts on Transparency and Confidence Building Measures (TCBMs) in Outer Space, mandated in UNGA resolution A/C.1/65/L.38, due to meet from 23rd to 27th July in New York. However, we judge that this would be inappropriate, as the membership of the GGE is limited to fifteen countries (UK, US, France, Russia, China, Brazil, Chile, Italy, Kazakhstan, Nigeria, South Korea, Romania, South Africa, Sri Lanka and Ukraine) and excludes several key space-faring nations which have expressed a strong interest in the Code, (such as India and Japan). We believe that the Code should be negotiated through an extra-UN diplomatic process open to all states, led by the EU and with the support of Member States. This approach is supported by key international partners, such as the US, Australia and Japan, who share our view that an ad hoc diplomatic process offers a higher chance of agreement being reached at the earliest opportunity and of the product of these negotiations being of a high quality.

Some third parties have alleged that references to 'self-defence' in the current text could legitimize the militarization or weaponisation of space. On the contrary, we believe that it is important that the Code recognise and reflect the existing international legal framework as it applies to space, including the inherent right of individual and collective self-defence. The recognition of the existing international legal framework by the Code would not prejudice in any way either work within the CD on any future legally-binding agreement to prevent an arms race in outer space, or states' legitimate defence interests.

As an over-arching, non-legally binding, normative framework, we do not believe it would be appropriate for the Code to explicitly prohibit the development or use of space weapons. However, the use of space weapons would, in all but exceptional circumstances, be inconsistent with states' commitment in section 4.2 of the Code:

'to refrain from any action which brings about, directly or indirectly, damage, or destruction, of space objects unless such action is conducted to reduce the creation of outer space debris or is justified by the inherent right of individual or collective self-defence as recognised in the United Nations Charter or by imperative safety considerations, and where such exceptional action is necessary, that it be undertaken in a manner so as to minimise, to the greatest extent possible, the creation of space debris and, in particular, the creation of long-lived space debris.'

The constructive engagement of the key space-faring nations, including Russia and China, will be crucial to the success of the Code. The UK views the Russian and Chinese proposed draft for a Treaty on the Prevention of the Placement of Weapons in Outer Space and the Threat of Use of Force against Space Objects (PPWT), as unverifiable and inequitable. Nonetheless, many provisions in the Code closely resemble proposals made by Russia and China to the CD for space TCBMs, such as exchanges for information, notifications and consultations. Working with the EU and other international partners we will continue to actively engage Russia and China, building on areas of common ground to develop an international Code to which we hope they will subscribe.

The Ministry of Defence (MOD) and the UK Space Agency (UKSA) have both been actively involved in the initiative since its inception and have been consulted at every critical juncture, including in advance of the latest Council Decision.

16 July 2012

OVERSEAS COUNTRIES AND TERRITORIES ASSOCIATION (12732/12)

Letter from the Chairman to the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office

The House of Lords EU Sub-Committee on External Affairs at its meeting on 26 September 2012 considered the document above and decided to hold it under scrutiny.

The Committee would be grateful if the Government could provide a read out of the 11th Overseas Countries and Territories of the European Union (OCT-EU) Forum and the Overseas Countries and Territories Association (OCTA) Ministerial Conference. We understand these meetings will discuss the Commission's Proposal for a new Overseas Association Decision. We would also be grateful if you would provide information on the Government's policy on ministerial attendance at such meetings and at what stage UK ministers would become involved in the process of consulting OCTs over EU proposals relevant to them.

We would also be grateful for the Government's assessment on whether all UK Overseas Countries and Territories comply with international financial services regulations.

I look forward to receiving your reply within the standard ten working days.

3 October 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 3 October requesting a read out of the 11th Overseas Countries and Territories of the European Union (OCT – EU) Forum and the Overseas Countries and Territories Association (OCTA) Ministerial Conference and the Government's policy on ministerial attendance at such meetings. You also asked for the Government's assessment of whether all UK Overseas Territories comply with international financial services regulations.

The OCT-EU Forum took place in Ilulissat, Greenland on 26 – 27 September. All inhabited British Overseas Territories covered by the Overseas Association Decision (OAD) were represented. The European Commission's Proposal for a new OAD submitted to the Council in July was the focus of the meeting.

Mr Marcus Cornaro, the Deputy Director General of EuropeAid lead the European Commission delegation. He explained that the Proposal set out the foundations for a new era in the partnership between the EU and the Overseas Countries and Territories. The 2001 Decision had been beneficial to them, but was now outdated. The objectives of the new OAD were to enhance competitiveness, reduce vulnerability, and to enhance regional integration and co-operation. The Proposal addressed all these areas and had been the result of lengthy consultation, a process which was initiated with the

Commission's 2008 Green Paper. The Commission had listened to the comments and suggestions from all sides and they were confident that the Proposal reflected the realities of the 21st century. He added there was no obligation for the Overseas Countries and Territories to transpose EU legislation unless they wished to do so. Mr Cornaro noted that the Forum was a chance for the Commission to listen and understand concerns made by the Territories and their associated Member States.

I attach for your information a copy of the UK's intervention. The themes expressed therein were mirrored by the other Member States with Overseas Countries and Territories (France, the Netherlands, and Denmark). The Territories also broadly welcomed the Proposal but raised some questions with regard to the trade provisions, access to horizontal programmes and financial services. The FCO liaised closely with Territory Governments and their London based representatives during the European Commission's consultations on a successor to the existing OAD and in advance of the Forum in Greenland and will continue to do so as the negotiations move forward in Brussels.

The Forum was preceded by the OCTA Ministerial Conference. The Member States and the European Commission do not attend this Conference. However, the Chairman of OCTA, the Premier of Greenland gave the Forum a presentation on the conference's conclusions. He noted that the EU – OCT partnership should be based on inclusion, visibility, flexibility, dialogue and information sharing. The specific issues in the Proposal of greatest importance to the OCTs were: increased and effective dialogue, the simplification of procedures for accessing European Development Funds, the promotion and participation of OCTs in other EU funding programmes, the support of OCTs trade strategies and a recognition of the value of financial services to OCTs economies and global commerce.

Ministers always look carefully at whether or not they can attend the Forum. Other commitments prevented Mr Simmonds, the Minister for the Overseas Territories, from attending the Forum in Greenland. Ministers have engaged with the European Commission and Member States with Overseas Countries and Territories during the period of consultation by the Commission and will continue to do so. OT Leaders will be in London in early December for the annual Joint Ministerial Council, which will be an opportunity for them to discuss EU issues with Mr Simmonds.

You have also asked for an assessment on whether all the UK's Overseas Countries and Territories comply with international financial services regulations.

Lord Sassoon, Commercial Secretary to the Treasury, said in the Government's White Paper "The Overseas Territories: Security, Success and Sustainability" published in June: "I welcome the significant progress Territories have made in complying with international standards on tax transparency and dealing with the threat of terrorism financing and money laundering."

The UK and Territory Governments have a shared agenda on the application of high international standards for financial regulation. Compliance with these regulations is assessed by expert review bodies and standard setters including the IMF and the Financial Action Task Force. The British Caribbean Territories are members of the Caribbean Financial Action Task Force (CFATF) – the regional body of the Financial Action Task Force. Those Territories with a financial services industry score favourably in comparison to the independent Caribbean. The seven largest British Territories are also members of the Global Forum on Transparency and Exchange of Information for Tax Purposes. The peer reviews undertaken by the Global Forum show the considerable progress made by the Territories with all those reviewed having successfully moved to Phase 2 of the process.

19 October 2012

REPUBLIC OF MOLDOVA: FRAMEWORK PARTICIPATION AGREEMENT

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office to the Chairman

I am writing to advise the European Union Committee of plans for the EU to open negotiations with the Republic of Moldova for a Framework Participation Agreement. Once concluded, the agreement would facilitate Moldova's participation in European Union crisis management operations under the Common Security and Defence Policy (CSDP).

On 11 May, High Representative Baroness Ashton wrote to the European Council to recommend that she be authorised to open negotiations with Moldova over this issue. In response, the Council

provisionally agreed to grant such authorisation. The formal Decision to open negotiations was adopted at the 25 June Foreign Affairs Council; negotiations can now begin.

Moldova has shown a strong commitment to integration with the EU and is currently negotiating an Association Agreement including a Deep and Comprehensive Free Trade Agreement. Concluding a Framework Participation Agreement would reinforce this, as well as offering tangible benefits to future CSDP missions. More generally, the UK strongly supports third party participation in such missions, which allows the EU to access the expertise, political engagement and regional perspective of partners. We have seen some positive examples of cooperation from third states across a number of important CSDP missions, including Operation ATALANTA, EULEX Kosovo, and EUPOL Afghanistan. The Framework Participation Agreement will be modelled on these agreements.

It is unclear at this stage how long negotiations may take. I will ensure your Committee is kept informed as necessary, including subjecting the agreement to parliamentary scrutiny before its signature.

28 June 2012

REPUBLIC OF MOLDOVA: RESTRICTIVE MEASURES

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I regret that we have not been able to provide you with the Explanatory Memorandum (EM) for your Committee's consideration before a Council Decision concerning restrictive measures imposed against the Transnistrian region of the Republic of Moldova will be adopted in the EU.

A draft Council Decision was circulated by the EEAS on 13 September following MS negotiations in Brussels on how to deal with the renewal of the restrictive measures. These negotiations were informed by an EU commissioned independent report into the situation on the ground. The measures expire on 30 September and failure to adopt a new amending Decision prior to the expiry date would result in the measures falling away. Due to the current parliamentary recess it has not been possible to provide your Committee with the EM prior to the adoption of the Decision.

As you know, the responsibility to keep your Committee informed on issues concerning restrictive measures is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable. In my pre-Recess letter of 5 July I informed you of the likelihood of an amending Council Decision being adopted during September.

21 September 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

Thank you for your letter of 21 September on the above document which was cleared at the sift and considered by the House of Lords EU Sub-Committee on External Affairs at its meeting on 11 October 2012. The Sub-Committee noted the override and considered that it had been particularly unfortunate in this instance as a sift had taken place on 17 September and the Committee had met on 26 September in the recess, about which we had informed your officials on 23 July.

The Committee welcomes the suspension of restrictive measures on eleven individuals in recognition of the progress made on the Transnistrian conflict. However, the Committee considers that, with the new de facto administration, there is a window of opportunity for progress. Does the EU have any plans to take advantage of the current momentum to reassess its strategy and engage more actively on the issue of the Moldovan-Transnistrian conflict?

I look forward to receiving your reply within the standard ten working days.

18 October 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

Thank you for your letter of 18 October requesting further information about the EU's strategy on the Transnistria protracted conflict. The Government agrees with the Committee that there are now unprecedented opportunities for progress on Transnistria, and that the EU has an important role to play.

The EU was actively engaged in settlement efforts before the change in de facto leadership in Tiraspol in December 2011. Given the more constructive atmosphere, EU engagement has increased since then, including through direct contacts. In a press release following the EU-Moldova Cooperation Council held in Brussels on 26 June 2012, the EU “underlined its increased engagement in the Transnistria settlement efforts, including through continued support of the EU Border Assistance Mission to Ukraine and the Republic of Moldova, and through a comprehensive programme of confidence-building measures. It recalled its contribution [as an observer] to the ‘5+2’ settlement talks, conducted under the auspices of the OSCE.”

For the period from March 2012 to February 2015, the EU has more than doubled its confidence-building measures (CBM) programme funding to €12m; the figure for 2007-2011 was €5.5m. The United Nations Development Programme has also contributed an additional €1.1m. The programme aims to foster cooperation between Moldova and its Transnistrian region in the fields of: business development; social and community infrastructures, health, environment, and; civil society.

FCO officials would welcome the opportunity to brief the Sub-committee further on this issue if required, particularly to cover some of the more sensitive details of the EU's increased engagement, including its CBM programmes. My officials stand ready to follow up this offer with the Clerk of the Committee.

29 October 2012

SYRIA: RESTRICTIVE MEASURES (10751/12)

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

I am writing with regard to the adoption of further EU restrictive measures in view of the situation in Syria.

I regret that due to the last-minute agreement of these measures in the EU Council, the final texts regarding these measures emerged so late that I found myself in the position of having to agree to their adoption before your Committee had an opportunity to scrutinise the documents. Given the importance of the situation in Syria and of the need to keep up the pressure on the Assad regime, it was vital to adopt the text in time for the Foreign Affairs Council on Monday 14 May.

The new measures impose an asset freeze on two entities, both of which provide financial support to the Syrian regime. The General Organisation of Tobacco is wholly owned by the Syrian state and transfers its profits there; the Altoun Group is a company involved in a scheme to export Syrian oil with the EU-listed company Sytrol in order to provide revenue to the regime. The new measures also impose asset freezes and travel bans on Salim Altoun, CEO of the Altoun Group, his assistant Youssef Klizli, and Adib Mayaleh who is the Governor of the Central Bank of Syria.

The documents also amend the details of three individuals who will remain designated and remove one individual who no longer meets the designation criteria, Saqr Khayr Bek, former Vice-Minister of Interior Affairs.

We firmly believe that sanctions remain a key part of our strategy to increase the pressure on Syria and complement the work of Annan and the UN monitoring mission to end the violence and create the right conditions for a political transition. Our EU partners agree that sanctions are working and there is broad consensus to seek additional means of applying further pressure on the regime.

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.

22 May 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing with regard to the adoption of a Council Regulation which will give effect to the decision taken in April to introduce a prohibition on the export of further equipment, goods and technology, which might be used for internal repression and a prohibition on the export of luxury goods.

I regret that due to the long, detailed negotiations in Brussels on the content and type of the dual-use and luxury goods bans to be imposed, and also a delay by the Commission in circulating the draft text,

I found myself in the position of having to agree to the adoption of the Regulation before your Committee had an opportunity to scrutinise the document. Given the importance of the situation in Syria and of the need to keep up the pressure on the Assad regime, it was important to ensure no further delay in bringing these measures into force.

We firmly believe that sanctions remain a key part of our strategy to increase the pressure on Syria and complement the work of Annan and the UN monitoring mission to end the violence and create the right conditions for a political transition.

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.

19 June 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing with regard to the adoption of further EU restrictive measures in view of the situation in Syria.

I regret that due to the last-minute agreement of these measures in the EU Council, the final texts regarding these measures emerged so late that I found myself in the position of having to agree to their adoption before your Committee had an opportunity to scrutinise the documents. Given the importance of the situation in Syria and of the need to keep up the pressure on the Assad regime, it was vital to adopt the text in time for the Foreign Affairs Council on Monday 25 June.

The new measures impose an asset freeze on one individual and six entities. Several of the new designations have been previously designated by the US, and have been designated by the EU in order to harmonise different national and regional sanctions regimes, as was called for at the meeting of the Friends of Syria Sanctions Working Group in Washington on June 7th. The EU has also designated the Syria International Islamic Bank, which has acted as a front for the Commercial Bank of Syria and allowed it to evade EU sanctions by surreptitiously facilitating Commercial Bank of Syria financing worth almost \$150m.

As the Foreign Secretary has said, we deeply regret the suspension of UNSMIS activity in Syria due to the worsening security situation. The Syrian regime is failing in its commitments to ensure the security of the UN observers and failing to make substantive progress on the Annan plan. That is why we believe further action from the UN Security Council is needed including a Chapter VII resolution which we are discussing with our close partners in New York.

We continue to engage with Russia who we believe are key to resolving the crisis in Syria, as well as our partners in the region.

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.

21 June 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I note that the Commons Committee on the European Union has requested further information regarding the Council Regulation concerning restrictive measures on Syria, referred to above. They ask specifically how the delay by the Commission in circulating the text undermined scrutiny (rather than delaying the implementation date).

In this particular instance, it was a UK proposal to impose an EU ban on the export to Syria of goods that could be used to produce chemical or biological weapons. Although political agreement on this proposal was achieved quickly, there were a number of highly technical debates in Dual-Use Working Group and the RELEX Working Group over which particular goods should be affected by this measure. Restrictions on the export of dual-use goods are, by the nature of the goods, controversial because their use is potentially legitimate, as well as malicious. The Commission considered it would not be appropriate to produce a draft until these disagreements were resolved.

This led to a considerable gap between the adoption of Council Decision 2012/206/CFSP on 24th April, which decided the ban on these goods, and the adoption of this Regulation on 16th June. Until the Regulation was adopted, the ban on the export of goods that could be used to produce chemical and biological weapons in Syria had no legal effect. Having finally achieved agreement on the

Regulation and determined to avoid a situation where the UK or the EU was later discovered to have exported CBW precursors to Syria, I decided to override Parliamentary scrutiny in order to adopt the measure.

As you know, the decision to override Parliamentary scrutiny is not one I take lightly. However, in many instances regarding sanctions legislation, you will appreciate that there is a need to move with the utmost speed, particularly in situations such as the one currently in Syria. It would have been against our national security interests, as well as to the safety of people living in Syria, to have delayed sanctions against CBW precursors. To have driven the discussion to resolve the technical debates surrounding this export ban, overcoming considerable resistance from others, and to have then delayed the Regulation's adoption would have undermined the UK's credibility in later negotiations with both the Commission and our EU partners.

9 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing with regard to the adoption of further EU restrictive measures in view of the situation in Syria.

I regret that due to the last-minute agreement of these measures in the EU Council, the final texts regarding these measures emerged so late that I found myself in the position of having to agree to their adoption before your Committee had an opportunity to scrutinise the documents. Given the importance of the situation in Syria and of the need to keep up the pressure on the Assad regime, it was vital to adopt the texts in time for the Foreign Affairs Council on Monday 23 July.

The Council Decision introduces an obligation on EU Member States to inspect vessels and aircraft transiting through their territory, where they have reasonable grounds to believe that such vessels and aircraft are carrying arms or dual-use goods to Syria (which is prohibited by EU restrictive measures). It also introduces an exemption for Member States to license payments for Syrian nationals' education in the EU.

The Council Implementing Decision and the Council Implementing Regulation introduce asset freeze and travel ban measures on 27 new individuals and two new entities. The individuals are all directly involved in the repression or in supporting the regime. The three entities all provide financial support to the Syrian regime. Drex Technologies is a BVI-registered company wholly-owned by Rami Makhoul and the Cotton Marketing Organisation and Syrian Arab Airlines are a state-owned entities, which direct profits towards the regime.

We firmly believe that sanctions remain a key part of our strategy to increase the pressure on Syria and complement the work of Annan and the UN monitoring mission to end the violence and create the right conditions for a political transition.

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.

20 July 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing with regard to the adoption of further EU restrictive measures in view of the situation in Syria.

I regret that due to the last-minute agreement of these measures in Brussels, I have not be able to provide you with the Explanatory Memorandum (EM) for your Committee's consideration before their adoption. Given the importance of the situation in Syria and of the need to keep up the pressure on the Assad regime, it was vital to adopt the Council Decision in time for the Foreign Affairs Council on Monday 15 October.

The Council Decision and Council Regulation seek to:

- 1) Designate new Syrian Government Ministers;
- 2) Adjust the individual listings of former Syrian Government Ministers in order to maintain their designations;
- 3) Designate four new entities;

- 4) Delist the following entities following a determination that they no longer met criteria for designation under the terms of the EU regulation: Salim Altoun, Youssef Klizli, and Altoun Group;
- 5) Extend the current ban on cargo flights by Syrian carriers into the EU to cover all flights (including passenger flights) by designated entity Syrian Arab Airlines into the EU;
- 6) Provide exemptions to the aforementioned flight ban as well as to the asset freeze on Syria Arab Airlines to cover the emergency evacuation of EU nationals and their family members;
- 7) Expand and strengthen the terms of the current arms embargo, including brokering services related to insurance and reinsurance for any purchase, import or transport of items covered under the embargo.

We firmly believe that sanctions remain a key part of our strategy to increase the pressure on Syria and complement the work of Annan and the UN monitoring mission to end the violence and create the right conditions for a political transition.

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.

12 October 2012

UNION CUSTOMS CODE (6784/12)

[FORMERLY SCRUTINISED BY SUB-COMMITTEE A]

Letter from Chloe Smith MP, Economic Secretary, HM Treasury, to the Chairman

I am writing in response to your letter of 25 April 2012 in which you ask for further information following your Committee's consideration of the Explanatory Memorandum (EM) on the Union Customs Code (UCC).

The Government's specific concerns about the loss of existing simplifications and the potential for an increase in administrative and business costs are illustrated in two key areas. The first involves the loss of a current simplification (known as air level 2) that allows for goods to be moved uncleared between EU airports using commercial systems for customs control and audit. The UCC removes this simplification and replaces it with the requirement to make a customs declaration for each movement using the New Computerised Transit System (NCTS). This will increase industry costs and potentially slow down the movement of goods between EU airports. The consequential large number of additional NCTS declarations would also put a strain on the customs system. The Government will endeavour to secure changes during the UCC negotiations that will enable the current air level 2 simplifications to be retained.

The second area of concern for us is the mandatory requirement for businesses to provide a financial guarantee to cover the customs debt when goods are put into a customs special procedure, for example, temporary storage, customs warehousing or processing. Whilst the UCC allows Member States (MS) to waive the requirement, subject to certain conditions, it is expected that some businesses will not be able to meet the criteria and will have to bear the extra cost of a guarantee. This is very much in contrast with the current more flexible legislative position which does not make the provision of a guarantee mandatory and allows MS to decide when it is appropriate to require one. The UK makes full and effective use of the discretion afforded by the existing provisions and any decision to call for a guarantee is exceptional and is based on an assessment of the risks. The Government remains of the view that the Commission has not made the case for mandatory guarantees and will work to influence appropriate changes to the proposal to enable the current approach to continue, or if this is not possible to provide flexibility in the application of the requirements to ensure that the impact on business is minimised. Banks charge businesses for these guarantees. The bank's exposure under a guarantee can also count towards a business' total credit limit, thereby limiting a business' access to credit.

There are other less significant issues with the proposal. These relate to particular customs procedures and new requirements or changes to the existing rules that could potentially see an increase in costs for some businesses. For example, the current entitlement to claim duty relief in certain circumstances on goods being returned to the EU has been removed and a new requirement

for additional re-export documentation to be provided has been introduced. The Commission has given no explanation for these and other similar changes. The Government does not support them and has raised its concerns with the Commission. Depending on their response we will aim to secure necessary changes during negotiations of the UCC.

On the question of delegated acts, the Government remains committed to ensuring that the UK continues to be able to appropriately influence Commission proposals for change particularly where these impact on UK businesses and national processes and procedures. The extent of the proposed delegated empowerments could make this more difficult in the future so it is essential to ensure that these are appropriate and their scope and content is tightly and clearly drawn. Delegated acts are appropriate in defining what needs to be done (eg apply for a decision or exchange and storage of data) and implementing acts are necessary to explain how those obligations are to be complied with (eg use of an electronic system or common data sets and format).

Examination of the proposals suggests that a number of the delegated empowerments as proposed are either wholly or partly proper to implementing acts. By way of example, the UCC includes provisions on the exchange and storage of data (Article 6) which has an associated delegation of power (Article 7) enabling the Commission to lay down a common data set, format and code and operating rules. We believe this is proper to an implementing act as it clearly relates to how the requirements are to be met.

We have also noted that there is an inconsistency in how the Commission has accommodated some existing powers within the UCC proposal. The rules for determining the origin of goods (Article 53) are currently decided under the regulatory procedure. This would suggest that in the UCC they should be an implementing power under the examination procedure. However, the Commission has proposed them as a delegated power (Article 55) which we do not agree. Similar issues arise in respect of other proposed delegations of power (eg Articles 64 and 136) for customs valuation (Articles 62 and 63) and customs declarations (Article 134), which we also consider are appropriate as implementing acts and not delegated acts.

The Commission has not provided any explanation to support or justify their proposals. The Government has informed the Commission of its initial views and it is expected that these, along with the views of other MS, will form the basis for first discussions of the proposal at the Council Customs Union Group meeting at the end of May.

UK business has been consulted and their views obtained on the Commission's proposals for the UCC through the Joint Customs Consultative Committee, Business Change Group, and through attendance at trade association and other business meetings and events. The general view is that for UK business the UCC does not appear to provide a significant step forward in terms of facilitation, simplification and cost reduction. It is acknowledged that the UK already makes full and effective use of the opportunities afforded by the current EU customs legislation. The trade shares the Government's concerns that some elements of the proposal are a backward step from a UK business perspective. The loss of the level 2 simplifications are a major concern for the UK airline industry and the proposed mandatory guarantee requirement is of concern to those businesses operating customs special procedures.

The UK, in partnership with the Netherlands, has established a group of like-minded MS to consider the Commission's proposals and how best to handle the forthcoming Council negotiations. Like the UK, the main concern of many other MS on an initial reading of the Commission's proposals is about delegated acts. All acknowledge that alignment to the Lisbon Treaty is necessary but there is a shared view that whether a particular empowerment should be a delegated or implementing provision is not always clear cut and that many of the delegated empowerments currently proposed will probably need to be separated into delegated and implementing elements. The absence of any supporting explanation from the Commission for its proposals is considered unhelpful and the like-minded group has agreed that the Commission should be asked to provide this to the MS to assist the discussions.

We are aware that around 18 MS have now submitted their initial views on the UCC proposals to the Commission and are awaiting a consolidated view of these. It is clear that the Government's concerns about the delegated and implementation empowerments are shared by a number of MS including Belgium, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, Netherlands, Slovenia, Spain and Sweden. The position of others on the technical provisions is likely to be more varied and this is another reason why the vast majority of MS are keen for there to be an article by article read through and examination of the UCC during the Council discussions.

14 May 2012

ZIMBABWE: RESTRICTIVE AND APPROPRIATE MEASURES

Letter from the Rt. Hon. David Lidington MP, Minister for Europe, Foreign and Commonwealth Office, to the Chairman

As part of our commitment to keep your Committee informed on matters concerning EU Appropriate Measures, I am writing to inform you that the EU Council Decision concerning the Appropriate Measures imposed against Zimbabwe is due to expire on 20 August. Negotiations have therefore commenced on their rollover. In parallel, the EU has committed to a non-binding review of the Restrictive Measures, following the meeting of the EU-Zimbabwe re-engagement team on 10 May and calls from all parties to the Inclusive Government (including both MDCs) and from the UN High Commissioner for Human Rights, for the Measures to be suspended in order to help the reform process.

The EU has maintained Restrictive and Appropriate Measures against Zimbabwe since 2002. At present the Restrictive Measures comprise a travel ban and asset freeze on 112 individuals (the travel ban on 2 of whom has been suspended) and 11 entities as well as an arms embargo. In addition the Appropriate Measures suspend regular EU development assistance under Article 96 of the Cotonou Agreement. In February the EU removed 51 names from the travel ban and asset freeze list.

There has been some further progress since February. A draft Constitution has been produced and despite efforts by some to inhibit progress, it appears that the negotiators of all 3 parties are determined to see it through to Referendum, which we would hope to see in September/October. The region, led by President Zuma, also held firm to its commitment to see through reforms before elections at the Luanda Summit on 31 May/1 June. The UN High Commissioner for Human Rights, Navi Pillay, visited Zimbabwe for the first time in May. Her visit highlighted both the progress that has been made under the Inclusive Government and the long road still to travel if Zimbabwe is to have free and fair elections.

The Coalition Government's position remains that we should continue to predicate any move on the Measures upon progress on the ground, however we recognise that we must equally make sure we are calibrating our policy to best support the reform process, particularly in light of recent calls from reformers for further flexibility. The importance of balancing these two factors means that discussions on the Appropriate Measures are likely to be prolonged. We anticipate that the draft text on the Appropriate Measures may not be agreed until mid-July, and adoption of the Council Decisions will likely take place at the Foreign Affairs Council meeting of 23 July.

I note that the Commons plans to rise for Summer Recess on 17 July. Should a draft Council Decision not be circulated by the EU in time for it to be scrutinised by your Committee it is possible that we may not be able to provide you with the Explanatory Memorandum for your Committee's consideration before the Council Decision is due to be adopted in the EU. In this case I may find myself in the position of having to agree to the adoption of this Decision before your Committee has cleared it from scrutiny.

As you know, the responsibility to keep your Committee informed on issues concerning restrictive measures is something I take seriously. I wanted to inform you of this now, although I will ensure that we make every effort to meet our scrutiny obligations. My officials will keep in close touch with Parliamentary Clerks from now on to ensure that we keep you in the picture as EU negotiations progress and the likelihood of any override. We also note paragraph 0.29 of the Committee Report of 22 February, and will make sure that our explanatory memorandum provides the additional level of exposition on developments that you request.

9 July 2012

Letter from the Chairman to the Rt. Hon. David Lidington MP

The above document was cleared at the sift on 31 July and was re-considered by the House of Lords EU Sub-Committee for External Affairs at its meeting on 26th September.

Based on the conclusions of the Foreign Affairs Council of 23rd July and the Explanatory Memorandum (27th July) the Committee noted that a "peaceful and credible" (EM) Constitutional Referendum, scheduled for autumn, would be considered an important milestone that would justify a suspension of the majority of all remaining EU targeted restrictive measures against individuals and entities in Zimbabwe except for a small core of individuals around President Mugabe.

We would be grateful if you would expand the points in paragraph 10 of the EM and update us on the state of play of the Constitutional Referendum, namely, its planned timetable and if you are satisfied indeed that it will be peaceful and credible.

I look forward to receiving your reply within the standard ten working days.

3 October 2012

Letter from the Rt. Hon. David Lidington MP to the Chairman

I am writing in response to your letter of 3 October 2012, in which your Committee requested an update on the state of play of Zimbabwe's Constitutional Referendum. You asked two questions.

The first was on the timetable. A draft of the new constitution was signed off by negotiators from all three parties in Zimbabwe's Inclusive Government (MDC-T, MDC-N and ZANU-PF) on 18 July and endorsed by the All Party Parliamentary Select Committee on the Constitution (COPAC). The process stalled briefly in August, when ZANU-PF disavowed its own negotiation team and proposed numerous amendments to the draft. However, ZANU-PF has since backed down and has allowed the COPAC draft to pass to the Second All-Stakeholders Conference which, it has recently been confirmed, is set to take place between 21 and 23 October.

This conference will be attended by 1200 participants comprising all 284 members of Parliament, 83 participants from each party, 550 civil society representatives and 20 chiefs, with the remaining spaces allocated to a mixture of business representatives and other political parties. Following the conference, the draft will be debated in Parliament before it is then put to referendum which is still expected to take place before the end of this year.

Your second question was about whether we are confident that the referendum will be peaceful and credible. There have been positive developments in the process thus far, including the progress on the draft constitution described above, and encouragingly, SADC has also made clear the importance it places on the constitutional process running smoothly. Currently the three parties hope to have a draft which they all support – and will all campaign for a 'yes' vote, hopefully reducing the chance of violence. However it will not be possible to make a definitive judgement until the referendum has taken place. We will of course continue to monitor the situation on the ground closely, as well as the analysis of the situation by SADC and all parties in Zimbabwe.

17 October 2012