COUNCIL OF
THE EUROPEAN UNION

Brussels, 31 January 2008

5453/1/08
REV 1

LIMITE

PESC  55
COSDP  37
COPS  14
RELEX  29
CIVCOM  20
COWEB  21

"I" ITEM NOTE

From : General Secretariat of the Council
To : Coreper
Subject : Council Joint Action on the European Union Rule of Law Mission in Kosovo, EULEX KOSOVO
- Adoption of text

1. On 14 December, the European Council stated the EU's readiness to assist Kosovo in the path towards sustainable stability, including by an ESDP mission.

2. On 29 January 2008, the Foreign Affairs Counsellors Working Party examined the text of a draft Joint Action and the related Financial Statement. Delegations highlighted that given the character of this Mission, certain expenditure should be seen as exceptional. The Financial Statement, as set out in Annex I to this note was agreed. However it was understood that the transport helicopter for the Mission would be rented for an initial period of 6 months from the beginning of the operational phase of the mission. Detailed specifications on operational needs and standard operating procedures will be included in the Operation Plan. Five months after the beginning of the operational phase, a detailed review of the use of the helicopter will be undertaken.
3. On 31 January 2008, the Political and Security Committee agreed on the text of a draft Council Joint Action on the European Union Rule of Law Mission in Kosovo, EULEX KOSOVO, as set out in Annex II to this note.

4. In these circumstances, Coreper is invited to
   - approve the financial statement related to the European Union Rule of Law Mission in Kosovo, EULEX KOSOVO, as set out in Annex I to this note;
   - confirm the agreement on the draft Council Joint Action on the European Union Rule of Law Mission in Kosovo, EULEX KOSOVO, as set out in Annex II to this note;
   - decide to use the written procedure for the adoption by the Council of the Joint Action in accordance with Article 19.7(e) of the Rules of Procedure.
LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): External Relations
Activity(ies): CFSP - Common Foreign and Security Policy

TITLE OF ACTION:
Council Joint Action 2008/XXX/CFSP of XX/XX/2008 on the EU Rule of Law Mission in Kosovo

1. BUDGET LINE(S) + HEADING(S)
19 03 03: “Conflict resolution and other stabilisation measures”

2. OVERALL FIGURES

2.1. Total allocation for action: €140,000,000 for 2008 commitment.

It is proposed that the commitment be made in two stages, with €120,000,000 committed upon the adoption of the related Joint Action and the remaining amount if necessary, by the end of 2008, once the budgetary assumptions, based on the scope and operational mandate of the full mission, have been confirmed on the ground.

In addition, subject to the availability of credits, an amount of €65,000,000 will be committed [from the 2009 budget], if it has been considered that a specially tailored temporary presence is needed in Northern Kosovo. This presence will be subject to regular review by the PSC during and after the transition period, risk assessment and the availability of personnel and financial resources.

These allocations are made in addition to the earlier commitments of €79,505,000, from 2006 and 2007 budgets, respectively, for EUPT Kosovo, which was set up in April 2006 to plan and prepare for the ESDP mission.

2.2. Period of application:

The Joint Action enters into force on the date of its adoption. It makes provision for a transitional period during which preparatory and planning actions will be undertaken through the EUPT Kosovo (Joint Action 2006/304/CFSP of 10/04/2006, as amended). The financial reference amount is intended to cover the expenditure related to the Mission from the date of adoption of the Joint Action.
2.3. Overall multi-annual estimate on expenditure:

a) Schedule of commitment appropriations/payment appropriations (financial intervention) (see point 6.1.1)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>N + 1 2009</th>
<th>N+2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments</td>
<td>140.000</td>
<td>65.000</td>
<td>205.000</td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td>140.000</td>
<td>65.000</td>
<td>205.000</td>
<td></td>
</tr>
</tbody>
</table>

Million € (to 3rd decimal place)

b) Technical and administrative assistance and support expenditure (see point 6.1.2)

N/A

c) Overall financial impact of human resources and other administrative expenditure (see points 7.2 and 7.3)

N/A

2.4. Compatibility with the financial programming and the financial perspective

✔ Proposal compatible with the existing financial programming

☐ This proposal will entail reprogramming of the relevant heading in the financial perspective

☐ This may entail application of the provisions of the Inter-Institutional Agreement

2.5. Financial impact on revenue:

✔ No financial implications (involves technical aspects regarding implementation of a measure)
3. BUDGET CHARACTERISTICS

<table>
<thead>
<tr>
<th>Type of expenditure</th>
<th>New</th>
<th>EFTA participation</th>
<th>Participation applicant countries</th>
<th>Heading Financial Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNO</td>
<td>CD</td>
<td>NON</td>
<td>NON</td>
<td>No 4</td>
</tr>
</tbody>
</table>

4. LEGAL BASIS

Treaty establishing the European Community

Treaty on European Union, in particular Article 14 and Article 25, third paragraph

Council Regulation (EC) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, in particular Article 75(2) thereof

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention

5.1.1. Objectives pursued

The ESDP (Rule of Law) Mission will assist the Kosovo authorities, judicial authorities and law enforcement agencies in their progress towards sustainability and accountability and in further developing and strengthening an independent multi-ethnic justice system and multi-ethnic police and customs service, ensuring that these institutions are free from political interference and adhering to internationally recognised standards and European best practices. In full co-operation with the European Commission Assistance Programmes, the Mission will implement its mandate through monitoring, mentoring, and advising, while retaining certain executive responsibilities.

5.1.2 Measures taken in connection with ex ante evaluation

N/A

5.1.3 Measures taken following ex post evaluation

N/A

5.2. Actions envisaged and arrangements for budget intervention

In carrying out its objective the Mission shall focus on the following tasks:
Monitor, mentor and advise competent Kosovo institutions on all areas related to the wider rule of law (including customs service), whilst retaining certain executive responsibilities;

Ensure the maintenance and promotion of the rule of law, public order and security including, as necessary, in consultation with the relevant international civilian authorities in Kosovo, through reversing or annulling operational decisions taken by the competent Kosovo authorities;

Help ensure that all Kosovo rule of law services, including a customs service, are free from political interference;

Ensure that cases of war crimes, terrorism, organised crime, corruption, inter-ethnic crimes, financial/economic crimes and other serious crimes are properly investigated, prosecuted, adjudicated and enforced, according to the applicable law, including, where appropriate, by international investigators, prosecutors and judges jointly with Kosovo investigators, prosecutors and judges or independently, including as appropriate the creation of cooperation and coordination structures between police and prosecution authorities;

Contribute to strengthening co-operation and coordination throughout the whole judicial process, particularly in the area of organised crime;

Contribute to the fight against corruption, fraud and financial crime;

Contribute to the implementation of the Kosovo Anti-Corruption Strategy and Anti-Corruption Action Plan;

Assume other responsibilities, independently or in support of the competent Kosovo authorities, to ensure the maintenance and promotion of the rule of law, public order and security, in consultation with the relevant Council bodies;

Ensure that all its activities respect international standards concerning human rights and gender mainstreaming.

5.3. Methods of implementation

The project will be implemented by a Head of Mission (HoM), who will sign a Special Adviser contract with the Commission for the specific purpose of managing expenditure related to the mandate. This contract makes him directly accountable to the Commission for the funds with which he is entrusted.

The Special Adviser will sign contracts with staff to be hired. These contracts will be submitted to the Commission for prior approval as appropriate. The Special Adviser will also purchase equipment as necessary.
6. FINANCIAL IMPACT

6.1. Total financial impact (over the entire period)

6.1.1. Financial intervention

Project funded by EC contribution and contributions in kind by Member States:

Commitments in €million

<table>
<thead>
<tr>
<th>Breakdown</th>
<th>Year N 2008</th>
<th>N + 1</th>
<th>N + 2</th>
<th>N + 3</th>
<th>N + 4</th>
<th>N + 5 and subs. Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution EC:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bilateral contributions by Member States</td>
<td>140.000</td>
<td>65.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>205.000</td>
</tr>
<tr>
<td>…</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council General Secretariat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bilateral contributions by non-member states</td>
<td>Pm</td>
<td></td>
<td></td>
<td></td>
<td>pm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>…</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>140.000</td>
<td>65.000</td>
<td></td>
<td></td>
<td>pm</td>
<td></td>
<td>205.000</td>
</tr>
</tbody>
</table>

CONTRIBUTIONS IN KIND

EU Member States and Institutions

It is envisaged that the Mission should reach a total of 2210 international staff of whom up to 85% should be seconded (see 6.2.1 for additional information on breakdown between components).

Non-EU Participants

p.m.

---

1 Adjustments may take place during the budgeting period in contributions by MS and non-EU participants.
**Staff Numbers**

<table>
<thead>
<tr>
<th>Following adoption of JA</th>
<th>At transfer of authority (including Northern Kosovo contingents)</th>
<th>‘Northern Kosovo’ Contingents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Mission</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>International contracted</td>
<td>0</td>
<td>352</td>
</tr>
<tr>
<td>Seconded</td>
<td>0</td>
<td>1857</td>
</tr>
<tr>
<td>Local</td>
<td>0</td>
<td>1233</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1</strong></td>
<td><strong>3443</strong></td>
</tr>
</tbody>
</table>

The figures above identify the forces required for a specially tailored temporary presence which might be needed in northern Kosovo. This would be subject to regular review by the PSC during and after the transition period, risk assessment and the availability of personnel and financial resources.

It includes: 2xIPU/FPU\(^1\) [115 international seconded, 12 local staff and related costs], 74 border police personnel, 32 customs officers and 30 police investigators plus 16 administrative staff and 75 local staff.

The staff costs involved are €21,666,100, broken down as follows:

2 additional IPU/FPUs: 2 X 4,912,700 = €9,825,400 (local staff = €692,640, seconded international staff €8,395,000, insurance = €737,760). There are also related operating costs, including freight costs, medical equipment, supplies and MedEvac costs, vehicle, IT, communications, security and premises running costs. Additionally €11,840,700 is required for 50 international contracted staff (€5,460,000), 75 local staff (€2,164,500), 100 seconded staff (€3,650,000) and insurance (€566,200).

---

\(^1\) Integrated Police Units/Formed Police Units (herein, ‘IPUs’), intended as a tactical reserve and able to conduct executive functions or other tasks as directed, may mean an equivalent number of multi-purpose police officers
It should further be noted that the build up of forces is intended to be managed through EUPT Kosovo. The Financial Statement of November 2007 identified deployment in waves of 1746 internationals and employment of 937 locals. These numbers have been revised upwards, on the basis of developments on the ground and security assessments, to reach the numbers indicated above.

6.1.2. **Technical and administrative assistance, support expenditure and IT expenditure (Commitment appropriations)**

N/A

6.2. **Calculation of costs by measure envisaged (over the entire programming period)**

6.2.1. **Salaries**

This heading includes salaries for HoM, international civilian staff and local staff. It is assumed that the Joint Action will cover the salary and mission costs as well as related operating expenditure of the designated Head of Mission (HoM) from its date of adoption until the end of the transition period (estimate: 4 months). Following the envisaged transfer of authority, it will cover 12 full months of operation of the ESDP Rule of Law mission.

The salary of the HoM should correspond to the basic salary of the grade AD 14, 1st level, as fixed at Article 66 of the EC Staff Regulations, determined on the basis of Commission Communication on Specific Rules for Special Advisers of the Commission entrusted with the implementation of operational CFSP actions (C(2007) 1746 of 21 December 2007). Family allowances and an expatriation allowance of 16% may also be payable. However, given the exceptional size and budget of the mission, grade AD 15, 1st level, is justified. Notwithstanding, given the present lack of management responsibility of the HoM and in order for him to be working mainly in Brussels for planning and preparatory activities in conjunction with the Council General Secretariat, his grading will temporarily be set at AD 13, 1st level for the transition phase. The total salary provision for the HoM from the date of adoption of the Joint Action until xx xx 2009 is 4*€14,153.44 + 12*€23,362.36. Provision is also required for removal allowances on arrival in/departure from Kosovo, calculated at ½ * one month’s salary, together with related travel expenses forecast at €800 per trip. A provision is also foreseen for salary increase during the mandate. Total €360,000.
The number of international contracted staff is envisaged to be 352. Their salaries are covered by
the budget of the mandate. Salaries, daily allowances and travel allowances for international
(contracting) staff are based on Commission Communication on Specific Rules for Special Advisers
of the Commission entrusted with the Implementation of Operational CFSP Actions (C(2007)1746
of 21 December 2007). The salaries have been calculated at different basic rate per month in
relation with their forecasted level of experience and expertise, as further described below. The
average amounts to €5400 being equivalent to category "expert / >12 years / step 3". Overtime is
not paid to international contracted staff.

The international contracted staff will mainly consist of management staff in the administration
component and experts in the justice component (international judges and prosecutors as well as
legal officers), as well as certain specific categories in the HoM office, such as security and close
protection staff, international interpreters, financial control and internal audit, training personnel
and legal advisers.

In job classification, most administration positions are classified as operational whereas the justice
component includes a high number of upper/middle management posts. In HoM office, the number
of operational positions slightly exceeds that of upper/middle management (detailed information is
contained in the Job Descriptions sent to PSC delegations in November and January).
Consequently, in the salary grid of the Commission Communication on Special Advisers, most of
the staff concerned will be in grades 15-21 (mission support management level, with salary range of
€2800-5950) and in grades 22-28 (experts, with salaries ranging from €3300-7875).

Daily allowances, at the level as for seconded staff (see below) are foreseen (€100/day). Provision
is also required for removal allowances on arrival in/departure from Kosovo, calculated at ½ * one
month’s salary per person, together with related travel expenses forecast. Home leave every six
months is also foreseen. As a total, €38,688,800 is expected to be needed for international
contracted staff over a 12 month period.
1233 local staff will receive salaries in relation with their level of experience and expertise as well as in accordance with the salary scales used by EU organisations and agencies in Kosovo. Salaries will include provision for overtime corresponding to a maximum of 15% per month which has been calculated on the basis of EUPT Kosovo experience and the assumption that the first six month period will be extremely busy, particularly in the HoM Office (around 200 local staff) and in administration (around 265 local staff). A tight policy on overtime will be applied but this level is regarded as operationally important and fair towards employees. The total amount needed for local staff overtime payments is €2,479,680.

Additionally employer’s contributions to the Kosovo Pension and Savings Trust are payable according to local labour law at a rate of 5% of local staff income. This heading also includes pre-employment medical checks, at €60/person. A total of €33,613,800] is therefore required to cover the above local staff costs over a 12 month period.

The main categories of local staff are language-related: i.e. language assistants, interpreters, translators (estimate 540), staff in administration (estimate 265), security assistants and guards (estimate 130), legal officers and court recorders (estimate 60) and drivers (estimate 30). The specific nature of the mission (in particular, the executive mandate) requires a high number of local staff, in particular to work as interpreters for international experts in the two official languages, as each of the international experts has to maintain a close one-to-one relationship with their local counterparts. In mission administration, local staff will serve in a number of positions in order to reduce costs and increase local ownership.

Average local salaries are estimated at €1200/month. Monthly salaries for group I, covering administrative, advisory and supervisory posts including translators and interpreters, range from €1570-2376, depending on experience and position; for group II, executive posts and certain administrative functions, from €1285-1961; for group III, senior clerical posts from €1101-1711; for group IV, covering clerical posts, from €841-1365; for group V, covering skilled manual posts such as drivers, from €721-1092; and for group VI, covering manual posts such as guards, from €593-841.
The salaries of the seconded staff are covered by the seconding state and institution, respectively. Daily allowances for seconded personnel are based on Council Guidelines 14239/06 of 19 October 2006. It is expected that 1857 seconded experts will be provided by Member States and they will receive an allowance of €100/day, consisting of per diem and hardship allowance.

The calculation of salaries and allowances is based on the following estimated division between seconded and international contracted staff in different components of the operation:

<table>
<thead>
<tr>
<th></th>
<th>seconded</th>
<th>contracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>HoM</td>
<td>124</td>
<td>62</td>
</tr>
<tr>
<td>seconded</td>
<td>50%</td>
<td>62</td>
</tr>
<tr>
<td>Admin</td>
<td>90</td>
<td>50%</td>
</tr>
<tr>
<td>seconded</td>
<td>15%</td>
<td>76.5</td>
</tr>
<tr>
<td>Police</td>
<td>1710</td>
<td>50%</td>
</tr>
<tr>
<td>seconded</td>
<td>95%</td>
<td>85.5</td>
</tr>
<tr>
<td>contracted</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Customs</td>
<td>59</td>
<td>25%</td>
</tr>
<tr>
<td>seconded</td>
<td>75%</td>
<td>44</td>
</tr>
<tr>
<td>contracted</td>
<td>25%</td>
<td>15</td>
</tr>
<tr>
<td>Justice</td>
<td>227</td>
<td>50%</td>
</tr>
<tr>
<td>seconded</td>
<td>50%</td>
<td>114</td>
</tr>
<tr>
<td>contracted</td>
<td>50%</td>
<td>113</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,210</td>
<td>100%</td>
</tr>
<tr>
<td>seconded</td>
<td>1,858</td>
<td>84%</td>
</tr>
<tr>
<td>contracted</td>
<td>352</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>2,210</td>
<td>100%</td>
</tr>
</tbody>
</table>
The reasons for these splits are operational and based on previous experience in ESDP. For instance, the HoM office will require security experts, close protection personnel, legal/financial control officers who must be separate from Administration, internal auditors and programme officers. These are posts which cannot normally be filled by secondments.

It should be noted that allowances would not be paid to third country secondees but, since no specific agreements have been concluded at this time, it has been assumed for this calculation that the full contingent will be from EU Member States. While the combined per diem and hardship allowance would amount to €99.75 (per diem: 75%* (UN rate) = €84.75; hardship: EC = 30% so the rate is €15), it is stated in the said Guidelines that the level of allowances for extended missions should not decrease. Hence the present level of €100 is maintained. A total of €67,780,500 is therefore required over a 12 month period.

It should also be noted that the above numbers include a Brussels-based support team, consisting of five Officers: Political and Communication Advisor, Justice Liaison Officer, Police Liaison Officer, Human Resources and Administration Officer, Legal and Financial Control Officer. Essentially, they will physically be located in the CPCC and will report to the Head of the Private Office, cooperating functionally closely with the Mission Administration Team.

**Insurance**

The budget covers a high-risk insurance for the HoM and his international team members.

HoM: 16 months * €850 = €13,600

International team members: €260/month = total €6,895,200.

The budget also includes local staff medical insurance: €70/month/person = €992,880

And financial liability insurance for the HoM (€25,000).

The total budget for insurance is therefore €7,926,680.

Medical costs are also imputed under this budget line. These include the overall cost of premises, including acquisition of the present UNMIK clinic and refurbishment of facilities, medical supplies, staff costs (41 personnel), eight ambulances, two MedEvac helicopters and medical support outside Pristina. The total cost is estimated at €12,600,000,

Therefore, in total the amount required for **Heading 1** (personnel) is **€160,969,780**.
6.2.2. Missions

All mission expenditure directly relating to the implementation of the mandate is covered by the budget of the mandate. The mission expenditure includes transport, daily allowances and accommodation. The rates are based on the Guide to Missions for Officials and Other Servants of the European Commission (Article 71 of the Staff Regulations and Articles 11 to 13 of Annex VII to the Staff Regulations). Missions are mainly foreseen to Brussels (including for training purposes: total 75/year) and within the region.

In terms of staff undertaking these missions, it has been proposed that, on average, the HoM should conduct one mission to Brussels each month and senior management approximately 12 missions a year; other staff will usually be required to accompany them. Missions relating to cooperation between missions will mainly (two thirds) be conducted by senior management, accompanied by one member of staff on average, at a rate of one per month. Regional cooperation will be one third by senior management plus two staff members again at a rate of one mission per month. There might be around 30 expert trips for training courses/workshops per year.

Air tickets

Trips to Brussels/EU are priced at €600/trip; within the region at €300. There may be approximately 210 trips of personnel to Brussels/EU and 72 within the region. In addition, €24,000 is estimated to be needed for HoM travel costs during the transition period. A total budget of €171,600 is estimated as necessary.

Subsistence allowance (as per EC mission guide)

Allowances for Brussels are €92; within the region €80 on average. Expecting Brussels missions to be of 4 days duration on average and those within the region 3 days, the total budget needed is €146,844.

Accommodation (as per EC mission guide)

Accommodation in Brussels and within the region is priced at €140 per night. Expecting Brussels missions to be of 3 nights duration on average and those within the region 2 nights, the total budget needed is €248,660.
**Transition Period**

In addition, the HoM will carry out missions during the transition period. These are included in mission budget estimation.

They include 3 trips per month to Pristina, one every second month to the USA, one every second month within the EU and one per month to Belgrade. Therefore, the total ticket cost might be €21,600.

The cost of daily travel from France by train (€35/trip, 18 times per month, 4 months) = €2,520 is also included in mission budget estimation. On some occasions, it is expected that the HoM might need to stay overnight in Brussels: assuming there might be 8 such nights during the transition period, the cost would be €1,120 is also included in mission budget estimation.

Subsistence and accommodation allowances follow the EC mission guide, as indicated in the main text on missions above.

**Freight and transportation costs.**

This heading covers costs of €60,000 for container removal or relocation for the Mission without the IPU/FPU Units and €60,000 per IPU/FPU Unit. For six IPU camps, the total would therefore be €360,000. There may be further removal costs for vehicles and other equipment (as far as cost effective, these will be taken from previous ESDP missions in the Balkans (including EUMM) which have downsized or ceased their activities, taking into account sustainability and other factors), as well as any additional transportation costs incurred in the line of duty and subject to exceptional authorisation (this will include unavoidable airport/city taxi fares where meeting timetables so require). A total of €427,200 is needed.

Therefore, **€994,304** is required under **Heading 2**.
6.2.3 Running Costs

This heading includes the following:
Costs (/month/vehicle) for all vehicles include fuel at €70, maintenance €180, insurance €170 lubricants and other consumables at €5.

The vehicle fleet, including those taken over from other ESDP missions, currently numbers 178 (including Nissan Terrano, VW Golf, VW Passat, Scoda Octavia, Land Rover Discovery, MB Vito and MB Sprinter). A further 1067 vehicles are expected to be purchased from UNMIK (including 880 Toyota 4 Runners, 51 light armoured vehicles, 10 heavy Armoured Vehicles, 50 Mini Buses, 20 Nissan Pick-ups, 7 Mini Vans, 6 Toyota Ambulances, 6 30-seat Medium Buses, 5 50-seat Large Buses, 6 5-ton medium trucks, 5 heavy Trucks, 5 cargo trailers, 10 Flat Racks, 2 Back Hoe Diggers, 2 Bob Cats, 1 Sewage Truck, 3 light Fork Lifts, 1 heavy Fork Lift, 2 5000-litre Water Trucks, 2 5000-litre Fuel Trucks, 1 heavy Recovery Truck, 3 light Recovery Trucks and 20 Prisoner Vans. A further 5 armoured vehicles will be procured by the ESDP mission itself. Provision for fuelling and maintaining the IPU special fleets is included.

The total cost for vehicle running costs for the full period is therefore €6,548,400.

Costs estimated at €2,500,000 are added for a helicopter (outsourced service to grant mission senior management maximum mobility). This estimate includes operating costs such as special insurance and fuel during a six month period, beginning from the date of Transfer of Authority and the consequent launch of the operational phase of the Mission. The helicopter is expected to be used for an average of 2 flight hours per day.

The total budget required is estimated at €9,048,400.

IT running costs and maintenance, including IT stationery (CDs, DVD’s, VHS tapes, floppies, memory sticks etc.), printing supplies (toners and cartridges), domain registration (for the future ESDP mission), online support subscription, maintenance of the IT equipment (spare parts and installation), website hosting costs, and specific equipment for IT staff members (small tools and specialised peripherals and hardware).
The basis for calculation is:
For IT stationeries: total staff, €3.15/month
IT printing supplies: total staff, €83.33/month
Maintenance of IT equipment: total staff, €400/annum
Registration domain: €150/year
Online support: €200/year
Website hosting: €250/year
IT Training: €7,000/year
The total amounts to €4,094,574, being pro rata to current expenditure in EUPT Kosovo.

**Communications** (comms), including telephone, including specialised GSM services, fax, mobiles, internet, radios and satellite communications, and postage costs. Maintenance for communications equipment will also be imputed on this budget heading.

The basis for calculation, excluding margin cost items, is:
GSM costs: based on total staff: €73,650/month
Comms equipment maintenance: estimated 5% of the capital costs: €56,667/month
Satellites costs: €25,000/year
Internet: €24,000/year
Land lines costs: number of locations: €500/month
Costs are estimated at a total of €2,234,982.

**Rent and services for premises** (offices, warehouses, parking, camps), including maintenance, utilities, cleaning, fuel and maintenance for generators, heaters and air conditioners and insurance of stocked equipment. The camps include those for IPUs, to be located as operationally necessary and including Pristina. The estimate, based on the EUPT Kosovo proposals on accommodation, etc, and current rents in Kosovo per square metre for the different types of premises, is €6,951,705.

Specifically, this includes:
Office rent at €4/m²/month and maintenance at €0.35/m²/month
Warehouse rent at €6/m²/month and maintenance at €0.25/m²/month
Generator maintenance and fuel at number of generators x €100/month and €30/month respectively
Heating system maintenance and fuel at number of locations x €10/month
Heating fuel (offices and warehouses) at m² €1/month
Air conditioning maintenance at number of A/C units x €10/month
Premises utilities, cleaning services, insurance (third party and equipment insurance) at m² x €1/month, €0.5/month, €4/year, €13/year respectively.
Parking rent at number of vehicles x €13/month

**Office supplies** includes stationery, cleaning material, documentation, subscriptions to local journals and news agencies, drinking water, small office equipment, renewal and maintenance and ID cards. The estimate is €354,396 on current EUPT Kosovo costs per staff member. This includes stationeries (total staff at €3/month), cleaning material (total staff at €3/month), drinking water (total staff at €2/month), small equipment maintenance and renewal at €200/month, ID cards (total staff at €2/year) and documentation (subscriptions) at €105/month.

**Security-related services and control provisions**, including contracted security services and improvements in the physical security of Mission premises. Estimates are based on current/average Kosovo costs, square metres to be secured and numbers of staff (contracted security service at €2/m²/month). The estimate totals €1,282,840.

**External assistance and short-term expertise** includes outsourced administrative services (€12,000/year), legal assistance (€6000/year), and training–related overheads (total staff x €5/annum transformation skills training at 10% of staff €5/annum, key and head staff training costs at 5% of international staff at €20/annum, other specific training related costs at number of international Staff x €5/annum, local staff external training at number of local staff x €15/year), as well as short-term expertise which might, in particular, involve preparing tenders and evaluation. This requires a budget of €112,455.

**Financial services**, including audit, are forecast up to €230,000. This includes banking fees (function of the budget, at €12,500/month) and audit (€80,000).

**Visibility costs**: major costs are related to PR (two publicity campaigns per year are envisaged, costing €200,000 each, to include TV and radio broadcasts), but press conferences (24/year at €1,000 each), press visits (3 per year at €10,000 each), events and fairs (€10,000/year), public relation items (€60,000/year), printed material (€12,000/year), insignia and road signs, etc(marginal cost), are included.
The forecast requirement is for €631,713. In addition, a provision is made for contributions to local events, community policing initiatives, medal parades and retreats. This totals a further €54,860. There is therefore a total for visibility of €686,573.

**Transition Period**

In addition, the HoM will incur operating costs during the transition period. A provision of €650/month is foreseen. The total budget therefore is €2,600.

**The total budget for heading 3**, running costs, is thus €24,998,525.

**6.2.4. Capital Costs**

It is recalled that the EUPT Kosovo mission has allocations of over €43.8 million for capital expenditure in preparation for the ESDP mission. While the EUPT Kosovo is proceeding well with tendering and contracting for supplies of goods and services, a number of procurements cannot, and were not foreseen to, take place within its period of operational activity. These include works and services (such as security improvements, refurbishment and IPU set-up) which can begin only after UNMIK has withdrawn from its premises or where the transfer of ownership will be delayed until the transfer of authority to the ESDP Rule of Law mission. Additional equipment may be required in addition in response to political developments affecting security in Kosovo (e.g. higher level of protection for armoured vehicles).

This financial statement therefore makes provision for further procurement of:

a) Vehicles and workshop equipment

This heading makes provision for five armoured vehicles at €140,000 each, spare parts for vehicles, tooling and protective clothing for those involved in vehicle maintenance and servicing, etc. This is required in addition to the procurements being undertaken by EUPT Kosovo.

The estimates take into account unpredictable security needs, such as the possible purchase of B7 armoured vehicles, designed for special police operations. There may also be a need for new ambulances. In addition, witness protection will require a number of special non-recognisable vehicles.

The total provision therefore amounts to €1,700,000.

b) IT equipment and c) Comms equipment

These headings make provision for equipment required in addition to the procurements being undertaken by EUPT Kosovo. It relates to equipment damaged through wear and tear, replacement
batteries, testing equipment, new software, spare and specialised parts. The total amounts to €4,000,000 (€2,000,000 per heading).

d) Premises equipment & refurbishment
The vast majority of this heading refers to refurbishment costs for premises which will be taken over from UNMIK at the date of Transfer of Authority (given this, very little preparatory work can be undertaken by EUPT Kosovo), including necessary replacement of furniture, heating equipment, generators, etc. Provision is also made for replacement of consumables (light bulbs, switches, circuit breakers, lamps, etc) and spare parts or maintenance tools. The total amounts to €2,000,000.

e) Security equipment
Improvement of Mission premises is estimated to cost €2,000,000.

f) Medical equipment and premises
See Personnel Costs, above.

g) IPU set-up costs
Necessary structural enhancement of IPU facilities is required, as well as items of new equipment. Per IPU, these are assessed as including 196 containers (€2,500 each), 2 generators (€10,000 each), provision of utilities (water, fuel and air conditioning: €1,400), 6 observation towers (€1,050 each), and accommodation (2 police houses at €1,050 each), and furniture/refurbishment (115 staff at €500 each), etc. This totals €4,958,400 for the six IPUs.

Transition Period
In addition, €400/month are foreseen as capital costs for the HoM during the period from the beginning of the Joint Action to the date of Transfer of Authority (estimated 4 months). The total budget is therefore €1,600.

The total for heading 4, capital costs, is therefore €14,660,000.

6.2.5. Representation
The representation budget is €32,000 (including the transition period).

The total for heading 5 is thus €32,000.
6.2.6. Contingencies
This is to maintain a margin for unforeseen needs and is calculated at 1.63% of the net budget provision, meaning €3,345,391.

6.3. Itemised breakdown of cost (indicative)

**HEADING 1 – PERSONNEL**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>EUPT Kosovo: Consolidated budget, 10.04.06 – 31.03.08, excluding €17.4 million intended for 2008 commitment</th>
<th>ESDP Rule of Law Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1 – Head of Mission</td>
<td>389,746</td>
<td>360,000</td>
</tr>
<tr>
<td>Chapter 2 – International Contracted Staff</td>
<td>10,194,552</td>
<td>38,688,800</td>
</tr>
<tr>
<td>Chapter 3 – Local Staff</td>
<td>5,181,617</td>
<td>33,613,800</td>
</tr>
<tr>
<td>Chapter 4 – Seconded Staff (allowances)</td>
<td>7,792,000</td>
<td>67,780,500</td>
</tr>
<tr>
<td>Chapter 5 – Insurances</td>
<td>1,156,889</td>
<td>7,926,680</td>
</tr>
<tr>
<td>Chapter 6 – Medical</td>
<td>2,125</td>
<td>12,600,000</td>
</tr>
<tr>
<td><strong>TOTAL HEADING 1 – PERSONNEL</strong></td>
<td><strong>24,716,929</strong></td>
<td><strong>160,969,780</strong></td>
</tr>
</tbody>
</table>

**HEADING 2 – MISSIONS**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>EUPT Kosovo</th>
<th>ESDP Rule of Law Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1 – Air Tickets</td>
<td>219,505</td>
<td>171,600</td>
</tr>
<tr>
<td>Chapter 2 – Subsistence allowances &amp; accommodation</td>
<td>163,899</td>
<td>146,844</td>
</tr>
<tr>
<td>Chapter 3 – Training</td>
<td>471,099</td>
<td>248,660</td>
</tr>
<tr>
<td>Chapter 4 – Freight and transportation costs</td>
<td>51,221</td>
<td>427,200</td>
</tr>
<tr>
<td><strong>TOTAL HEADING 2 – MISSIONS</strong></td>
<td><strong>905,724</strong></td>
<td><strong>994,304</strong></td>
</tr>
</tbody>
</table>

**TITLE 3 – Running Costs**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>EUPT Kosovo</th>
<th>ESDP Rule of Law Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1 – Transportation (Vehicles)</td>
<td>1,030,005</td>
<td>9,048,400</td>
</tr>
<tr>
<td>Chapter 2 – IT running costs</td>
<td>2,582,279</td>
<td>4,094,574</td>
</tr>
<tr>
<td>Chapter 3 – Communications running costs</td>
<td>666,936</td>
<td>2,234,982</td>
</tr>
<tr>
<td>Chapter 4 – Premises rent and services</td>
<td>3,217,212</td>
<td>6,951,705</td>
</tr>
<tr>
<td>Chapter</td>
<td>1st Amount</td>
<td>2nd Amount</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Chapter 5 – Office supplies</td>
<td>195,068</td>
<td>354,396</td>
</tr>
<tr>
<td>Chapter 6 – Security Services</td>
<td>1,070,603</td>
<td>1,282,840</td>
</tr>
<tr>
<td>Chapter 7 – External assistance</td>
<td>60,000</td>
<td>112,455</td>
</tr>
<tr>
<td>Chapter 8 – Financial services &amp; audit</td>
<td>34,709</td>
<td>230,000</td>
</tr>
<tr>
<td>Chapter 9 – Visibility</td>
<td>60,000</td>
<td>686,573</td>
</tr>
<tr>
<td>Chapter 10 – Head of Mission (Transition)</td>
<td>3,000</td>
<td>2,600</td>
</tr>
<tr>
<td><strong>TOTAL HEADING 3 – Running Costs</strong></td>
<td>8,919,812</td>
<td>24,998,525</td>
</tr>
</tbody>
</table>

**HEADING 4 – Capital Costs**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>1st Amount</th>
<th>2nd Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter 1 – Vehicles</td>
<td>13,746,000</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Chapter 2 – IT equipment</td>
<td>12,121,255</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Chapter 3 – Comms equipment</td>
<td>6,208,460</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Chapter 4 – Premises equipment &amp; refurbishment</td>
<td>6,998,308</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Chapter 5 – Security equipment</td>
<td>4,831,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Chapter 6 – Uniform (insignia, badges) – EUPT</td>
<td>150,000</td>
<td>p.m.</td>
</tr>
<tr>
<td>Chapter 6 – Medical equipment - ESDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chapter 7 – IPU/FPU set up costs</td>
<td>4,958,400</td>
<td></td>
</tr>
<tr>
<td>Chapter 8 - HoM capital costs (Transition)</td>
<td>1,600</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL HEADING 4 – Capital Costs</strong></td>
<td>44,050,023</td>
<td>14,660,000</td>
</tr>
</tbody>
</table>

**TOTAL HEADING 5 – Representation**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>1st Amount</th>
<th>2nd Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUB-TOTAL (1 to 5)</strong></td>
<td>78,756,498</td>
<td>201,654,609</td>
</tr>
</tbody>
</table>

**CONTINGENCIES – 6**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>1st Amount</th>
<th>2nd Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL EXPENDITURE (1 to 6)</strong></td>
<td>79,505,000</td>
<td>205,000,000</td>
</tr>
</tbody>
</table>

The authorising officer responsible is hereby authorised to vary each of the above amounts related to the budget of the Mission according to exact operational requirements and possibilities and in keeping with sound financial management, while not exceeding the overall amount of the financing decision.

6.4. Financial precedents

N/A
7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

7.1 Impact on human resources p.m.

7.2 Overall financial impact of human resources p.m.

7.3 Other administrative expenditure deriving from the action p.m.

8. FOLLOW-UP AND EVALUATION

8.1 Follow-up arrangements
The Presidency is responsible for the implementation of the decisions made according to title V of the TEU (Joint Action).
The Special Adviser has to provide regular reporting stipulated by his contract. The Commission will evaluate the correct implementation and impact of this activity regularly throughout the life cycle of this contract.

8.2 Arrangements and schedule for the planned evaluation
The Commission may conduct an evaluation of this action in the framework of its budget implementation competence.

9. ANTI-FRAUD MEASURES
Controls may be undertaken by the Commission services, including OLAF, as well as by the European Court of Auditors. The contract between the Commission and the Head of Mission foresees yearly audits by an independent external audit firm.
THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 14 and third paragraph of Article 25 thereof,

Whereas:

(1) On 10 June 1999, the United Nations Security Council adopted Resolution 1244 (hereafter "Resolution 1244"), and within this framework:

- Paragraph 19 of Resolution 1244 provides that the United Nations Security Council "Decides that the international civil and security presences are established for an initial period of 12 months, to continue thereafter unless the Security Council decides otherwise".

- Paragraphs 10 and 11 of Resolution 1244 provides that the United Nations Security Council "Authorises the Secretary-General, with the assistance of relevant international organisations, to establish an international civil presence in Kosovo …" and "Decides that the main responsibilities of the international civil presence will include … (f) in a final stage, overseeing the transfer of authority from Kosovo's provisional institutions to institutions established under a political settlement …(i) maintaining civil law and order, including establishing local police forces and meanwhile through the deployment of international police personnel to serve in Kosovo".
Paragraph 17 of Resolution 1244 provides that the UN Security Council "Welcomes the work in hand in the European Union and other international organisations to develop a comprehensive approach to the economic development and stabilisation of the region affected by the Kosovo crisis, including the implementation of a Stability Pact for South Eastern Europe with broad international participation in order to further the promotion of democracy, economic prosperity, stability and regional cooperation".

(2) The Kosovo organs, institutions and authorities referred to in this Joint Action are the institutions created on the basis of Resolution 1244. They include inter alia the Kosovo Police Service, the judiciary and the associated Ministries of the Interior and of Justice.

(3) There is a need to prevent, on humanitarian grounds, possible outbreaks of violence, acts of persecution and intimidation in Kosovo, taking account as appropriate of the responsibility towards populations as referred to in Resolution 1674 by the United Nations Security Council on 28 April 2006.
(4) On 10 April 2006, the Council adopted Joint Action 2006/304/CFSP on the establishment of an EU Planning Team (EUPT Kosovo), regarding a possible EU crisis management operation in Kosovo.

(5) On 11 December 2006, the Council approved the Crisis Management Concept for a possible EU crisis management operation in the field of rule of law and possible other areas in Kosovo.

(6) On 29 November 2007, the Council adopted Joint Action 2007/778/CFSP amending and extending Joint Action 2007/304/CFSP and specifying that the Head of EUPT Kosovo shall, in particular, act under the direction of the Head of the EU crisis management operation in Kosovo once the latter has been appointed.

(7) On 14 December 2007, the European Council underlined that the EU stands ready to play a leading role in strengthening stability in the region in line with its European perspective and in implementing a settlement defining Kosovo's future status. It stated the EU's readiness to assist Kosovo in the path towards sustainable stability, including by an ESDP mission and a contribution to an international civilian office as part of the international presences. The General Affairs and External Relations Council was invited to determine the modalities for the mission and when to launch it. The Secretary-General/High Representative was requested to prepare the mission in discussion with the responsible authorities in Kosovo and the United Nations. In this regard, the United Nations Secretary-General has stated that the United Nations, with the support of the relevant international organisations, is committed to assisting Kosovo in the path towards sustainable stability. The United Nations Secretary-General also noted the readiness of the European Union to play an enhanced role in Kosovo, as reflected in the conclusions of the European Council on 14 December.

(8) In parallel with this Joint Action, the Council will adopt a Joint Action appointing an EU Special Representative for Kosovo.

---

(9) In accordance with the guidelines of the European Council meeting in Nice on 7 - 9 December 2000, this Joint Action should determine the role of the Secretary General/High Representative (SG/HR) in accordance with Articles 18 and 26 of the Treaty.

(10) Article 14(1) of the Treaty calls for the indication of a financial reference amount for the whole period of implementation of the Joint Action. The indication of amounts to be financed by the EU budget illustrates the will of the political authority and is subject to the availability of commitment appropriations during the respective budget year.

(11) Considering the scale and nature of the Mission established by this Joint Action, specific provisions are required concerning staff recruitment and procurement.

(12) The Command and Control Structure of the Mission is without prejudice to the contractual responsibilities of the Head of Mission towards the Commission for implementing the budget of the Mission.

(13) The Watch-Keeping Capability established within the Council Secretariat should be activated for this Mission.

(14) The European Union Rule of Law Mission in Kosovo will be conducted in a situation which may deteriorate and could harm the objectives of the Common Foreign and Security Policy as set out in Article 11 of the Treaty.

HAS ADOPTED THIS JOINT ACTION:
Article 1
Mission
1. The EU hereby establishes an European Union Rule of Law Mission in Kosovo, EULEX KOSOVO (hereafter referred to as EULEX KOSOVO or the Mission).
2. EULEX KOSOVO shall operate in accordance with the objectives set out in Article 2 and shall carry out the tasks as set out in Article 3.

Article 2
Mission statement
EULEX KOSOVO shall assist Kosovo authorities, judicial authorities and law enforcement agencies in their progress towards sustainability and accountability and in further developing and strengthening an independent multi-ethnic justice system and multi-ethnic police and customs service, ensuring that these institutions are free from political interference and adhering to internationally recognised standards and European best practices. EULEX KOSOVO, in full cooperation with the European Commission Assistance Programmes, shall implement its mandate through monitoring, mentoring, and advising, while retaining certain executive responsibilities.

Article 3
Tasks
In order to fulfil the Mission statement set out in Article 2, EULEX KOSOVO shall:
• Monitor, mentor and advise competent Kosovo institutions on all areas related to the wider rule of law (including a customs service), whilst retaining certain executive responsibilities;
• Ensure the maintenance and promotion of the rule of law, public order and security including, as necessary, in consultation with the relevant international civilian authorities in Kosovo, through reversing or annulling operational decisions taken by the competent Kosovo authorities;
• Help ensure that all Kosovo rule of law services, including a customs service, are free from political interference;
• Ensure that cases of war crimes, terrorism, organised crime, corruption, inter-ethnic crimes, financial/economic crimes and other serious crimes are properly investigated, prosecuted, adjudicated and enforced, according to the applicable law, including, where appropriate, by international investigators, prosecutors and judges jointly with Kosovo investigators, prosecutors and judges or independently, including as appropriate the creation of cooperation and coordination structures between police and prosecution authorities;

• Contribute to strengthening co-operation and coordination throughout the whole judicial process, particularly in the area of organised crime;

• Contribute to the fight against corruption, fraud and financial crime;

• Contribute to the implementation of the Kosovo Anti-Corruption Strategy and Anti-Corruption Action Plan;

• Assume other responsibilities, independently or in support of the competent Kosovo authorities, to ensure the maintenance and promotion of the rule of law, public order and security, in consultation with the relevant Council bodies;

• ensure that all its activities respect international standards concerning human rights and gender mainstreaming.

•

Article 4
Planning and preparation phase

1. During the planning and preparation phase of the Mission, EUPT Kosovo shall act as the main planning and preparation element for EULEX KOSOVO.
   The Head of the EUPT Kosovo shall act under the authority of the Head of EULEX KOSOVO.

2. The risk assessment carried out as part of the planning process shall be updated regularly.

3. EUPT Kosovo shall be responsible for recruiting and deploying staff and procuring equipment, services and premises intended for EULEX KOSOVO, financed from the EUPT Kosovo budget.
4. EUPT Kosovo shall be responsible for drawing up the Operation Plan (OPLAN) and developing technical instruments necessary to execute the mandate of EULEX KOSOVO. The OPLAN shall take into account the risk assessment and shall include a security plan. The Council shall approve the OPLAN.

Article 5
Transition

1. The decision to launch EULEX KOSOVO shall be taken by the Council upon approval of the OPLAN. The operational phase of EULEX KOSOVO shall start at the transfer of authority from UNMIK.

2. During the transition period, the Head of Mission may direct EUPT Kosovo to undertake the necessary activities in order for EULEX KOSOVO to be fully operational on the day of transfer of authority.

Article 6
Structure of EULEX KOSOVO

1. The ESDP mission will be a unified mission across Kosovo.

2. EULEX KOSOVO shall establish:
   - main Headquarters in Pristina,
   - regional and local offices across Kosovo,
   - a Brussels support element,
   - liaison offices as required.
3. Subject to detailed arrangements in the OPLAN, EULEX KOSOVO shall be structured as follows:
- the Head of Mission and staff as defined in the OPLAN,
- a police component, co-located where appropriate with the Kosovo Police Service, including at the border crossing points,
- a justice component, co-located where appropriate with the relevant Ministries, the Kosovo judiciary, the Kosovo Property Agency, the Kosovo Correctional Service.
- a customs component, co-located where appropriate with the Kosovo Customs Service.
4. Specialised police may be hosted in camps designed to cater for their operational needs.

Article 7
Civilian Operation Commander

1. The Civilian Planning and Conduct Capability (CPCC) Director shall be the Civilian Operation Commander for EULEX KOSOVO.
2. The Civilian Operation Commander, under the political control and strategic direction of the Political and Security Committee (PSC) and the overall authority of the SG/HR, shall exercise command and control of EULEX KOSOVO at the strategic level.
3. The Civilian Operation Commander shall ensure proper and effective implementation of the Council's decisions as well as the PSC's decisions, including by issuing instructions at strategic level as required to the Head of Mission.
4. All seconded staff shall remain under the full command of the national authorities of the sending State or EU institution. National Authorities shall transfer Operational Control (OPCON) of their personnel, teams and units to the Civilian Operation Commander.
5. The Civilian Operation Commander shall have overall responsibility for ensuring that the EU's duty of care is properly discharged.

6. The Civilian Operation Commander and the EUSR shall consult each other as required.

**Article 8**

**Head of Mission**

1. The Head of Mission shall assume responsibility and exercise command and control of the mission at theatre level.

2. The Head of Mission shall exercise command and control over personnel, teams and units from contributing States as assigned by the Civilian Operation Commander together with administrative and logistic responsibility including over assets, resources and information put at the disposal of the Mission. The exercise of this competence shall be without prejudice to the principle of the independence of the judiciary and the autonomy of prosecution when considering the discharge of judicial duties of the ESDP Mission Judges and Prosecutors.

3. The Head of Mission shall issue instructions to all Mission staff, including in this case the support element in Brussels, for the effective conduct of EULEX KOSOVO in theatre, assuming its coordination and day-to-day management, following the instructions at strategic level of the Civilian Operation Commander.

4. Until the expiry of the Joint Action 2006/304/CFSP, the Head of Mission shall be supported by the EUPT Kosovo established thereby.

5. The Head of Mission shall be responsible for the implementation of the Mission's budget. For this purpose, the Head of Mission shall sign a contract with the Commission.
6. The Head of Mission shall be responsible for disciplinary control over the staff. For seconded staff, disciplinary action shall be exercised by the national or EU authority concerned.

7. The Head of Mission shall represent EULEX KOSOVO in the operations area and shall ensure appropriate visibility of the Mission.

8. The Head of Mission shall coordinate, as appropriate, with other EU actors on the ground. The Head of Mission shall, without prejudice to the chain of command, receive local political guidance from the EUSR, including on the political aspects of issues related to executive responsibilities.

9. The Head of Mission shall ensure that EULEX KOSOVO works closely and coordinates with the Kosovo authorities and relevant international actors, as appropriate, including NATO/KFOR, UNMIK, OSCE, third States involved in the rule of law in Kosovo and an International Civilian Office.

10. Under the direct responsibility of the Head of EULEX KOSOVO, internal legal and financial control functions shall be performed by personnel independent from the staff responsible for the administration of EULEX KOSOVO.

Article 9
Staff

1. The numbers and competence of the EULEX KOSOVO personnel shall be consistent with its objectives set out in Article 2, the tasks set out in Article 3 and the structure of the Mission set out in Article 6.

2. EULEX KOSOVO shall consist primarily of staff seconded by Member States or EU institutions. Each Member State or EU institution shall bear the costs related to any of the staff seconded by it, including travel expenses to and from the place of deployment, salaries, medical coverage, and allowances other than daily allowances and applicable risks and hardship allowances.

3. EULEX KOSOVO may also recruit international and local staff on a contractual basis as required.

4. Third States may also, as appropriate, second staff to the Mission. Each seconding third State shall bear the costs related to any of the staff seconded by it, including travel expenses to and from the place of deployment, salaries, medical coverage, and allowances. Exceptionally, in duly justified cases, where no qualified applications from Member States are available, nationals from participating third States may be recruited on a contractual basis.
5. All staff shall abide by the Mission-specific minimum security operating standards and the Mission Security Plan supporting the EU Field Security Policy. As regards the protection of EU Classified Information they are entrusted with in the course of their duties, they shall respect the security principles and minimum standards established by Council Decision 2001/264/EC of 19 March 2001 adopting the Council's security regulations. (1)

Article 10
Status of EULEX KOSOVO and its staff
1. The status of EULEX KOSOVO and its staff, including the privileges, immunities and further guarantees necessary for the completion and smooth functioning of the Mission, shall be agreed as appropriate.
2. The State or EU institution having seconded a member of staff shall be responsible for answering any claims linked to the secondment, from or concerning the member of staff. The State or EU institution in question shall be responsible for bringing any action against the seconded person.
3. The conditions of employment and the rights and obligations of international and local civilian staff shall be laid down in the contracts between the Head of Mission and the members of staff.

Article 11

Chain of command

1. EULEX KOSOVO shall have a unified chain of command, as a crisis management operation.
2. Under the responsibility of the Council, the Political and Security Committee (PSC) shall exercise political control and strategic direction of EULEX KOSOVO.
3. The Civilian Operation Commander, under the political control and strategic direction of the PSC and the overall authority of the SG/HR, is the commander of EULEX KOSOVO at strategic level and, as such, shall issue instructions to the Head of Mission and provide him with advice and technical support.
4. The Civilian Operation Commander shall report to the Council through the SG/HR.
5. The Head of Mission shall exercise command and control of EULEX KOSOVO at theatre level and shall be directly responsible to the Civilian Operation Commander.

Article 12

Political control and strategic direction

1. The PSC shall exercise, under the responsibility of the Council, political control and strategic direction of the Mission. The Council hereby authorises the PSC to take the relevant decisions for this purpose, in accordance with the third paragraph of Article 25 of the Treaty on European Union. This authorisation shall include the powers to amend the OPLAN and the chain of command. It shall also include powers to take subsequent decisions regarding the appointment of the Head of Mission. The Council, on the recommendation of the SG/HR, shall decide on the objectives and termination of the Mission.
2. The PSC shall report to the Council at regular intervals.
3. The PSC shall receive, on a regular basis and as required, reports by the Civilian Operation Commander and the Head of Mission on issues within their areas of responsibility. Planning for specific areas may be reviewed by PSC on a regular basis.

Article 13
Participation of third States

1. Without prejudice to the decision-making autonomy of the EU and its single institutional framework, third States may be invited to contribute to EULEX KOSOVO provided that they bear the cost of the staff seconded by them, including salaries, allowances and travel expenses to and from the theatre of operation, and contribute to the running costs of EULEX KOSOVO, as appropriate.

2. Third States making contributions to EULEX KOSOVO shall have the same rights and obligations in terms of day-to-day management of the mission as Member States taking part in the mission.

3. The Council hereby authorises the PSC to take the relevant decisions on acceptance of the proposed contributions and to establish a Committee of Contributors.

4. Detailed arrangements regarding the participation of third States shall be laid down in an Agreement to be concluded in accordance with Article 24 of the Treaty. The SG/HR assisting the Presidency may negotiate such arrangements on its behalf. Where the EU and a third State have concluded an agreement establishing a framework for the participation of this third State in the EU crisis management operations, the provisions of such an agreement shall apply in the context of EULEX KOSOVO.
Article 14
Security

1. The Civilian Operation Commander shall direct the Head of Mission's planning of security measures and ensure their proper and effective implementation for EULEX KOSOVO in accordance with Articles 7 and 11 and in coordination with the Council Security Office.

2. The Head of Mission shall be responsible for the security of the operation and for ensuring compliance with minimum security requirements applicable to the operation, in line with the policy of the European Union on the security of personnel deployed outside the EU in an operational capacity under Title V of the Treaty on European Union and its supporting documents.

3. The Head of Mission shall be assisted by a Senior Mission Security Officer (SMSO), who will report to the Head of Mission and also maintain a close functional relationship with the Council Security Office.

4. The Head of Mission will appoint Area Security Officers in the regional and local Mission locations, who, under the authority of the SMSO shall be responsible for the day-to-day management of all security aspects of the respective Mission elements.

5. EULEX KOSOVO staff shall undergo mandatory security training before or upon their entry into function, in accordance with the OPLAN. They also receive regular in-theatre refresher training organised by the Senior Mission Security Officer and the Area Security Officers.

6. The Head of Mission shall ensure that the numbers of Mission staff present and that of authorised visitors never exceeds the Mission's capabilities in ensuring their safety and security or to manage their evacuation in an emergency situation.

Article 15
Watch-keeping
The Watch-keeping Capability shall be activated for EULEX KOSOVO.

Article 16
Financial arrangements
1. The financial reference amount intended to cover the expenditure related to the period of 16 months starting from the approval of the OPLAN shall be € 205,000,000.
2. All expenditure shall be managed in accordance with the Community rules and procedures applicable to the general budget of the EU, with the exception that any pre-financing shall not remain the property of the Community.
3. Subject to the Commission's approval, the Head of Mission may conclude technical arrangements with EU Member States, participating Third States and other international actors deployed in Kosovo regarding the provision of equipment, services and premises to the Mission. Nationals of the countries of the Western Balkans region or of contributing third States shall be allowed to tender for contracts. The position of contract holder of contracts or arrangements concluded by EUPT Kosovo for EULEX KOSOVO during the planning and preparation phase shall be transferred to EULEX KOSOVO, as appropriate. Assets owned by EUPT shall be transferred to EULEX KOSOVO.
4. The Head of Mission shall report fully to, and be supervised by, the Commission on the activities undertaken in the framework of his contract.
5. The financial arrangements shall respect the operational requirements of EULEX KOSOVO, including compatibility of equipment and interoperability of its teams, and shall take into consideration the deployment of staff in regional offices.
6. Expenditure shall be eligible as of the date of approval of the OPLAN.

---

Article 17
Coordination with Community actions

1. The Council and the Commission shall, each in accordance with their respective powers, ensure consistency between the implementation of this Joint Action and external activities of the Community in accordance with Article 3 of the Treaty. The Council and the Commission shall cooperate to this end.

2. The necessary coordination arrangements shall be put in place in the Mission area, as appropriate, as well as in Brussels.

Article 18
Release of classified information

1. The SG/HR shall be authorised to release to the United Nations, NATO/KFOR and to other third parties, associated with this Joint Action, EU classified information and documents generated for the purposes of the Mission up to the level of classification relevant respectively for each of them, in accordance with the Council's security regulations. Local technical arrangements shall be drawn up to facilitate this.

2. In the event of a specific and immediate operational need, the SG/HR shall also be authorised to release to the relevant local authorities EU classified information and documents up to the level "RESTREINT UE" generated for the purposes of the Mission, in accordance with the Council's security regulations. In all other cases, such information and documents shall be released to the relevant local authorities in accordance with the procedures appropriate to the relevant local authorities' level of cooperation with the EU.
3. The SG/HR shall be authorised to release to the United Nations, NATO/KFOR, to other third parties associated with this Joint Action and to the relevant local authorities, EU non-classified documents related to the deliberations of the Council with regard to the mission covered by the obligation of professional secrecy pursuant to Article 6(1) of the Council's Rules of Procedure¹.

Article 19
Review

The Council shall evaluate, not later than 6 months after the start of the operational phase, whether EULEX KOSOVO should be extended.

Article 20

Entry into force, duration

This Joint Action shall enter into force on the date of its adoption.
It shall expire on 28 months after the approval of the OPLAN. The budget for the last 12 months
shall be decided separately by the Council.

Article 21

Publication

1. This Joint Action shall be published in the *Official Journal of the European Union*.
2. The decisions of the PSC pursuant to Article 12 (1) regarding the appointment of the Head of
Mission, shall also be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council
The President