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Dear Ana,

I would like to thank you for your letter of 9 November 2007 regarding EU support to the Organisation for the Prohibition of Chemical Weapons (OPCW).

The Commission values highly its long standing relations with OPCW with whom it has already concluded three Contribution Agreements, for a total value of over €5 million¹.

The latest Contribution Agreement implementing Joint Action 2007/185/CFSP on 'Support for OPCW activities in the framework of the implementation of the EU Strategy against Proliferation of Weapons of Mass Destruction' for an amount of €1.7 million was concluded between the Commission and the OPCW on 23 August 2007.

As you know a problem arose when OPCW informed the Commission on 19 September that it had incurred expenditure worth €715,638 prior to the conclusion of this Contribution Agreement with the Commission.

I would like to remind you that the Commission works within the legal and financial framework laid down by the Council in the Financial Regulations (Council Regulation 1605/2002 of 25 June 2002).

My services were quite right to question this expenditure since Article 2(2) of the Special Conditions of the Contribution Agreement signed between the Commission and OPCW, specifically states that implementation should begin on the date when the last of the two Parties sign. This is indeed the normal procedure under the Community's financial rules.

Following representations made to my services the Commission dispatched an on-the-spot control mission to OPCW headquarters in The Hague on 22-23 November 2007 to check the reality and correctness of expenditure claimed by the OPCW.

¹ CFSP/2004/031/OPCW I signed on 15 December 2004 (€1,841,000) for JA of 25 November 2004,
CFSP/2006/001/OPCW II signed on 9 March 2006 (€1,697,000) for JA of 12 December 2005 and
CFSP/2007/009/OPCW III (€1,700,000) signed on 23 August 2007 for JA of 19 March 2007

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Verification of procurement procedures, budget expenditure and supporting documents confirm that funds were indeed used for projects foreseen in the Contribution Agreement. The Commission concludes that the OPCW acted in good faith to achieve the agreed objectives of the project, but could have been misled into assuming that implementation could start from the adoption of the Joint Action by the Council on 19 March 2007.

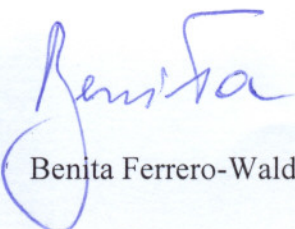
Following the Commission's on-the-spot verification mission the OPCW has promised to forward details of original project planning, submit revised figures for expenditure incurred between 19 March and 23 August and send information on measures to publicize the fact that the OPCW received funding from the European Union.

I am confident that, once this information is provided, a solution will be found that is acceptable to both the Commission and the OPCW. I have asked my services to keep you informed of the outcome.

Finally you allege that the Commission's cumbersome administrative procedures have seriously undermined the implementation of the EU's CFSP EUPOL Mission in Afganistan. This allegation is wholly without foundation. Indeed it has been widely acknowledged that the root cause of delays has been the lack of preparation of this CFSP Mission compounded by the lack of administrative capacity of the staff within the Mission responsible for procurement issues. With regard to procurement it is in fact largely thanks to the Commission that the situation has been improving. The Commission has found personnel to deploy to Kabul to support the Mission in preparing better quality procurement files and has mobilized additional resources in headquarters to ensure rapid verification and approval of dossiers.

I look forward to continuing to work with you and other colleagues at the Subcommittee on Security and Defence in meeting the EU's challenges.

Best regards,,



Benita Ferrero-Waldner

Cc: K. Von Wogau, Chairman of the Subcommittee on Security and Defence,
A. Giannella, Personal Representative of the High Representative on Non-Proliferation