



EUROPEAN PARLIAMENT



Parliamentary Meeting
8 and 9 May 2006, Brussels

Background Note

The EU in the World and the Borders of the EU

A PROSPEROUS AND PEACEFUL EUROPE WITHOUT BARRIERS

1. Over the past half century, the Union has successfully contributed to spreading democracy, prosperity, security and stability across most of the European continent. This was achieved both through its own enlargement (Art. 49 TEU) and, increasingly, through intensified co-operation with potential future candidate countries (Balkans), strategic partners (Russia, Ukraine, Turkey) and other third countries and organisations in Europe (e.g. EEA/EFTA, Council of Europe) and its neighbourhood (e.g. the Barcelona process).

A - EU ENLARGEMENT

2. According to Article 49 TEU, any European State may apply to become a member of the European Union. Prospective candidates must meet the ('Copenhagen') criteria for membership. On this basis, the current, enlarged EU of 25 countries and 454 million people will expand further in 2007 (or, if the relevant safeguard clause needs to be applied, in 2008 at the latest), when Bulgaria and Romania join, following ratification of their Accession Treaty.¹
3. A further three states have been confirmed as candidates by the European Council: Negotiations with Turkey (associated with the EU since 1964) and Croatia opened on 3 October 2005, while those with the Former Yugoslav Republic of Macedonia will not start until the country has reached a sufficient degree of compliance with the accession criteria. The latter is to be reassessed by the Commission at the end of 2006.

¹ The European Parliament gave its assent to the accession treaty in April 2005. According to Article 4 of the accession treaty all member states must ratify and deposit the instruments of ratification with the Italian government (the depository of the Treaties of Rome) until 31 December 2006 in order to assure accession in time. On the EU side, Slovakia, Hungary, Slovenia, Spain, Cyprus, Greece, Estonia, and the Czech Republic have already ratified the Accession Treaties.

4. The other three Western Balkans states (Albania, Bosnia and Herzegovina, and Serbia and Montenegro, including Kosovo) also have the clear perspective of future EU membership, as confirmed by the European Council in Feira in 2000 and in Thessaloniki in June 2003. Each will advance towards the EU based on its own individual merits in satisfying the 1993 'Copenhagen' criteria and the specific criteria under the EU's Stabilisation and Association Process (SAP) for the Western Balkans.
5. Any debate on further enlargement to the South appears moot: The countries of North Africa or the Middle East, while unarguably important neighbours, would have difficulties to make a credible claim to European status². With all potential enlargement to the North, West and Southeast basically already exhausted or committed and a Russian desire to join the EU not in sight, any discussion about the ultimate limits of the European Union thus boils down to a potential future membership of the European countries Ukraine, Moldova and – possibly – Belarus, as well as the consideration of any such ambitions by the three South Caucasus republics – Armenia, Azerbaijan and Georgia.
6. Basically, EU enlargement could theoretically lead to a future expansion to more than 35 member states not even including 'older' potential candidates for membership, namely Norway and Switzerland, but also Iceland and Liechtenstein.³ The institutional provisions in the Treaty of Nice⁴ and its attached Protocol on Enlargement already anticipated the accession of Romania and Bulgaria as part of this fifth enlargement round (EU-27). Any further enlargement of the EU prior to the entering into force of the Treaty establishing a Constitution for Europe, including the current candidate countries Croatia, Turkey and FYROM, would require additional institutional and budgetary adaptations to ensure the Union's absorption capacity as referred to in the 'Copenhagen' criteria.

B - CO-OPERATION AND INTEGRATION WITH EUROPEAN NEIGHBOURS

7. Given the close historical, cultural, economic and human ties and numerous shared challenges, the EU's Mediterranean neighbours were among the first to establish special economic and trading relations with the Union. The Barcelona Process and the Euro-Mediterranean Partnership aimed at increasing political dialogue, stepping up economic and trade relations (creation of a Euro-Mediterranean free trade area by 2010) and partnership in social, cultural and similar fields.
8. The European Commission's 'Wider Europe' communication of 11 March 2003 had proposed a 'ring of friends' with the prospect of close economic integration with the EU, potentially extending to the four freedoms of the Internal Market. Subsequent discussion in Council and implementation through the relevant Action Plans by the European Commission brought the approach down to a more modest level, eventually avoiding explicit reference to the 'four freedoms'.
9. In its 'European Neighbourhood Strategy', developed by the Commission in May 2004, the EU offers its neighbours a privileged political and economic relationship, building

² Morocco explored this territory with an application for membership in the EEC in 1987; it was rejected because of the Treaty provision limiting Community membership to 'European States'. However, geography as such does not provide a sufficient basis for defining the ultimate shape of the EU either: On the one hand, with Cyprus the EU includes a Member State which does, in historical and cultural terms, clearly belong to Europe. On the other hand, Turkey lies with the greater part of its territory clearly outside geographical Europe.

³ Norway twice completed membership negotiations but these were twice rejected in a national referendum. Iceland never applied, but the government recently declared that, should Norway renew its bid, Iceland would have to consider the changed situation. Switzerland applied for membership in 1992 but has chosen not to pursue its application.

⁴ Signed on 26 February 2001 and entered into force on 1 February 2003.

upon a mutual commitment to common values (democracy and human rights, rule of law, good governance, market economy principles and sustainable development).

10. Title VIII ("The Union and its immediate environment") of the future Treaty establishing a constitution for Europe foresees a special relationship with neighbouring States and specific agreements with them. These agreements may contain reciprocal rights and obligations as well as the possibility of undertaking activities jointly. This new type of agreement would complement other types of agreements concluded by the Union, such as association agreements.

THE EU AS A PARTNER FOR TRADE AND DEVELOPMENT

11. Though representing just 6% of world population, the EU accounts for more than a fifth of global imports and exports. This makes the Union the world's biggest trader. The EU also accounts for about a fifth of the total world GDP⁵, is the world's leading source of foreign direct investment (€ 235 billion) and the main export market for some 130 countries around the world.
12. Trade was one of the first areas in which EU countries agreed to pool their sovereignty, transferring to the European Commission the responsibility for handling trade matters, including negotiating international trade agreements on their behalf (Article 133 EC Treaty). Article I-13 of the future Treaty establishing a constitution for Europe clearly accords the Union exclusive competence for the common commercial policy, extending it also to foreign direct investment (Article III-315).
13. The European trade policy follows three main objectives: contributing to sustainable development; opening world trade markets, and harnessing globalisation by agreeing on a set of rules to regulate markets, and ensuring compatibility of trade opening with other societal values. These objectives are pursued through multilateral activity in the WTO framework as well as through bilateral agreements and specific trading policies with third countries and regional areas.
14. In addition, the EU also implements unilateral measures, employing trade policy instruments in the interests of development and/or political stability in line with the EU's key political priorities. Such measures include the classical General System of Preferences (GSP) and the "Everything But Arms" initiative (EBA) - arrangements under which some 80% of the developing countries' exports in 2003 came into the EU duty-free or at reduced rates of duty.
15. The EU is the main trading partner for the poorest countries: almost 40% of EU imports come from the developing countries. Furthermore, by providing development aid to the tune of € 46 billion a year (56% of world aid), the EU and its Member States together also constitute the biggest donor entity worldwide.
16. Based on the 'Cotonou Agreement'⁶ relations between the EU and the African, Caribbean and Pacific Group of States (ACP) are a particularly important aspect of the EU development cooperation policy and, more widely, of its external action. As a joint response to globalisation, it is designed to promote the economic, social and cultural development of the ACP States, contribute to peace and security and promote a stable and democratic political environment.

⁵ Eurostat 2004: US 20,8 %; EU-25 20,5 %; China 13,7 %; Japan 6,5 %; India 6,2 %; Russia 2,6 %)

⁶ Following the Lomé Conventions from 1975 to 2000

17. The objectives and principles of the Union's development policy are set out in the new "European Consensus on Development"⁷ of 20 December 2005. In line with the international agenda and the Millennium Development Goals in particular, this document identifies as primary and overarching objective the eradication of poverty in the context of sustainable development, flanked by the promotion of Human Rights and good governance. To that end, the EU has committed to increase aid budgets and to achieve 0,7% of gross national income by 2015, with an intermediate collective target of 0,56 % by 2010.
18. The Union's development policy is explicitly defined as complementary to the bilateral policies of Member States (Article 177 EC Treaty). The European Commission provides significant added value thanks to its global presence and expertise as a delivery agent. Article I-13 of the Treaty establishing a constitution for Europe lists development cooperation as an area of shared competence between the Union and the Member States.

PROTECTING SECURITY AND HUMAN RIGHTS

19. A particular emphasis of EC/EU external action has always been on the promotion of democracy and human rights. Since 1995, the EC has generally included a human rights clause in its bilateral trade and cooperation agreements, as well as bilateral accords of a general nature (excluding sectoral agreements), with third countries. The Commission has been playing an active part in the financing of measures to promote democracy and human rights, in particular in the context of the European Initiative for Democracy and Human Rights (EIDHR).
20. Increasingly faced with threats and challenges on a global scale, the EU required a legal framework to tackle issues of foreign and security policy. This was provided by the Treaties of Maastricht and Amsterdam, in the shape of the Common Foreign and Security Policy (CFSP) defined in Article 11 TEU. On this basis, the EU has developed its 'second pillar' – the external policy domain, in which action is decided by intergovernmental agreement and in which the Commission and Parliament play only a minor formal role⁸. Decisions in this domain are taken by consensus, allowing individual States to abstain.
21. The scope of CFSP covers all questions relating to the (external) security of the Union, including the progressive framing of a common defence policy, which (in accordance with Article 17 TEU) "might lead to a common defence, should the European Council so decide". Commonly called "European Security and Defence Policy" (ESDP), this includes developing the capacity to meet the "Petersberg tasks" (which include humanitarian and rescue tasks, peacekeeping, combat forces in crisis management, including peacemaking). In practical terms, this has led to the launching of directly managed EU missions in FYROM, Bosnia-Herzegovina and the Democratic Republic of Congo and cooperation in the field of armaments.
22. Important goals in the area of ESDP were initially established by the Helsinki European Council in December 1999 and the Feira European Council in 2000 for civilian aspects. These have subsequently been expanded under the Military Headline Goal 2010 and

⁷ The European Consensus on Development is a policy statement jointly adopted by the Council and the Member States meeting within the Council, the European Commission and the European Parliament.

⁸ Following that logic, the Council's Secretary-General was designated as the EU High Representative for CFSP (currently Mr. Solana).

Civilian Headline Goal 2008, launched at the Thessaloniki European Council. Several specific bodies and structures have been set up since in the Council to develop cooperation under CFSP and ESDP. The Political and Security Committee (PSC) is central among these.

23. The evolution of CFSP/ESDP, further boosted by the adoption of the European Security Strategy in December 2003 and a pragmatic implementation of the defence commitments in the Treaty establishing a constitution for Europe have led to a rapid increase in ESDP activities. With the adoption of a Strategy on Non-proliferation of Weapon of Mass Destruction in December 2003, security matters are now being integrated into the Union's external economic actions through the adoption of "Non-proliferation Clauses" in mixed agreements with third states.
24. Furthermore, the development of CFSP/ESDP has already significantly increased the EU's options for supporting the efforts of the UN to foster international peace and security. EU-UN cooperation covers various issues at the interface between the development and security agendas: the fight against terrorism, combating the proliferation of weapons of mass destruction, the implementation of UN Security Council sanctions and, increasingly, conflict prevention and crisis management, on which an EU-UN Joint Declaration was signed in September 2003.
25. The provisions of the Treaty establishing a constitution for Europe in relation to 'Enhanced cooperation' of a group of member states are basically equivalent to those already foreseen in the current TEU.⁹ The only significant change is the amendment of the minimum number of participating member states, which is changed from the current eight to one-third of member states. Enhanced cooperation could be established in any area of CFSP and no longer only for the implementation of a joint action or a common position, as provided for in Art. 27b TEU. However, under the Treaty establishing a constitution for Europe this would require a unanimous decision by the Council. In addition, contrary to the current TEU, "structured cooperation" may be also established in the area of defence.
26. More generally, already the present scope of the Community's external action comprises both 2nd pillar CFSP measures¹⁰ and a wide variety of 1st pillar activities incorporating aspects such as trade, energy, transport, development assistance, environment, etc., for which the European Commission is competent. This has focussed current debates on the future of the EU's foreign policy upon those areas where first pillar activities can reinforce CFSP and vice versa: implementing agreements, reinforcing political dialogue and enhancing Member State "ownership" of policies and instruments managed by the Commission, but above all achieving reform and stable economic growth in regions affected by conflict or which pose a security threat to the EU.
27. In terms of external visibility, in CFSP/political dialogue meetings with third parties the EU, under the current institutional arrangements, is usually represented by the "Troika"¹¹, which ensures some continuity but still presents - literally - a changing "face".

⁹ The Treaty of Amsterdam already provided for some flexibility in the CFSP area. 'Enhanced cooperation' would enable a group of countries to go ahead with action in which other member states did not wish to be involved – because of their tradition of neutrality, for example

¹⁰ In many cases the Commission is the main administrator for the CFSP budget and corresponding Joint Actions. Furthermore, with the development of its new external relations instruments under the Financial Perspectives 2007-2013, the Community will play an increasingly important supporting role in CFSP and ESDP.

¹¹ In accordance with Article 18 TEU, the Presidency is assisted by the Secretary General / High Representative for CFSP (SG//HR) for external representation purposes, and the Commission is fully associated. In addition, the Presidency shall, "if need be", be assisted by the future Presidency. The latter option is usual practice; thus, the "Troika" is in reality often a "Quartet".

28. With its provision for an EU Foreign Minister (Art. I-28) and an EU External Action Service (Art. III-296 (3)), the Treaty establishing a constitution for Europe would have created new structures to underpin the EU and Member States ambitions in the area of CFSP/ESDP, in particular by integrating the external services of Commission, Council and Member States. The mandate of the future EU Foreign Minister would encompass comprehensive rights of initiative, participation, representation and implementation in the field of CFSP. In addition s/he would be charged to be one of the Commission's vice presidents. However, s/he would not have autonomous decision making rights. Contrary to the responsibilities of the current SG/High Representative, the EU Foreign Minister would be generally bound to consult and inform the European Parliament on the main aspects and basic choices of CFSP and ESDP (Art. III-304 (1)).