Main aspects and basic choices of the Common Foreign and Security policy CFSP, financial consequences for the EC budget

2003/2141(INI) - 07/04/2003 - Non-legislative basic document

PURPOSE : to present the 2002 Annual report on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the European Communities. CONTENT : the Inter-Institutional Agreement (IIA) of 6 May 1999 provides that "once a year the Council Presidency will consult the European Parliament on a Council document setting out the main aspects and basic choices of the CFSP, including the financial implications for the general budget of the European Communities". The present report covers the year 2002 and also looks at perspectives for future action in accordance with the practice followed since the 1999 report. This report follows the same criteria as those used for the previous reports, namely: - its scope is limited to the description of CFSP activities, e.g. common positions, joint actions and implementing decisions, declarations and dmarches, political dialogue (where appropriate, and necessary in order to provide a comprehensive view of the activities, reference is made to actions falling outside Title V of the TEU); - it is complementary to the chapter on external relations of the annual report on the progress of the European Union presented to the Parliament in application of Article 4 of the TEU; - the broad priorities of the Union's external relations, as expressed for example in European Council conclusions, are included in the Article 4 TEU-report mentioned above. The main aspects and basic choices of CFSP section sets out CFSP action in the Western Balkans, Eastern Europe and Central Asia, Central and Eastern Europe, South Eastern Europe, Middle East Peace Process, the Mediterranean Region, the Maghreb, Middle East/Gulf, Asia-Oceania, Africa, Latin America and the Caribbean, and Transatlantic relations. The security and defence issues section sets out CFSP action on crisis management, conflict prevention, security, disarmament and non-proliferation, the EU Code of Conduct on Arms Exports, small arms, light weapons and anti-personnel landmines, the Chemical Weapons Convention and the Biological and Toxin Weapons Convention. The global questions /multilateral fora section covers the fight against terrorism, human rights, the United Nations, the International Criminal Court, the OSCE and Council of Europe. The section on legal acts involving financing from the CFSP lines of the Community's budget lists the different activities in this area. The section on legal acts without financial implications lists the Common Positions and Joint Actions adopted in 2002 which did not involve financial expenditure. The section on other CFSP activities sets out the different declarations, demarches, political dialogue and reports of Heads of Missions in 2002. The section on perspectives for future action sets out the likely CFSP priorities in each geographical area, on security and defence, and on global/multilateral issues. REGIONAL PRIORITIES : - Central and Eastern Europe remains a preoccupation for the Union with the enlargement process in May 2004. It should be noted that even if Turkey does not become a member of the Union at this time, political dialogue will be pursued and intensified. - Eastern Europe, Central Asia and Russia : these relations havebeen further intensified and an agreement was reached concerning Kaliningrad's position in the enlarged European Union. In light of the detailed proposals of the Commission and the High Representative on the New Neighbours Initiative, the EU will discuss on how to develop relations with Ukraine, Moldova and Belarus. On the other hand, the EU remained seriously concerned at the continuing deterioration of democracy and rule of law in Belarus as well as the non-fulfilment of Belarus' international commitments. Moreover, relations have also deteriorated with the Caucasus. Amongst the other priorities of the European Union is the Middle East. The situation concerning the Israeli-Palestinian conflict further deteriorated. The spiral of violence continued and an increasing number of civilians on both sides lost their lives or were injured. The International Community continued to search for a way out of this crisis. In this context the EU played a very active role within the Quartet (EU, Russia, US, UN) mainly through HR Solana and EUSR Moratinos at Envoys level. In particular, the EU presented the other Quartet members with a a joint roadmap with clear timelines for the establishment of a Palestinian State by 2005. The report also notes

the renewal of the commitments vis-à-vis the Euro-Mediterranean Partnership. The Spanish Presidency organised the fifth Conference of Foreign Ministers in Valencia on 22/23 April, which marked a renewed mutual commitment and gave greater depth to the Euro-Mediterranean Partnership, which should contribute to regional stability and peace, in particular through the reinforcement of the sense of co-ownership of the Barcelona Process. Syria and Lebanon did not attend. In the Middle East/Gulf, EU-Iran relations deepened significantly in 2002. The Council reached political agreement on the opening of negotiations with Iran on a Trade and Cooperation Agreement and on provisions for political dialogue and counter-terrorism. As regards IRAQ, on 19 November, the Council welcomed the unanimous adoption of UN Security Council Resolution 1441, which gave Iraq a final opportunity to comply with its disarmament obligations. Concerning ASIA-OCEANIA, the report recalls that throughout 2002, the EU continued to attach high importance to the EU-ASEAN relationship and to promote the EU-ASEAN dialogue as a fundamental building block for the strategic partnership between Europe and Asia. 2002 was also a busy and successful year for the ASEM process. On a bilateral level, the report states that in 2002, the EU was the largest donor to Afghanistan. The EU engaged with the Afghans authorities in key policy areas such as human rights, legal reform, police training, and education. EU Member States have significantly contributed to ISAF, and Germany and The Netherlands announced their resolve to take over the leadership of ISAF as from February 2003. In addition, the EU warmly welcomed East Timor's independence on 20 May 2002, congratulated the people and the elected representatives, and commended the East Timorese people for their constant efforts, which were finally rewarded. The EU underlined that East Timor's choice of democracy and of sound and friendly relations with their neighbours was the only way to achieve peaceand progress. Moreover, the EU anticipated East Timor's accession to the Cotonou Agreement. Regarding Indonesia, the dialogue between the EU and Indonesia continued to develop throughout 2002, and the close relations between the two sides became even more important after the terrorist attacks in Bali on October 12, 2002. The African continent was subject to particular attention at the second Africa-Europe Ministerial Meeting in Ouagadougou on 28 November 2002. The meeting confirmed the commitment of Heads of State and Government to give impetus to and monitor implementation of the Cairo Plan of Action and to work towards a new strategic dimension for the comprehensive partnership between Africa and Europe. With regard to the links between the Union and the Latin American countries, the report highlights the revitalisation of the San Jos Process under the Spanish presidency. SECURITY AND DEFENCE ISSUES : in particular concerning the issue of crisis management : during the year 2002, the Crisis management procedures and conceptual basis for the conduct of Crisis management operations were further refined. Particular emphasis was put on the strengthening of civil-military coordination in EU crisis management in order to ensure an effective response to a crisis. The Council welcomed an Action Plan in this respect. The EU's first crisis management exercise, CME 02, was conducted in May 2002 and helped test, in the context of a fictitious crisis, ESDP structures, procedures and arrangements. As a result of the commitments made by the Member States, the EU was able to set up a European Union police mission (EUPM) in Bosnia and Herzegovina, which tookover from the UN International Police Task Force (IPTF) on 1 January 2003 as the EU's first operation under ESDP. It will contribute to other EU and international efforts to support the rule of law and democratic structures in Bosnia and Herzegovina and provide an important source of experience for the EU in the future development of crisis management capabilities. All EU Member States and 18 third states are contributing personnel to the mission, comprising 500 police officers and more than 300 international civilian and local staff. The year 2002 also marks the declared readiness by the European Union to take over two military operations in the Balkans: the NATO Operation 'Amber Fox' (since December named 'Allied Harmony') and the NATO-led Operation SFOR in Bosnia. The agreement with NATO reached in December on Berlin Plus will allow for close consultations with NATO in crisis management as well as for the recourse by the EU to NATO assets and capabilities once all detailed arrangements are in place. Concerning conflict prevention, work within the European Union on conflict prevention continued during 2002 on the basis of the EU programme for the prevention of violent conflicts endorsed by the European Council in Göteborg in 2001. Steps have been taken towards a more systematic approach to early warning. Concerning the Kimberley Process : during 2002, the Commission conducted negotiations on behalf of the European Community on an agreement establishing an international certification scheme for rough diamonds. The purpose of the scheme is to prevent "conflict"

diamonds from fuelling armed conflicts and discrediting the legitimate market for rough diamonds, whichmakes an important economic contribution, not least to certain developing countries in Africa. The scheme was launched at a Kimberley Process ministerial meeting in November 2002. - Security, disarmament and non-proliferation : The EU continued its active involvement in political measures against proliferation of missiles and related technology. The year 2002 marked a milestone in this work. As a result of active leadership by the EU, and in particular Spanish and Danish Presidencies, the multilateral process to launch International Code of Conduct against ballistic missile proliferation was successfully achieved in November, - Small arms, light weapons and anti-personnel landmines : The EU remains committed to the goal of total elimination of anti-personnel landmines world-wide. The EU continued its dialogue on small arms with various regions in order to stress the need for a prompt implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects. Lastly, the report deals with the global and multilateral questions debated on an international level. Such as - the fight against terrorism : in order to enhance the efforts of the EU in this field, economic and financial measures were taken to dry up the sources of terrorist funding. The Council adopted a joint Commission and Council programme on 20 December. The programme will improve cooperation in the European Union on preventing and limiting the consequences of chemical, biological, radiological or nuclear threats. The overall aim of the programme is to increase the efficiency of the measures taken at national and EU level with regard to terrorist CBRN threats. The programme will be implemented in 2003 according to the strategic objectives that need to be addressed and the area where further action is required. - Huamn rights : the protection and promotion of human rights and fundamental freedoms is one of the founding principles of the Common Foreign and Security Policy, and this principle was constantly stressed in the EU's bilateral relations as well as in its activities in multilateral fora. In addition to continuing to address human rights violations around the world, the EU played an active role in the promotion of respect for human rights. (Please refer to INI/2002/2011). It should also be noted that the Union supports the International Penal Court. PERSPECTIVES FOR FUTURE ACTIONS : The Union will continue its efforts to strengthen the CFSP, including by developing and refining the instruments available to it, such as the role of the High Representative and the EU Special Representatives. A number of activities, and in some instances their effectiveness, will depend also on the availability of adequate financial resources in the CFSP budget. The issues likely to dominate the work of the Council in the area of the CFSP in 2003 are outlined below. - Western Balkans : the Council will continue to actively promote security, political stability, democratisation and economic development in all five countries of the region. - the Middle East peace process : Middle East Peace Process: Despite the increasing tension in the region, also against the background of the Iraq crisis, the EU will continue to contribute actively to the search for peace and stability, in particular through the rapid implementation of the Quartet's roadmap. - Eastern Europe and Central Asia: The Union will carry out a global assessment of EU-Russia relations with a view to identify possible new mechanisms of cooperation to be discussed at the EU-Russia Summit in St. Petersburg in May 2003. The Union will follow closely the situation in Chechnya, including the referendum on the Constitution in March 2003. - regarding the European Security and Defence Policy, the Council will continue to give priority to the development of the European Union's military capabilities so as to achieve the headline goal set at Helsinki for 2003. 2003 should see the conclusion of arrangements detailing the modalities for implementing the NATO/EU relationship as regards crisis management. In 2003 the Union is to launch its first military operation in the Former Yugoslav Republic of Macedonia. This operation, which will follow on from the NATO operation, will demonstrate the Union's support for the process under way in the FYROM. This operation will make use of the NATO planning capabilities, as well as NATO common assets and capabilities. FINANCIAL IMPLICATIONS OF THE CFSP : 1) WESTERN BALKANS : concerning the budget, similar to previous years, this mainly concerns the western Balkans which have monopolised the main financial efforts of the Community in the field of CFSP. - the Council formally implemented the agreement reached in principle at its 28 January session by adopting a joint action extending the mandate of the EU Special Representative in the Former Yugoslav Republic of Macedonia, Alain Le Roy, until 30 June 2002. Mr Le Roy was appointed as EUSR on 29 October 2001. The EU Special Representative's role is to establish and maintain close contact with the government of FYROM and the parties involved in the political process and to offer the EU's advice and facilitation in the political process. The financial

reference amount was set at EUR 100.000 to cover the administrative expenditure. On 25 June, the Council approved the Joint Action extending the mandate of Mr Alain Le Roy, for six months from 1 July to 31 December 2002. The financial reference amount was set at EUR 150.000 for this period. On 21 October, the Council adopted a Joint Action concerning the appointment of a new Special Representative of the European Union in the Former Yugoslav Republic of Macedonia, by which, Mr Alexis Brouhns replaced Mr Alain Le Roy as the Special Representative of the European Union in Skopje from 1 November 2002. On 10 December 2002 the Council extended the mandate until 30 June 2003(financial statement set at EUR 288.000). - EU Police Mission (EUPM) in Bosnia-and-Herzegovina (follow-on from the UN International Police Mission) : financial arrangements : EUR 14 million for start-up costs for 2002 and up to EUR 38 million for annual running costs for the years 2003-2005) of which a reference amount of EUR 20 million shall be financed from the general budget of the EU. The Council also adopted a Joint Action concerning the appointment of Lord Ashdown as the European Union Special Representative (EUSR) in Bosnia-and-Herzegovina. The Council adopted a decision appointing Mr. Sven Christian Frederiksen as Head of Mission/Police Commissioner of the European Police Mission in Bosnia-and-Herzegovina as from 1 January 2003. Until that date, Mr. Frederiksen will act as Police Head of Mission /Head of the Planning Team. The decision applies until 31 December 2005. 2) SOUTHERN CAUCASUS (Georgia) : the Council adopted a Joint Action regarding a contribution of the European Union towards reinforcing the capacity of the Georgian authorities to support and protect the OSCE Observer Mission on the border of Georgia with the Ingush and Chechen Republics of the Russian Federation. The amount allocated to the Joint Action is EUR 100 000. 3) MIDDLE EAST/GULF : the Council adopted the Joint Action extending the mandate of Mr Miguel Moratinos as Special Representative for the Middle East Peace Process until 30 June 2003. The financial reference amount was set at EUR EUR 621 000. 4) SOUTH-EASTERN EUROPE : the Council also adopted the Joint Action extending the mandate of Mr Erhard Busek as Special Representative for the Stability Pact for South-Eastern Europe until 30 June 2003. The financial reference amount was set at EUR 160 000 from the Council's administrative budget and EUR 841,000from the CFSP budget. 5) ASIA : - Afghanistan : the Council adopted a joint action to extend the mandate of the European Union Special Representative for Afghanistan, Mr Klaus Klaiber, until 30 June 2002. The financial reference amount was set at EUR 30 000.The joint action of 10 December 2001 appointing the Special Representative expired on 10 June 2002. Following the agreement reached by the Council on 17 June 2002 concerning the nomination of Francesc Vendrell as the new Special Representative of the European Union in Afghanistan, replacing Mr Klaiber. Mr Vendrell was appointed for a period of six months from 1 July to 31 December 2002. The financial reference amount was set at EUR 250 000. His mandate was subsequently extended until 30 June 2003 by Joint Action adopted by the Council on 10 December 2002. The financial reference amount was set at EUR 341 000. 6) AFRICA : the Council extended the mandate of Mr Aldo Ajello as EU Special Representative for the African Great Lakes region until30 June 2003 (financial reference amount: EUR 341 000). 7) THEMATIC ISSUES : other than regional aid, the Union contributes financially to the following issues: - disarmament and non-proliferation : a financial contribution of EUR 645 000 to the unit of experts under the European Union Cooperation Programme for Non-proliferation and Disarmament in the Russian Federation. This Decision is intended to provide for the programme's continuation for 2002 and 2003; - International code of conduct against ballistic missile proliferation : the financial support made available is EUR 55 000. This support facilitated the launch of the Code of Conduct in The Hague; - Small arms and light weapons : the Council adopted a new Joint Action which aims in particular to include ammunition of small arms and light weapons, which was recognised as a cause for concern by the Panel of Governmental Experts on Small Arms. Under the Joint Action, the EU seeks to build international consensus on principles for combating the destabilising spread of arms and light weapons and may provide financial and technical assistance to specific projects contributing to these principles, such as weapons collection, security sector reform and demobilisation and reintegration programmes as well as specific victim assistance programmes. The Council adopted the implementing Decision, which includes a budget provision of EUR 200 000. Under this Decision the EU will contribute to the "South East Europe Regional Clearinghouse for Small Arms Reduction", located in Belgrade, which was established under the auspices of the UNDP and the Stability Pact for SE Europe. Lastly, the Council adopted a Decision extending and amending Decision 1999/730/CFSP concerning a European Union contribution to

combating the destabilising accumulation and spread of small arms and light weapons in Cambodia. The European Union hereby extends its support for a further year, until 15 November 2003. The financial contribution is fixed at EUR 1,568,000.