## Basic information

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|---|---|
| **2006/2217(INI)**<br>INI - Own-initiative procedure | Procedure completed |
| Annual report 2005 on CFSP<br>**Subject**<br>6.10 Common foreign and security policy (CFSP) | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| AFET Foreign Affairs | BROK Elmar (PPE-DE) | 13/09/2006 |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| BUDG Budgets | SAMARAS Antonis (PPE-DE) | 20/09/2004 |

### Council of the European Union

| Council configuration | Meetings | Date |
|---|---|---|
| Competitiveness (Internal Market, Industry, Research and Space) | 2801 | 2007-05-21 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| External Relations | FERRERO-WALDNER Benita |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 23/06/2006 | Non-legislative basic document published | 10314/2006 | Summary |
| 28/09/2006 | Committee referral announced in Parliament | | |
| 27/03/2007 | Vote in committee | | Summary |
| 04/04/2007 | Committee report tabled for plenary | A6-0130/2007 | |
| 22/05/2007 | Debate in Parliament | | |
| 23/05/2007 | Decision by Parliament | T6-0205/2007 | Summary |
| 23/05/2007 | Results of vote in Parliament | | |
| 23/05/2007 | End of procedure in Parliament | | |

| Technical information | |
|---|---|
| **Procedure reference** | 2006/2217(INI) |
| **Procedure type** | INI - Own-initiative procedure |
| **Procedure subtype** | Annual report |
| **Legal basis** | Rules of Procedure EP 55<br>Rules of Procedure EP 148-p1 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | AFET/6/39959 |

**Documentation gateway**

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE382.414 | 15/02/2007 | |
| Committee opinion | BUDG | PE384.226 | 28/02/2007 | |
| Amendments tabled in committee | | PE386.330 | 15/03/2007 | |
| Committee report tabled for plenary, single reading | | A6-0130/2007 | 04/04/2007 | |
| Text adopted by Parliament, single reading | | T6-0205/2007 | 23/05/2007 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Non-legislative basic document | 10314/2006 | 23/06/2006 | Summary |

# Annual report 2005 on CFSP

2006/2217(INI) - 23/06/2006 - Non-legislative basic document

PURPOSE : Council Annual report to the European Parliament on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the European Communities

CONTENT : This report from the Council to the Parliament is split into five chapters, setting out: the main developments in the areas of CFSP and ESDP in 2005; thematic aspects; priorities in the geographical areas; multilateral fora; and perspectives for future action in 2006 (including financing.) The main developments in CFSP in 2005 are as follows:

**EU´s External Action in the Fight against Terrorism:** the fight against terrorism has been a constant main priority of the CFSP. The London bombings proved, as did the Madrid events before, that the EU and Member States are still steps behind the perpetrators of violence. In December 2005, the European Council adopted the European Union Counter-Terrorism Strategy which outlines the general framework of EU action in the field of counter-terrorism and is complemented by a detailed Action Plan. The European Council also adopted a Strategy for Combating Radicalisation and Recruitment to terrorism, concentrating on Islamist terrorism, which poses the most serious threat to Europe at this moment.

The report discusses cooperation between the EU and US at political and expert level in a wide range of

issues from transport security to judicial and law enforcement cooperation, and the fight against terrorist financing. The inclusion of counter-terrorism clauses in the EU agreements with third states, and fulfilment of their provisions, remains one of the primary goals. In the international fora the EU will continue to deploy all possible efforts to attain international consensus on the Comprehensive Convention on International Terrorism.

**Non-Proliferation of Weapons of Mass Distraction, SALW and Arms Export:** in December 2005, the Council endorsed a revised list of priorities for a coherent implementation of the EU WMD Strategy. This will serve as guidance for EU activities in 2006. The EU has concentrated its efforts on strengthening the international non-proliferation system; the universalisation of multilateral agreements, reinforcing strict implementation and compliance with these agreements, assisting third countries, and cooperating further with key partners.

**European Security and Defence Policy:** growing demand for EU support and expertise in world affairs and willingness to act as a global player enabled it to strengthen its military and civil capabilities. Several new ESDP operations were launched. Conducting no fewer than seven operations simultaneously, on four continents has been a key component of ESDP's success. The EU has been working to step up the modernisation of European armed forces, especially in the areas of technology, deployability and interoperability. An important step was achieved with the adoption of the Requirements Catalogue 05 in November 2005. The establishment of the European Defence Agency and Headline Goal 2010 has led to the revision of the European Capability Action Plan. The EDA is focusing its efforts on solving critical European shortfalls, such as in Command, Control and Communications, intelligence and strategic air reconnaissance. Work continued on developing the EU's rapid response capabilities, the cornerstones of which are the battle groups. The paper goes on to show that relations with NATO continued to be of particular relevance in the context of ESDP. EU-NATO cooperation in military crisis management is governed by the "Berlin plus" arrangements agreed in 2003. The conduct of Operation ALTHEA under these arrangements as well as cooperation with NATO in its remaining tasks in Bosnia and Herzegovina went smoothly and satisfactorily The EU and NATO also coordinated their support to the AU in Darfur, in particular as regards strategic airlift.

**Western Balkans:** the EU achieved quite a remarkable progress in the frame of the Thessaloniki agenda. Visibly, all the countries in the region went up one step on the ladder towards closer relations with EU in 2005. Croatia began EU accession negotiations in October, the former Yugoslav Republic of Macedonia got EU candidate status in December, negotiations on a Stabilisation and Association Agreement with Albania were almost completed, and the same negotiations began with Serbia and Montenegro in October and with Bosnia and Herzegovina in November. Work on a Regional Trade Agreement, which will facilitate regional trade and replace the 31 bilateral trade agreements in the region, also got well under way under the guidance of the Stability Pact. In December, the Council agreed the Partnership Agreements with each of the Balkan countries, which sets out the priorities for the next 12 months.

**The Euro-Mediterranean Partnership:** a Euro-Mediterranean Summit was held in November 2005, in Barcelona, and a Five Year Work Programme as well as a Euro-Mediterranean Code of Conduct Countering Terrorism were adopted.

**Middle East Peace Process: c**ommitments by Israel and PA made in Sharm-el-Sheikh and the conclusion of the “Agreement on Movement and Access” between Israel and the Palestinian Authority were important steps forward in the region. On the basis of this agreement, an international crossing point between Egypt and Gaza at Rafah was opened on 25 November with the EU - in the framework of an ESDP mission (EU BAM Rafah) - performing the role of the third party. The EU agreed to establish an EU Police Mission for the Palestinian Territories (EU COPPS) building on the work of the EU Coordination Office for Palestinian Policing Support. This mission, launched on 1 January 2006, aims to support the Palestinian Authority in establishing sustainable and effective policing arrangements and is a part of the EU's institution-building programmes and other international efforts, as in the security sector and criminal justice reform. The EU has welcomed Israeli withdrawal from Gaza and parts of the northern West Bank, which was pursued by the Israeli government against considerable internal opposition. Palestinian parliamentary elections conducted in a free and fair electoral process resulted in a landslide victory for Hamas. The EU and the Quartet made it clear that they expect the new Palestinian Government to commit itself to the principles of non violence, recognition of Israel, and acceptance of previous agreements and obligations including the Roadmap.

**Iran:** Iran's nuclear programme remained in the focus of the EU's attention throughout 2005. Negotiations conducted with Iran by France, Germany and the United Kingdom, supported by the High

Representative failed so far to reach an agreement on objective guarantees that Iran's nuclear programme was only intended for peaceful purposes. The EU then focused its efforts on maintaining a strong international consensus in order to persuade Iran to return to full suspension and thus allow for a restart of negotiations. The EU also held several negotiating sessions with Iran on a Trade and Cooperation agreement and a Political Dialogue agreement. However, when Iran in August restarted uranium conversion, the negotiations were stopped. Efforts trying to persuade Iran to return to full suspension of enrichment-related and reprocessing activities will continue.

**Iraq:** the EU continued to make substantial contributions to the International Reconstruction Fund Facility for Iraq. As part of its efforts to help address the urgent needs of the Iraqi criminal justice system the Council adopted a Joint Action on the EU Integrated Rule of Law Mission for Iraq in March 2005. Rule of Law Mission provides training for high and mid level officials in senior management and

criminal investigation. Political dialogue at all levels is expected to continue in 2006 with the general aim of supporting the constitutionally elected Council of Representatives and the new Government in accordance with the needs established by Iraq, including, if requested, through supporting the process of implementing the Iraqi Constitution.

**Challenges ahead:** as several unexpected developments, such as the south Asian Tsunami and the energy crisis between Russia and Ukraine have shown, the EU needs to continue its efforts to build up its culture of prevention and forward planning for addressing the emerging conflicts and challenges ahead. The central task in this field remains how to improve the link between early warning and early action. The report goes on to emphasise the need to improve the promotion of democracy in the Union's foreign and security policy.

**Financing the CFSP:** the CFSP budget for 2006 agreed in the 2005 Budgetary process is EUR 102.6 million. In a report noted by the Political and Security Committee, on "CFSP Budget - priority action for 2006 and 2007", a number of foreseeable actions were indicated in the area of civilian crisis management, non-proliferation of WMD and SALW, EUSRs and counter-terrorism. Among the challenges ahead, notably EU action in Kosovo is likely to require substantial means. According to the TEU Article 28(3), operating expenditure shall be charged to the budget of the European Communities, except for cases where the Council acting unanimously decides otherwise. In the discussions within the Council on a contingency basis on how any shortfall might be covered in the event of the amount allocated to the CFSP budget proving to be insufficient, an increase in the CFSP budget within the Community budget was the clear preference for Member States.

Lastly, a review of the ATHENA-mechanism is envisaged in course of 2006.

# Annual report 2005 on CFSP

2006/2217(INI) - 23/05/2007 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report by Elmar **BROK** (EPP-ED, DE) on the annual report from the Council on the Common Foreign and Security Policy (CFSP) in 2005. The report was adopted by 526 votes in favour to 118 against with 14 abstentions. Parliament felt that the effectiveness and credibility of the common foreign policy has been recently undermined by the **veto** exercised by certain Member States on bilateral issues in spite of efforts made by other Member States to find a compromise. Member States should act even-handedly and should refrain from using the right of veto, limiting that procedure to highly sensitive issues of national concern.

Parliament was of the view that, without the **Constitutional Treaty**, which has been ratified by 18 countries, the EU cannot shape a foreign and security policy that can at least partially meet the most important challenges. There is wide public support in all Member States for a bigger role for the Union in the world, since Member States individually can no longer perform that role for citizens. Finalisation of the Constitutional Treaty is one of the main priorities for the present and coming EU Presidencies.

Parliament also considered it necessary that the **office of Minister for Foreign Affairs** be established. It is essential that he or she should be simultaneously a member of the Commission and chair the Foreign Affairs Council, so that the CFSP is given continuity and coherence and Europe can speak with one voice. Members also want an European External Action Service, and an EU Diplomatic Academy.

Parliament made a series of recommendations on improving the efficiency and coherence of CFSP, including procedural and organisational suggestions for Council and Commission. It pointed out that, without the introduction of qualified majority voting in CFSP matters, the **coherence, effectiveness and visibility of the external action of the Union** would be deeply undermined. Political dialogue with third countries needs to be intensified, not least where human rights are concerned. In order to address the current lack of coherence and to fill the present "capability-expectations gap", the Union should exploit all available tools in the field of external action, such as policies covering trade, aid, foreign policy and the ESDP, as well as the external dimension of policies on the environment, research, transport, agriculture, fisheries and home affairs.

With regard to **thematic choices**, Members insisted that priority should be given to targeting a limited number of areas which better connect with the **wishes and concerns of European citizens** and their expectations of the role to be played by the Union in international affairs. These include the consolidation of democracy, human security and the fight against terrorist organisations, migration management, intercultural dialogue, energy security, climate change, arms control and disarmament, non-proliferation of weapons of mass destruction and the EU's contribution to poverty reduction and attainment of the Millennium Development Goals (MDGs), as well as social development. Much more should be done from an external action perspective to halt the spread of poverty in the world, to fight against stigmatisation and discrimination and to combat major diseases. The root causes of immigration must be addressed.

Parliament stressed the need to implement the international **nuclear non-proliferation system** and expressed deep concern regarding the announcement by Russian President Vladimir Putin of Russia's unwillingness to continue its participation in the 1990 Treaty on Conventional Forces in Europe, saying that this is an inadequate response to the anti-missile system plans. It was concerned too about declarations made by President Putin in reaction to the United States' plans to deploy components of its anti-missile shield in Poland and the Czech Republic. The US must redouble its efforts to improve consultation regarding, and explanation of, its plans for a missile defence system. Parliament also expressed its concern regarding the first test of an anti-satellite weapon carried out by China in January 2007, seeing this as a sign of the escalation of weapons in space.

Parliament emphasised the important foreign policy dimension of **energy security issues**, rejecting any restriction of energy supplies as a political instrument. Every effort should be made to reduce energy dependence. It underlined the need for the Union's external action to be directed towards a common strategy and support for projects geared to the diversification of energy supplies.

China and India, as emerging powers, as well as Russia, must be involved in taking responsibility for the state of global governance and for solutions to global challenges. Parliament stressed the need for the effective implementation of human rights, non-proliferation and counter-terrorism clauses in agreements of all kinds with third countries, avoiding ad hoc modifications in order to ensure coherence and effectiveness.

On **priorities for 2007 in geographical terms**, Parliament recommended that steps be taken to maintain the enlargement of the EU as a key objective of the EU's political agenda in 2007, albeit one which must be consistent with the EU's capacity to integrate new Member States; to reinforce the European Neighbourhood Policy; to pursue efforts to contribute to stabilisation of the Western Balkans including preparations for EU accession; to enhance EU-Mediterranean cooperation; to develop a balanced, wide-ranging partnership with Russia, and to deepen relations with Central Asia. Parliament also called for more EU action in Afghanistan, the Middle East, Kosovo and in strengthening the transatlantic partnership, and relations with Latin America. Furthermore, the negotiation of the Partnership Agreement with China should be driven forward, subject to substantial progress in the field of democracy and human rights, and the strategic partnership with India should be deepened.

On the matter of **Parliamentary scrutiny of the CFSP**, Parliament stated that it expected that the Council's a posteriori approach of merely submitting a descriptive list of Common Foreign and Security Policy (CFSP) activities carried out in the previous year instead of consulting Parliament beforehand as provided for in Article 21 of the Treaty on European Union will henceforth be corrected by means of a constructive interpretation of Points 42 and 43 of the new Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006. The Council must observe Parliament's right to be consulted annually ex ante on forthcoming aspects and choices of the CFSP. Nothing in the existing Treaties suggests that the term "consultation" has any different meaning in the above-mentioned Article 21 from its usual meaning in EU law. Parliament also wants the authority to appoint, and dismiss, the Counter-Terrorism Coordinator and the Directors of SitCen, the EU Satellite Centre (EUSC) and Eurojust. It gave a series of recommended actions on ways in which it could be properly involved in CFSP aspects and choices, as well as kept informed of events.

Parliament regretted that – given the already insufficient amount allocated to the CFSP for the period 2007-2013 – that the specific article within the CFSP budget chapter devoted to EU Special Representatives does not avoid the proliferation of envoys of that kind, who by definition should be nominated only in respect of special cases and should not weaken the role of the Commission's delegations on the ground. It also regretted that the

2006 Interinstitutional Agreement does not explicitly provide for the joint costs of military operations within the framework of the ESDP to be financed from the Community budget, thereby discontinuing the existing practice of having recourse to Member States' subsidiary budgets or start-up funds. Accordingly, Parliament felt it was regrettable that the 2006 Interinstitutional Agreement does not change the existing rules on ESDP operations, such as the principle that "costs lie where they fall" or any other ad hoc arrangements such as the so-called "ATHENA mechanism". Such arrangements perpetuate the financial burden on those Member States which make the biggest contribution on the ground, thus jeopardising future participation in ESDP operations and creating a situation which could easily be avoided by financing such operations from the EU's budget.

# Annual report 2005 on CFSP

2006/2217(INI) - 21/05/2007

The Council approved an annual report presented to the European Parliament concerning key aspects of the EU's Common Foreign and Security Policy (CFSP). The report includes an assessment of CFSP financial implications on the general budget of the EU. The report provides a description of CFSP activities (including common positions, joint actions and implementing decisions), whilst also referring to other areas. Areas for possible future action are also considered. The recapitulative lists of CFSP instruments (declarations, demarches, reports of Heads of Mission and political dialogue meetings) are published, twice yearly, in a separate document.