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REPORT

on the annual report from the Council 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 - 2002
(7038/2003 - C5-0423/2003 - 2003/2141(INI))

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

Rapporteur: Elmar Brok

CONTENTS

	Page
PROCEDURAL PAGE	4
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	5
EXPLANATORY STATEMENT	17
OPINION OF THE COMMITTEE ON BUDGETS	22

PROCEDURAL PAGE

By letter of 7 April 2003, the Council forwarded to Parliament its Annual Report on the main aspects and basic choices of CFSP, including the financial implications for the general budget of the European Communities - 2002, which had been referred to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the Committee on Budgets for information.

At the sitting of 4 September 2003 the President of Parliament announced that the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had been authorised to draw up an own-initiative report on the subject under Rule 47(1) of the Rules of Procedure and that the Committee on Budgets has been asked for its opinion.

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed Elmar Brok rapporteur at its meeting of 8 July 2003.

The committee considered the draft report at its meetings of 9 September, 1 October and 7 October 2003.

At the latter meeting it adopted the motion for a resolution by 36 votes to 5, with 2 abstentions.

The following were present for the vote: Elmar Brok, chairman and rapporteur, Baroness Nicholson of Winterbourne and Christos Zacharakis, vice-chairmen; Ole Andreasen, Anne André-Léonard (for Cecilia Malmström), Alexandros Baltas, Bastiaan Belder, André Brie, John Walls Cushman, Rosa M. Díez González, Michael Gahler, Per Gahrton, Gerardo Galeote Quecedo, Jas Gawronski, Willi Görlach (for Klaus Hänsch), Alfred Gomolka, Vasco Graça Moura (for José Pacheco Pereira), Richard Howitt, Ulpu Iivari (for Véronique De Keyser), Georg Jarzembowski (for Ilkka Suominen), Efstratios Korakas, Joost Lagendijk, Armin Laschet, Nelly Maes (for Elisabeth Schroedter), Pedro Marset Campos, Miguel Angel Martínez Martínez (for Raimon Obiols i Germà), Emilio Menéndez del Valle, Philippe Morillon, Pasqualina Napoletano, Arie M. Oostlander, Jacques F. Poos, José Ignacio Salafranca Sánchez-Neyra, Amalia Sartori, Jürgen Schröder, Ioannis Souladakis, Hannes Swoboda, Paavo Väyrynen, Joan Vallvé, Bob van den Bos, Demetrio Volcic, Karl von Wogau, Jan Marinus Wiersma and Matti Wuori.

The opinion of the Committee on Budgets is attached.

The report was tabled on 8 October 2003

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the annual report from the Council 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 - 2002 (7038/2003 - C5-0423/2003 - 2003/2141(INI))

The European Parliament,

- having regard to the Council's Annual Report for 2002 (7038/2003 - C5-0423/2003),
- having regard to the Interinstitutional Agreement of 6 May 1999, point H, paragraph 40¹,
- having regard to Article 21 of the EU Treaty,
- having regard to its resolution of 26 September 2002 on the progress achieved in the implementation of the common foreign and security policy²,
- having regard to its resolution of 10 April 2003 on European security and defence architecture³,
- having regard to its resolution of 19 June 2003 on a renewed transatlantic relationship for the third millennium⁴,
- having regard to its resolution of 15 November 2001 on a global partnership and a common strategy for relations between the European Union and Latin America⁵,
- having regard to the Presidency's report to the Thessaloniki European Council of 19-20 June 2003:
 - * on EU foreign policy action to combat terrorism (CFSP including ESDP) - (10323/03),
 - * on the implementation of the EU Programme for the Prevention of Violent Conflicts (10189/03),
 - * on European Security and Defence Policy (10203/03),
- having regard to the strategy paper submitted by the High Representative for Common Foreign and Security Policy to the Thessaloniki European Council on 20 June 2003 on a secure Europe in a better world,
- having regard to Rule 47(1) and 103(3) of its Rules of Procedure,
- having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the opinion of the Committee on Budgets (A5-0348/2003),

¹ OJ C172, 18.06.1999, p.1

² Texts adopted (P5_TAPROV(2002)0451

³ Texts adopted (P5_TAPROV(2003)0188

⁴ Texts adopted (P5_TAPROV(2003)0291

⁵ OJ C140, 13.06.2002, p.567

- A. whereas the dramatic events of the Iraq war have thrown up deep divisions between EU Member States and lastingly and seriously shaken transatlantic relations, as well as damaging other international organisations like the UN and NATO,
- B. whereas the concern must now be, with the end of the cold war and the abandonment of its methods and philosophy and the enlargement of the Union to 25 states, to redefine in the context of political trends and the current international situation Europe's role in the world and to recognise the foreign policy crisis surrounding the Iraq war as an appropriate occasion to establish Europe as a credible and powerful foreign-policy performer,
- C. whereas the discussion paper for a European security doctrine submitted by High Representative Javier Solana to the Heads of State and Government at the Thessaloniki Summit represents a sound basis for an intensified dialogue between the Council, Commission and European Parliament on a European security strategy,
- D. whereas an EU security strategy can be developed only on the basis of multilateralism, and within the UN system, corresponding to the historical experience and political interests of its Member States,
- E. convinced of the contribution which the European security strategy, based on a global concept going beyond the strictly military dimension and ensuring the deployment of a package of political, economic, social and inter-cultural measures as well as respect for human rights, can make to prevent, mitigate and resolve conflicts,
- F. whereas non-state international terrorism, the development and proliferation of weapons of mass destruction and the existence of unstable, undemocratic and misgoverned states today are among the main threats to the entire world,
- G. whereas, in combating the new threats and new security crises, it will be necessary to adopt comprehensive approaches that include policies to combat poverty, protect against climate-change and protect the environment, safeguard human rights and promote democracy, the rule of law and good governance, while not excluding military deployment as a last resort while respecting international law and the rules of the United Nations,
- H. whereas the European Constitutional Convention has submitted important institutional reform proposals that can facilitate the process of creating greater institutional continuity in CFSP, in particular by establishing the office of European Foreign Minister, creating the option of strengthened cooperation in security and defence policy, and setting up a European armaments agency to facilitate more efficient use of national defence expenditure,
- I. taking note with interest of the initiative taken on 29 April 2003 by Germany, France, Luxembourg and Belgium in order to increase the credibility of the ESDP;
- J. whereas a true common foreign policy, characterised by a common approach among Member States to issues of crucial importance for the foreign and security policy, is a sine qua non for the further progress of a credible ESDP,

- K. whereas, with its enlargement, the Union will be brought into closer contact with the crisis areas to the east and in the eastern and southern Mediterranean, and whereas this will increase the responsibility of the EU towards these neighbours,
- L. whereas, despite the dark shadow that the Iraq crisis has cast on CFSP, some progress has been recorded in operational crisis management, with conflict prevention and with efforts to combat terrorism,
1. Considers the annual report submitted by the Council for 2002 on the main aspects and basic choices of CFSP as totally unsuited to serving as a basis for a foreign policy dialogue between Council and Parliament, since it amounts only to a book-keeping exercise listing action taken by the Council without the least political assessment or conceptual setting of priorities and lacking sufficient focus with regard to financial implications;
 2. Underlines that the Joint Declaration of 25 November 2002 provides for the sending to Parliament, within 5 days of any decision in the field of the CFSP that entails expenditure, the information indicated in point 40 of the IIA: regrets that the Council only transmits financial statements where expenditure is within the EU budget and insists that, for transparency reasons and in order for Parliament to, at least, have an overall estimation of how much CFSP funding goes to a particular region/crisis, that these statements should be provided for all CFSP decisions;
 3. Considers it as urgently necessary, in view of the critical development that CFSP has undergone during the Iraq conflict, that future annual reports should provide genuine assessment of the Union's foreign and security policy activities, and be expanded to include a written report by the High Representative or European Foreign Minister on progress in implementing a specifically European approach to security;
 4. Welcomes, against the foregoing background, the strategy paper for a European security doctrine submitted by the High Representative in Thessaloniki as a long overdue impetus for a debate on the basic principles of a European security doctrine, in which all EU Institutions would be expected to take part on an equal footing;

For a European security strategy

5. Supports the three strategy objectives set out in the Solana paper, viz.:
 - Creating stability and good governance in the immediate neighbourhood of the EU,
 - Contributing to an international order based on a effective form of multilateralism,
 - Combating old and new threats with the objective of using conflict prevention to react to any anticipated crisis before it erupts;
6. Considers that Europe must find its way to a clear prioritisation of its foreign and security policy interests and objectives, jointly define them and also designate them geographically; calls for the debate and the decision on the security strategy of the European Union to be conducted and taken in a transparent way, with the participation of the citizens of Europe, and for the European Parliament's involvement in this process to be on an equal footing with that of the other EU institutions;

7. Considers that the Union's innermost security interests will be best served by identifying tensions, and if possible preventing potential crisis, and resolving in good time conflicts taking shape beyond its immediate external borders, and by using creative good-neighbourly policy to establish a circle of friendly states;
8. Considers, consequently, that in terms of creating and extending security zones around Europe, the Union's main interests lie with the following neighbouring regions:
 - * Western Balkans,
 - * Russia,
 - * Ukraine, Belarus, Moldova,
 - * Southern Caucasus,
 - * Southern Mediterranean and West Africa,
 - * Middle East;
9. Considers that, for the European neighbours of the enlarged European Union, new options for partial integration must be developed which could encompass aspects of the internal market, as well as internal and external security, without ruling out future full membership; also regards this as an important starting-point for the debate about the Union's future borders; refers the task of defining its response to the strategy proposed by the Commission to the report currently being drawn up by its Committee on Foreign Affairs;
10. Considers that a Union of 25 Member States must intensify its commitment to an international order based on effective multilateralism, springing essentially from the United Nations and its member organisations and treaty instruments;
11. Reaffirms that the UN Charter is the decisive political and legal basis for shaping international relations and the guarantee of peace and international security;
12. Considers, as recently also requested by the UN Secretary-General Kofi Annan, the urgent and radical reform of the United Nations system as necessary to combat the new threats and new security crisis; underlines the fact that the EU, together with the national contributions of the actual and future Member States, is the largest financial contributor to the UN; reiterates that the EU should take the opportunity and responsibility to make proactive suggestions in the UN reform debate and that international law also stands in urgent need of cautious but rapid and irreversible further development;
13. Notes that the international system is crucially dependent on the quality, the aims and reciprocity of transatlantic relations and considers that one of the Union's primary strategic objectives must be to strengthen them as a partnership of equals;
14. Considers it therefore necessary for the strategic debate between Europe and the USA to be reinvigorated, with attention being paid urgently to questions of how reconstruction and nation building in Iraq must proceed, and, in general, how proliferation of weapons of mass destruction can best be prevented, arms exports and the proliferation of conventional arms can be controlled, the issue of impunity can be addressed seriously (for example, by the International Criminal Court), and repressive dictatorial regimes and dysfunctional states be dealt with on the basis of a clearly defined European position in the context of the CFSP and international law and fully respecting UN rules;

15. Reiterates its position that the credibility of Europe's foreign and security policy will depend ultimately on the quality of its military capabilities, and on a readiness, in the event of conflict, also to deploy them as a last resort, while respecting international law;

Promoting greater coherence and efficiency

16. Welcomes, consequently, the proposals made by the Constitutional Convention for strengthened cooperation in the area of security and defence policy, including a solidarity clause on mutual aid between Member States in the event of terrorist attacks and disasters caused by human action, and a mutual assistance clause in the event of external aggression; regrets, nevertheless, that the mutual assistance clause falls short of the wording used in the Brussels Convention;
17. Welcomes the fact that strengthening military capabilities will be an objective of the Constitution, and that a European armaments agency is to promote that process in terms of both research and procurement; considers that the armaments agency should be primarily responsible for coordinating larger-scale joint projects, and that the Commission and Parliament must be involved in its practical organisation, and not least in its financing;
18. Draws attention to the importance of the constitutional commitment by Member States not to react to international issues on the basis of unilateral national interpretations before the EU, for its part, has had the opportunity to establish a European position;
19. Welcomes the intention of appointing a European Foreign Minister, who will, however, be able to discharge his functions efficiently only if the administrative departments responsible within the Council and the Commission were to be amalgamated as a single foreign office within and if he or she is the Vice-President of the Commission, the Commission operating in accordance with the Community method, so as to overcome the stumbling-block to efficiency of the pillars structure;
20. Criticises the intended retention of the unanimity principle in foreign and security policy, which it considers as a serious obstacle to the capacity for action the Union needs; calls, at least in relation to decisions on proposals by the European Foreign Minister, for majority voting, which could, where appropriate, also be super-qualified;
21. Considers the status-quo wording for the European Parliament's information and consultation rights as a retrograde step by comparison with changes on the side of the executive, and seeks to ensure that the code of conduct agreed as part of the 2003 budget be effectively implemented;
22. Considers it absolutely necessary, in the light of an anticipatory crisis-prevention policy, to be informed and involved in future in good time during the early-recognition and planning stage of crisis operations under European security and defence policy, the better to deliver a political opinion on a firm basis of information and thus do justice to its duty of scrutiny;
23. Points out that only a well-informed Parliament is in a position to take the requisite personnel and budgetary decisions swiftly and efficiently; underlines that without that information such decisions might be rejected;

24. Proposes, in the above connection, the appointment of Commission members with special foreign policy tasks, under the overall responsibility of the future European Foreign Minister, not least to cultivate ongoing contact with the European Parliament, without thereby diluting the Foreign Minister's accountability
25. Insists on its requirement of being consulted in advance of decisions on ESDP missions, be they of a civilian or a military nature, without prejudice to the need for the European Union to act swiftly in crisis situations;
26. Reiterates its position that the joint costs of ESDP operations, including those of a military nature, must be financed through the Community budget;
27. Stresses that the credibility of the European Union's foreign policy and defence objectives will depend on its ability to give itself adequate military resources;
28. Reasserts in this respect the desire for the Union to be able to mobilise rapidly its civilian and military capabilities; to this end calls for a study to be carried out into a rapid response budgetary mechanism and, ultimately, the creation of a Community defence budget;

Practical progress despite crisis

29. Notes that, despite dissent at the strategy to be adopted in the fight against terrorism and the Iraq conflict, European foreign policy can point to extensive practical progress in crisis management, conflict prevention and the fight against terrorism;
30. Pays tribute to the first three crisis operations under ESDP, viz:
 - the policing mission to Bosnia-Herzegovina as the first ever civilian crisis operation,
 - the first military peace-keeping operation, code-named 'Concordia', in FYROM (Macedonia), with the backing of NATO's planning and command structure,
 - the independently mounted 'Artemis' EU operation in the Congo's Ituri region, with which the EU put to the test its political will and capability to take on independent humanitarian missions under the UN mandate;
31. Notes that the above operational breakthrough was only made possible by the successful conclusion of EU-NATO negotiations in December 2002 on permanent EU access to NATO planning and command facilities;
32. Considers further consolidation of relations between the EU and NATO as mutually complementary organisations as an important feature leading to the development of a European approach to security;
33. Calls for a European collective capacity for the planning and management of European operations and of a multinational headquarters which can be deployed in the field for such operations in instances where NATO does not take action and the European Union does not ask for NATO resources;

34. Is aware that, although the EU's present military capabilities are sufficient to conduct operations at the lower end of the Petersberg scale, they do not extend to peace-making operations;
35. Considers, consequently, the creation of greater interoperability and deployment capability as an important precondition for providing Europe with a balanced capability for coalition with the USA, both within and outside of NATO;

Implementation measures for the EU's Rapid Reaction Force

36. Repeats the demand of its resolution of 10 April 2003¹ that the European Union should further develop its capacities in the field of defence in two steps: it should have with effect from 2004 a 5 000 man force permanently available for rescue and humanitarian operations. By 2009, the Union should be capable of carrying out within the European geographical area an operation at the level and intensity of the Kosovo conflict, in cooperation with NATO or autonomously;
37. Considers that the European Union should identify by 2004, a standing force of 5 000 men for rescue and humanitarian missions, made up of civilian and military personnel and deployable in a time frame of less than 10 days (rapid reaction) and permanently available on a rotation basis;
38. Considers that the tasks of this force should be to evacuate European citizens in cases of political crises, humanitarian action including efforts to prevent massacres, and providing support in the event of natural catastrophes around the globe;
39. Considers that as a starting point, the Franco-German brigade, added to by further nationalities, should become the nucleus of the military part of this force, whereas the civilian part could rely on those assets identified in the conclusions of the Göteborg summit for civilian crisis management;
40. Supports the establishing of an EU Agency for Research and Armament, which should focus on equipping the above mentioned force, in particular in the areas of transport, reconnaissance and command and control; insists that the creation of shadow budgets which are totally outside parliamentary control should be avoided;
41. Stresses that the identification of the European reaction force should be compatible with the development of the NATO Rapid Response Force;

* * *

42. Welcomes the tendency for conflict prevention increasingly to become the declared central core of European foreign policy, which is being used to try, by combining diplomatic efforts with the deployment of different Community instruments and by making EU external policies more consistent and coherent, to secure regional stabilisation,

¹ Texts adopted (P5_TAPROV(2003)0188).

peace-consolidation and the restoration of state authority;

43. Notes, as a central lesson of experience with the assumption of international security missions, whether in the Western Balkans or in Afghanistan, that for purposes of building a post-war order, the policing function of ESDP should be fundamentally strengthened and be assigned its own separate operational status between the 'military' and the 'civilian' wings;
44. Underlines that the progress made in the area of military and police operations must now be followed urgently by the full practical development of civilian crisis prevention and management capabilities, including the policies and measures to mobilise non-state actors, both local and international; reiterates in this perspective its recommendations for a European Civil Peace Corps; invites the Council and the Commission to publish regular progress reports on this issue;
45. Considers it as a matter of urgency for the EU to develop, jointly with the G8 States, a clear and front-running approach to non-proliferation of all weapons of mass destruction; nuclear as well as chemical and biological; commits itself, consequently, in a joint initiative with the Commission, to the holding of an International Parliamentary Conference on disarmament and non-proliferation on 21 and 22 November 2003 in Strasbourg; underlines the need for the EU to take early action to make the 2005 NPT review conference a success;
46. Welcomes the measures taken by the EU in the international fight against terrorism, including the freezing of sources of financing to terror organisations, the technical assistance provided by the Commission to Indonesia, Pakistan and the Philippines; takes note of the recently concluded mutual extradition agreement between the USA and the EU, and the inclusion of standardised anti-terrorism clauses in treaties with third-party states; believes, however, that there is an urgent need to include in the list of tasks for a European security concept the question of common homeland defence;
47. Calls on all bodies involved to uphold civil rights and freedoms and to treat the personal data of the persons in question in a responsible way;

* * *

Foreign policy priorities in the context of a European approach to security

48. Considers as a high priority a rethinking of transatlantic relations, since only the USA and Europe share a special responsibility to stand up jointly and on an equal footing for peace, stability, democracy, tolerance and sustainable development in the world; considers that if Europe is to be a credible and influential partner, it must, in that connection, develop more consistency in its actions and extend its capabilities;
49. Points out that the above partnership cannot be defined only in military and security-policy terms within NATO, but should also incorporate combined aspects of transatlantic economic, trading, environmental and social activities, and be guided by the principle of a 'transatlantic marketplace' as the basis of balanced cooperation;
50. In this respect, proposes, as an initial practical step, the introduction of mutual measures to

make travel easier between the EU Member States and the USA, along the lines of the Schengen Agreement, thereby making the special nature of these relations visible to the public, too, with a view to promoting civil and cultural integration (e.g. parliaments and universities);

51. Considers the most important joint responsibility to be shared with the USA as being that of bringing peace to the Middle East, together with Russia and the United Nations (the quartet);
52. Reiterates its unanimous support for implementation of the 'road map' for an Israeli-Palestinian peace process, but deeply regrets the recent retrograde steps from both parties in the conflict;
53. Proposes that, building on the comprehensive structural aid from the Mediterranean programme, the trade and cooperation agreements with the countries in the region and financial aid for the Palestinian Authority, the European Union should take the initiative on a comprehensive, substantial development plan for the region which is visible and takes into account American plans, such as the most recent proposals for creating a regional free-trade area between the Arab States and the USA, or the earmarking of USD 1 billion for Palestinian reconstruction;
54. Believes it would be useful to consider the deployment of UN troops if there is a further deterioration in security, particularly if terrorism cannot be curbed and a Palestinian state cannot be restored in any other way;
55. Considers that if the parties to the conflict so desire, the EU should be prepared to assume security-policy protection functions at a given point in time;
56. Advocates a long-term, enduring and sustainable approach to securing peace, reconstruction and nation-building in Iraq, as well as to building a democratic Iraq based on respect for human rights and the rule of law, under which the occupying powers would as soon as possible devolve the leading role to the United Nations; considers that step as a crucial precondition for European participation in building a post-war order in Iraq and in the region, as expressed in Parliament's recommendation of 24 September 2003¹;
57. Takes the view that the EU and the USA within the UN framework must develop a common strategy capable of achieving de-escalation and disarmament in response to nuclear policy as pursued by Iran and North Korea;
58. Urges Iran to sign, ratify and implement, without preconditions, the IAEA Additional Protocol on inspections by the International Atomic Energy Agency, and to submit its atomic energy programme to comprehensive IAEA inspection;
59. Urges North Korea to abandon forthwith its atomic weapons programme and to comply immediately with its obligations under the non-proliferation Treaty;

¹ Texts adopted (P5_TAPROV(2003)0401

60. Reiterates the EU's strong interest in, and insistence on, a peaceful resolution of the Taiwan issue through dialogue across the Taiwan Straits; in particular, urges China to withdraw missiles in the coastal provinces across the Taiwan Straits; underlines the importance of growing economic ties for an improvement of the political climate; also stresses the EU interest in closer links with Taiwan, including in multilateral contexts;
61. Advocates further consolidation of the European commitment in Afghanistan, and welcomes the takeover of the ISAF command by NATO as a pointer to a robust military commitment by the alliance to supporting the central government and calls for the enlargement of its mandate to the rest of the country; proposes a new Petersberg Conference aimed at establishing a balance of power in the country between the various ethnic groups; urges strengthened rebuilding efforts by the international community in order to improve among others the situation of women and girls in Afghanistan; economic alternatives to opium growing must be developed immediately; welcomes in this respect the recent decisions taken in order to ensure the security of remote territories in Afghanistan, too;
62. Urges that greater attention be paid to the South Caucasus, which is developing into one of the most unstable neighbouring regions to the EU; welcomes, consequently, the appointment of an EU Special Envoy to the region;
63. Calls for the development of cooperation with the countries of the Black Sea through the establishment of a permanent parliamentary dialogue between the European Parliament and PABSEC, in order to promote peace and economic development and eliminate the risks of crises in the area;
64. Draws attention to the smouldering crisis in Moldova, arising also out of the Transnistria conflict; welcomes the consideration being given, where necessary by way of a ESDP policy mission, to stabilisation in Transnistria, but calls at the same time for economic stabilisation in Moldova with the removal of restrictive EU export barriers to products from Moldova;
65. In this respect, calls furthermore for an intensive dialogue on this topic with the Russian Government to make clear the EU's position and willingness to prevent a major crisis;
66. Welcomes the EU's sustained commitment to the Western Balkans, which remains at the centre of stabilisation and development efforts, and supports the 'European partnership' approach for accession-seeking countries of the Western Balkans;
67. Regrets, however, that at the Summit between the EU and West Balkan States in Thessaloniki, the opportunity was missed to incorporate into the enlargement process options for membership in stages – with the possibility of full membership – that, in the longer-term perspective, could also have been extended to the new neighbouring states of Ukraine, Moldova and Belarus, thereby possibly hinting at initial steps towards framing the concept of a 'wider Europe';
68. Notes that Russia is Europe's most important partner to the east and a decisive factor for any form of regional development; draws attention to the need for more narrowly focused dialogue on Russia's export policy in the areas of arms products and nuclear technology

that, although often only economically motivated, is contributing to serious security crises in other parts of the world;

69. Takes the view that the problem of Chechnya and of human rights violations being committed there must be firmly addressed by the EU, using among other things the instruments provided for by the Partnership and Cooperation Agreement, and Russia pressed to introduce a genuine peace and reconciliation process in which all relevant parties would be expected to participate; so as to contain the influence of extremists and the danger of proliferation of terrorist attacks; the EU should be ready to support reconciliation efforts and to assist the crisis resolution measures;
70. Draws attention to the new significance of the border between the EU and Russia in the Baltic after enlargement to include the Baltic States and Poland; urges that the northern dimension policy be combined with the EU's neighbourhood initiative, which represents an important element in the projection of security and stability along European external borders;
71. Underlines the importance to be given to the development of Kaliningrad; in this respect urges the Commission and the Council to continue to raise the question with the Russian authorities, recalling Russia's primary responsibility for this integral part of Russia, bearing in mind that the ever growing economic and social gap between this enclave of the future EU and the surrounding countries represents a threat to the security of the whole region;
72. Calls for the Euro-Mediterranean dialogue to be brought more explicitly within the compass of a security-led approach; reaffirms, however, that any such development should not be at the expense of human rights and fundamental freedoms in the region's countries, freedoms whose defence and promotion remain the European Union's priority in the context of relations with partner countries; looks forward to the establishment in the near future of a Euro-Mediterranean Parliamentary Assembly in order to provide the Barcelona process with the necessary debating forum and direct institutional link with civil society in the countries concerned;
73. Welcomes the strengthening of the Euro-Latin America political and strategic association, and calls for it to be given practical shape in the form of a Euro-Latin America Charter for Peace which, by analogy with the Charter of the United Nations, would enable political, strategic and security proposals of interest to the two regions to be fleshed out; points out that security and defence cooperation between the Member States of the European Union and the countries of Latin America could cover such issues as strengthening international peacekeeping and security efforts, arms control, nuclear non-proliferation, military and technical cooperation in respect of the arms industry and control of arms exports, questions concerning security, the economy, development and the environment, and many other matters concerning common security and defence interests;
74. Calls for greater efforts to strengthen democratic forces in our neighbours, in particular in the Islamic countries as a means of effectively preventing and combating acts of violence and of terrorism;

75. Underlines the fact that China is referred to as a major strategic partner in the EU's draft Security Strategy document and welcomes therefore the Commission's new policy paper towards China reflecting the maturing partnership between the EU and China;
76. Recalls that, beyond the direct European neighbourhood, the Kashmir conflict between the nuclear powers of India and Pakistan continues to represent one of the most burning security issues on which the EU must take a position; reiterates that under the EU Code of Conduct on Arms Exports no military materials should be delivered to any of the countries in this region;
77. Draws attention to the situation of the Central Asia republics whose role in the fight against terrorism has become crucial; deplores the silence of the Council and the Commission as regards the massive human rights violations taking place in those countries; points out the necessity to develop a common strategy by bringing together in a consistent way all the instruments provided for in the existing Partnership and Cooperation agreements;
78. Underlines the importance of the EU code of Conduct on Arms Exports as a tool to avoid undesirable arms exports; expresses its determination that this Code should be developed and strengthened further;

* * *

79. Instructs its President to forward this resolution to the Council, Commission, the Parliaments of the Member States, the Secretary General of the UN and the President of the Council of Europe.

EXPLANATORY STATEMENT

European foreign policy - running the gauntlet between Iraq crisis and Constitutional Convention

The annual report for 2002 was drawn up under the continuing assumption of complete European solidarity with the USA following the terrorist attacks of 11 September 2001.

Europe joined unconditionally in the international anti-terrorism coalition, committed itself in Afghanistan and, not only politically but also militarily, in the ISAF framework.

Favourable note was taken of the EU's continuing commitment in the Balkans, the part played in the 'quartet' framework in developing the 'road map' for the Middle East peace process, and the step-by-step progress in developing ESDP and implementing the Helsinki 'headline goals'.

This year's annual report, in contrast, must try to assimilate the dramatic events of the Iraq war, which, like a foreign policy earthquake, caused the entire scaffolding supporting the credibility of CFSP to collapse, threw up chasms between EU Member States (letter of the Eight), shattered transatlantic relations, and, in so doing, drew other international organisations like the UN and NATO into the maelstrom of the USA's unilateralist policy.

On the other hand, two opposing tendencies fall within the period covered by the report that might be expected to lay the foundations for a process giving more weight and manoeuvrability to the EU in the international system of the 21st century: the successful conclusion of the enlargement negotiations in December 2002 in Copenhagen; and signature of the Accession Treaties with 10 new Member States on 16 April 2003, together with the work of the Constitutional Convention leading to submission of a draft constitution on 20 June 2003.

The purpose must now be, following the end of the European post-war order in 1989, to have the courage to attempt the epoch-making redefinition of Europe's role in the world, and to accept the Iraq war as an opportunity and a challenge finally to establish Europe as a foreign-policy performer of substance. For, as has been pointed out rightly and often, Europe is not a world power, but Europe bears worldwide political responsibilities. The European Parliament must, as the representative of its citizens, work towards converting that potential into a political reality - governments alone will not succeed in doing so without the legitimating power of parliaments. And there we should allow ourselves to be guided by the good results achieved by the Convention.

The assignment entrusted by the Heads of State and Government in Thessaloniki to the High Representative, Javier Solana, to revise his draft for a new EU security strategy in close cooperation with the Member States, falls short. The European Parliament must also be a party to it.

The necessary strategy debate: multilateralism as foundation

The Iraq war was the first practical application of the National Security Strategy of the United States, signed by President Bush on 17 September 2002, whereby the USA lays claim to a global right of intervention whenever it sees its national security as being threatened. Nor

need the danger be so specific as to fall within the meaning of 'immediate threat', the term used in the United Nations Charter to justify the right of self-defence.

The 'asymmetric threat' by a new kind of non-state international terrorism is being used instead to justify pre-emptive military strikes for which a United Nations mandate is not seen as being necessarily required.

The USA is the sole global superpower and an unconditionally sovereign traditional nation state. The EU, by contrast, is no superpower, nor are its Member States any longer traditional nation states. They are post-traditional, supranationally linked nation states that in part exercise their sovereignty jointly. Their affirmation of multilateralism is consistent with their historical experience and political interests. That is the difference between America and Europe.

A European security strategy must counterpose to the narrowly military focus in current thinking by the American administration a comprehensive approach to security that includes political, economic, social and inter-cultural efforts to mitigate and resolve conflicts. The European Parliament advocated just such an approach in the Morillon report of 10 April 2003¹.

Foreign policy must not be allowed to shatter the unity of the Union.

It was on that account that the foundations of better foreign policy instruments were laid down the Constitutional Convention, viz:

- creation of the post of European Foreign Minister,
- option of stepping up cooperation in security and defence policy,
- making defence expenditure more efficient by setting up a European armaments agency.

The point now, however, must be so to conduct the debate on EU foreign and security policy as to ensure that the political will of the Member States can lead to the creation of a constitutional reality in which Europe will become an equivalent partner to the USA in world politics.

That can only succeed by way of joint threat-analysis, joint definitions of interests - not least in the geographical sense - and the setting of joint strategic objectives by EU Member States.

All of the above were lacking before the outbreak of the Iraq crisis: Europe was disunited on what threat was ultimately posed by the Saddam regime, whether the regime could be disarmed by UN inspectors, or only by the deployment of military means, and about what strategic interests should tie it into a reordering of the region. Europe was equally disunited on the question of whether military action should be made exclusively dependent on Security Council resolutions, or if it would be enough if the 'spirit' of the UN Charter were adhered to - as in the Kosovo war.

The strategy paper submitted in Thessaloniki by the High Representative now provides a sound basis, in addition to the new set of foreign and security policy instruments proposed in

¹ P5_TA(2003)0188

the draft constitution, for also sustainably defining the political content of European foreign policy in the long term.

New threats - what responses?

Terrorism, weapons of mass destruction and the existence of unstable, misgoverned states pose the three principal threats to Europe. The most terrifying scenario is that posed by weapons of mass destruction in the hands of terrorists. The European Parliament has referred repeatedly to their interconnection:

- in its resolution on terrorism of 24 October 2002¹,
- in its report on European security and defence architecture of 10 April 2003², and
- in the discussions in the European Convention's Working Party VIII on defence.

There is wide-ranging consensus that the fight against terrorism can only consist of a mixture of intelligence-service, political, military and other measures. Military means alone will not be enough. That is shown by the crisis areas of Afghanistan and Iraq, as well as by the spiral of violence in the Palestine conflict.

Europe must, conversely, acknowledge that military force cannot be excluded as a last resort. That is a consideration on which its foreign policy credibility will, in the last analysis, depend. The 'Artemis' military operation in Congo has shown that Europe is fundamentally prepared to accept deployments of European troops on humanitarian intervention missions (preventing genocide), including outside of the European continent.

Current opinion polls, on the other hand, show that the connection between weapons of mass destruction and their removal by military force as a last resort is seen differently by European public opinion (e.g. in Germany: 18% in favour; 80% against).

Strategic objectives

The June 2003 Solana paper set out three central strategic objectives:

- One: creating stability and good governance in the immediate neighbourhood of the EU;
- Two: cooperation with an international order, on the basis of 'effective multilateralism';
- Three: Combating old and new threats, with the objective of reacting before a crisis breaks out. On that basis, action to anticipate conflicts and threats could not begin soon enough.

Europe must see its way to prioritising its foreign and security policy interests and objectives, and jointly defining them, as well as specifying them geographically. With enlargement, the Union is being drawn ever closer to the crisis areas to the east and in the eastern and southern Mediterranean. It is in the Union's innermost security interests to recognise and resolve crises arising beyond its immediate borders, and to adopt an active neighbourhood policy as a means of establishing a cordon of stable and developing states.

¹ P5_TA(2002)0518

² P5_TA(2003)0188

The political and economic instruments for doing this, as well as those of a military nature, were progressively and successfully developed by the EU in its Balkan policy in previous years.

In its efforts to extend the security zone around Europe, the Union's main interests consequently will have to focus on the following neighbouring regions:

- Western Balkans,
- Russia,
- Ukraine, Moldova and Belarus,
- Southern Caucasus,
- Southern Mediterranean and Western Africa
- Middle East;

Implementation of the peace-process 'road map' in the Israeli-Palestine conflict through the 'quartet', timed to coincide with a comprehensive economic commitment on the part of the Union to the region as a whole, including Jordan, Syria and Lebanon, and linked to the option, at the end of the road-map, of contributing to an international protection force.

Europe's part in establishing an international order

For a Union of 25 Member States, any international order can, by definition, be based only on a multilateral system. A precondition for the effectiveness of any such order is, not least, a strengthening of the Union's political and military capabilities, commensurate with its size, potential, responsibilities and its interests.

Only if Europe develops the political will to put the general interest before specific national interests can it become a partner on equal terms with the USA.

Transatlantic relations stand at the centre of the international system, and organisations like the United Nations or NATO are substantively codetermined by the quality of those relations. One of the Union's primary strategic objectives consequently must be that of renewing transatlantic relations¹.

That should not mean that those relations should be confined to the military aspects of NATO relations; rather, aspects relating to the intermeshing of mutual economic interests on both sides of the Atlantic should be taken into account.

The United Nations system also, however, must be made more efficient, standing, as it does, in need of reform, just as international law stands in need of carefully considered renewal². Precisely at a time when the concept of sovereignty is in decline as a force for order, legitimisation by way of decision-making procedures enshrined in international law assumes all the greater importance.

Above all, however, the strategic debate between the USA and Europe must be given a new impetus. Questions to be addressed must include stabilisation, reconstruction and nation-building in Iraq, a joint strategy on Iran and, in general, ways and means of preventing

¹ EP-Resolution of 19 June 2003

² The Committee on Foreign Affairs will draw up a separate own-initiative report - rapporteur Armin Laschet

proliferation of weapons of mass destruction, and the approach to be adopted in dealing with repressive, dictatorial regimes and dysfunctional states.

Combating threats and risks

The new threats, as manifested by the 11 September 2001 attacks in America, where they unleashed a 'Pearl-Harbor' experience, apply as equally to Europe as to the USA, yet the European public feels less directly concerned. Threats to home security from nuclear risks in South Asia, further proliferation in the Middle East, dysfunctional states and organised crime in Central Asia or Western Africa must actively be mediated.

Politicians and parliaments have their parts to play in making that happen.

None of the above threats is purely military. It is for just that reason that the EU and its Member States must use the political and economic instruments at their disposal to help to stabilise remote regions and adjust their military capabilities to the new challenges posed thereby.

A 60 000-strong fully operational deployment force capable of prompt, rapid and robust intervention will do much to enhance the credibility of European foreign policy.

10 September 2003

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

on the annual report from the Council 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 - 2002

(7038/2003 - C5-0423/2003 - 2003/2141(INI))

Draftsman: Armin Laschet

PROCEDURE

The Committee on Budgets appointed Armin Laschet draftsman at its meeting of 1 September 2003.

It considered the draft opinion at its meeting of 10 September 2003.

At the meeting it adopted the following conclusions unanimously.

The following were present for the vote Terence Wynn (chairman), Anne Elisabet Jensen (vice-chairman), Franz Turchi (vice-chairman), Armin Laschet (draftsman), Joan Colom i Naval, Den Dover, Markus Ferber, Salvador Garriga Polledo, Neena Gill, Gerhard Schmid (for Bárbara Dührkop Dührkop) and Kyösti Tapio Virrankoski.

CONCLUSIONS

The Committee on Budgets calls on the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

- A. whereas the budgetary provisions concerning the financing of the CFSP classify appropriations as non-compulsory expenditure and whereas Parliament and Council have agreed a special procedure on condition that Council accepts parliamentary control over this policy,
- B. whereas the Interinstitutional Agreement of 1999 lays the basis for enhanced cooperation between Council and Parliament in this field and, together with successive Joint Declarations in 2000 and 2002, is an important step forward to enhance transparency and democratic control of the CFSP,
- C. whereas the coherence between first and second pillar actions should be improved also from a budgetary perspective as pointed out by the Court of Auditors in its Special Report of 30 November 2001,
 - 1. Regrets that the Council's annual report on main aspects of the CFSP lacks sufficient focus, particularly as concerns financial implications; expects that in future this report will provide for a better basis for the consultation between Parliament and Council,
 - 2. Rejects in particular the Council's interpretation that the chapter on future actions in this annual report fulfils the Council's commitment to submit a separate document on the priorities of the CFSP and its financial implications, with reference to the budget of the following year, as laid down in the Joint Declaration of the 25 November 2002; expects that the Council, from now on, will provide for a separate and qualitatively improved document containing all necessary information to allow for a proper consultation between Parliament and Council;
 - 3. Underlines that the Joint Declaration of 25 November 2002 provides for the sending to Parliament, within 5 days of any decision in the field of the CFSP that entails expenditure, the information indicated in point 40 of the IIA: regrets that the Council only transmits

financial statements where expenditure is within the EU budget and insists that, for transparency reasons and in order for Parliament to, at least, have an overall estimation of how much CFSP funding goes to a particular region/crisis, that these statements should be provided for all CFSP decisions;

4. Reminds the Council that the Joint declaration of 25 November 2002 also provides for early-warning provisions which aim to inform the Parliament's committees on Foreign Affairs and Budgets, respectively, of any forthcoming CFSP actions that could have important financial implications;
5. Considers that such dialogue in the field of 'early warning' of the financial implications of forthcoming CFSP actions has, thus far, been inadequate and needs substantive progress;
6. Calls on the Commission to provide a significantly more detailed programming of CFSP within the context of the existing medium-term financial programming for heading 4 of the Financial Perspective.