

# The European Union and the world



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# The European Union in a changing world



*Many global challenges affect the daily life of Europe's citizens and can only be solved by working together.*

EMA

The European Union's influence in world affairs is on the increase. The process of integration, the launch of the euro and the progressive development of a common foreign and security policy are all providing the EU with political and diplomatic status to match its undoubted economic and commercial clout.

The Union has a number of strategic foreign policy objectives. The first is to establish a stable Europe with a stronger voice in the world. The recent wars in Bosnia and Kosovo and the bloody fighting in Chechnya underline how important it is to secure peace, democracy and respect for human rights throughout Europe. Enlargement can help achieve that by creating an internal market of over 500 million consumers and ending the long divide in Europe.

As the world's biggest trading partner, the EU is also determined to secure its international competitiveness while at the same time promoting global commerce through further liberalisation of world trade rules – a process that it believes will be of particular benefit to developing countries.

Until recently, there were three main components to the Union's external activities: trade policy, development aid and the political dimension. These provided it with considerable instruments for a credible foreign policy in diplomatic, economic and commercial arenas. It now wants to reinforce these capabilities, if and when necessary, with the ability to use force where its vital interests are at stake and to be able

to respond more effectively to crises. This does not mean fighting wars or creating a European army. It means greater cooperation between EU members in carrying out humanitarian and peace-keeping tasks. At the same time, the Union is becoming more involved in security issues, taking on greater responsibility for ensuring peace and stability in parts of the world close to its own spheres of influence.

Foreign policy is not just a question of trade, security and diplomacy. There are a host of other issues, many of which affect the daily lives of Europe's citizens, that help to condition the Union's approach to the wider world. These range from the need to fight the spread of AIDS and famine and to govern migration flows to the campaigns against drugs and terrorism. They all require closer transnational cooperation since the problems of today's world can only really be solved by working together.

Economic and political changes in the world require the European Union to adapt continuously its external policies and priorities. It has done so by broadening and deepening its contacts with partners, incorporating economic, trade and political dimensions into those relationships. It can now count on a diversity of interregional partnerships and cooperation agreements with countries on all five continents.

The European Commission which took office in 1999 under the Presidency of Romano Prodi is carrying out a vast overhaul and reassessment of its various activities to ensure better value for money – a process which will inevitably involve tough decisions on which policies should have priority over others.

# External relations: a global commitment

The importance the Union now attaches to its relations with countries around the world can be seen through recent innovations in both the European Commission and the Council of Ministers. Some 15 years ago, the complete panoply of external relations was handled by just two Commission departments. Now there are six. To ensure a coherent approach and a clear identity, overall coordination is assured by the External Relations Commissioner, Chris Patten. He works closely with his colleagues in charge of sectoral policies – Poul Nielson (Development and Humanitarian Aid), Günter Verheugen (Enlargement) and Pascal Lamy (Trade). He also works in close contact with Javier Solana, the Secretary-General of the Council of Ministers and the first High Representative for the Common Foreign and Security Policy (CFSP).

The Union has an extensive network around the world which helps it to formulate and implement policy. In addition to the many foreign embassies in Brussels accredited to the EU, the Commission has over 120 of its own delegations in third countries. Their role is to develop the Union's bilateral links with nations of hugely differing size and wealth, promoting the EU's policies and values and keeping Brussels informed of developments on the ground.

Alongside frequent contacts between officials, ministers and parliamentarians, the EU has regular summit meetings, once or twice a year, with its major partners such as the United States, Japan, Russia and Canada. Originally heavily trade oriented, discussions now also range over a vast array of political issues including ways to protect the environment, tackle international crime and drug trafficking and promote human rights. The Union makes its views known in various multilateral forums such as the United Nations, the World Bank and the Organisation for Security and Cooperation in Europe and works with them to better secure the common objectives of peace and security.

Although the Presidency of the EU rotates between Member States every six months, continuity in foreign policy is ensured by the CFSP High Representative, the Council Secretariat and the Commission. The Member State holding the Presidency is also assisted by the country that will hold the next Presidency.

## Common foreign and security policy

The European Union's **common foreign and security policy** (CFSP) was introduced in 1993 by the Treaty on European Union (Maastricht Treaty), following over 20 years of political cooperation between the EU countries.

Since 1993, the Council of Ministers has adopted some 70 **common positions** on foreign policy issues ranging from the Balkans to East Timor and from the non-proliferation of nuclear weapons to counter-terrorism. Once adopted, Member States are required to adhere to common positions, which the Presidency defends at the United Nations and in other international forums. Over the same period, the Council has agreed some 50 **common actions**, including demining operations in Africa and elsewhere and the dispatch of EU special envoys to crisis areas such as the Balkans and the Middle East.

Since the Amsterdam Treaty of 1999, the European Council (Heads of State or Government) is empowered to adopt longer-term **common strategies** for certain countries or regions. Common strategies on Russia and the Ukraine were adopted in 1999 and on the Mediterranean in 2000.

Within the CFSP, a **common European security and defence policy** (CESDP) is rapidly taking shape. To reinforce the Union's ability to deal with crisis situations in neighbouring regions or further afield, plans are in hand, in close cooperation with NATO, to set up a rapid reaction military force to carry out peace-keeping and other non-combat tasks at short notice. The existence of such a force would complement the EU's existing possibilities which include police operations, border controls and civilian humanitarian assistance.

## External assistance programmes

Foreign policy is not just about handing out aid. But the scale of financial assistance is worth recording. The EU is now the largest donor of humanitarian aid and fifth, behind the United States, Japan, Germany and France, in terms of grant finance.

Between them, the EU and its Member States provide some 55 % of total international official development assistance (ODA) and more than two thirds of grant aid. The share of European aid managed by the Commission and the European Investment Bank has increased from 7 % 30 years ago to 17 % now. In total, the Commission administers an annual external aid portfolio of some 9.6 billion euro annually.

Initially, EU external aid was concentrated on Member States' former colonies in Africa, the Caribbean and the Pacific. Now it is truly global. Two thirds go to central and eastern Europe, the countries of the former Soviet Union, the Balkans, the Middle East, the Mediterranean, Asia and Latin America. Aid is given not just for development purposes, but also to help reconstruction, institution-building, macroeconomic programmes and to promote human rights.

Given the sheer scale of EU overseas aid and the large number of projects which it helps finance – in 1999 alone, there were some 44 500 of these – it is not surprising that huge logistical challenges are involved. These are made all the more difficult given that the volume of EU aid has nearly tripled between 1990 and



2000, while staff levels have not even doubled. Faced with this situation, the Commission is implementing a radical overhaul of its administrative arrangements to improve the speed, quality and profile of its external aid.

## North America

The United States is without doubt the Union's major partner and the comprehensive relationship is particularly close on a range of issues stretching from trade and politics to foreign policy and security. The two cooperate closely not just on bilateral matters, but in international forums like the United Nations, the World Trade Organisation, NATO and the G8, and in sensitive parts of the world such as the Balkans. They have what is considered to be an 'enabling relationship', whereby, when they are together, they can be a powerful force for progress on almost any issue.

The foundations of the present partnership were shaped by the 1990 Transatlantic Declaration, which provides for two bilateral summits a year. They were further strengthened by the 'new transatlantic agenda' in 1995, whose four chapters – promoting peace and stability throughout the world, responding to global challenges, contributing to the expansion of world trade and establishing closer ties between partners – cover the whole gamut of EU activities. The Transatlantic Economic Partnership of 1998 with its commitment to removing bilateral technical trade barriers and promoting multi-lateral liberalisation brought a new dimension to the relationship as did the Bonn Declaration the following year with its confirmation of a 'full

and equal partnership' on economic, political and security issues.

The EU and the United States are the two largest economies in the world and are becoming increasingly inter-dependent. Together, they account for almost half the global economy and transatlantic flows of trade and investment amount to almost 1 billion euro every day. Each is the other's largest single trading partner and most important source of, and destination for, foreign investment. Although disputes over bananas and hormone-treated beef may grab the headlines, they account for less than 2 % of transatlantic trade and are essentially an inheritance of the past rather than a reflection of the present. An early warning system and arrangements for regulatory cooperation are now in place to try and defuse potential problems as quickly as possible.

A key input into the wider relationship is made by the business communities on both sides of the Atlantic through the 'transatlantic business dialogue' (TABD). More recently, parallel dialogues have been established to ensure labour, consumers and environmentalists can add their contributions. In addition, there are regular contacts between officials, ministers and politicians, including meetings between members of the European Parliament and the US Congress.

Importance is given to specific accords on the regulatory aspects of trade. A 'mutual recognition agreement', ranging from telecom equipment to pharmaceuticals, allows EU bodies to carry out conformity assessments to US requirements and vice versa, saving exporters considerable time and cost. Cooperation

between customs authorities is encouraged, while other agreements promote science and technology and the trade across the Atlantic of live animals.

The bilateral relationship between the EU and Canada was placed on a formal footing in 1976 with the Framework Agreement for Commercial and Economic Cooperation – the first between the then European Community and an industrialised country. Contacts became far more ambitious with the adoption in 1990 of the Transatlantic Declaration on EU–Canada Relations and then six years later with the EU–Canada Joint Action Plan. Another qualitative impetus was given in 1998 with a commitment to launch the ‘EU–Canada trade initiative’ with its emphasis on mutual recognition, services, government procurement, intellectual property rights, competition issues, cultural cooperation and business-to-business contacts.

The partnership is not limited to trade issues. A joint statement on ‘northern cooperation’ issued in December 1999 reaffirmed their commitment to work together in promoting a range of policies such as sustainable development and another on small arms has led to cooperation in the fight against the illegal trade in handguns and light weapons.

### *Tacis*

*The European Union and:  
Armenia,  
Azerbaijan,  
Belarus,  
Georgia,  
Kazakhstan,  
Kyrgyzstan,  
Moldova,  
Mongolia,  
Russia,  
Tajikistan,  
Turkmenistan,  
Ukraine,  
Uzbekistan.*

## Russia and the new independent States

The importance the Union attaches to its relations with Moscow was made clear in mid-1999 when it agreed a common strategy on Russia for the following four years. The initiative signalled a new phase in relations between the two partners and was the first foreign policy document approved by the EU under the new common foreign and security policy provisions introduced by the Amsterdam Treaty from 1997. It was followed six months later by a similar common strategy towards Ukraine.

Both initiatives go further than the ‘partnership and cooperation agreements’ which the Union has with all the new independent States, i.e. the countries which earlier formed the Soviet Union. They aim to consolidate democracy, the rule of law and public institutions and to help the countries integrate into a ‘common European economic and social space’, including working towards a free trade area with the Union. Major initiatives include cooperation linked to disarmament and fight against organised crime. While it is keen to have closer economic and political ties with these countries, the Union does not hesitate to criticise any perceived abuses of human rights, as it has shown in the case of the Russian intervention in Chechnya.

The main vehicle for EU assistance to partner States in eastern Europe and central Asia is the Tacis programme. Launched in 1991, the programme now has a budget of 3.138 billion euro for the period 2000 to 2006. Its central thrust is to provide know-how to promote the transition to a market economy and to reinforce democracy and the rule of law.

The current seven-year programme focuses on a number of cross-sectoral themes such as public administration reform, private sector development and the social consequences of moving to a market economy. Special attention is devoted to nuclear safety ranging from proper waste management strategies to the closure of Chernobyl.

## South-eastern Europe

The European Union is strongly committed to bringing peace and stability to the Balkans and its main objective is to integrate the countries of the region into Europe's political and economic mainstream. The 'stabilisation and association process' is its principal policy instrument involving Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia. The process is individually tailored to the needs of each participant and includes economic and financial assistance, cooperation, political dialogue, the goal of a free trade area, approximation of EU legislation and practices and cooperation in areas like justice and home affairs.

This process specifically offers the countries the long-term prospect of EU integration – a historic turning point in their relations with the Union. But they themselves must first meet demanding political and economic conditions and demonstrate they can emulate the EU's example by increasing trade and cooperation between themselves. The Union provides the five countries with substantial financial and technical assistance. In the 1991–99 period, more than 4.5 billion euro were disbursed to the region.



Between 2000 and 2006 the assistance funds earmarked in the EU budget for this purpose will be substantially increased.

The Union believes its own example of regional integration can provide a model for the countries in the region. At their Cologne Summit in June 1999, EU leaders adopted the Stability Pact for South-Eastern Europe. Bringing all parties together, the pact complements the stabilisation and association process and helps to build new forms of cooperation and stimulate practical and financial support from the international community. It focuses on regional cooperation initiatives in the fields of business and the environment, the fight against corruption and organised crime, elimination of ethnic discrimination, security sector reform and the independence of the media.

*The European Union supports the economic and democratic development in other countries through assistance programmes such as Tacis, which among others benefits Russia.*



*EU foreign policy aims to prevent crises such as the Balkans conflicts in the 1990s.*

## Middle East

Contributing to efforts to establish a comprehensive peace agreement in the Middle East has long been one of the EU's main foreign policy objectives. The Union has appointed a special envoy for the region to help in the task and tries to meet this goal in a close and equal partnership with the United States and Russia.

The Union believes that a just and lasting political settlement on the basis of relevant UN resolutions must be consolidated through cooperation and economic progress in all countries in the region. It has warned that a comprehensive deal will require substantial financial assistance and that sustained economic growth will be necessary to avoid widespread disaffection and instability.

In this regard, the Union has assumed its responsibility as chair of the Regional Economic Development

Working Group (REDWG) in the context of the multilateral peace talks. The establishment of the REDWG Secretariat in Amman, Jordan, as a permanent regional economic institution for the Middle East, could help achieve growth by supporting regional cooperation, coordinating trade- and investment-related matters and promoting transport, energy and communication infrastructure in the area. In time, it could even lay the foundations for a Middle East economic area with the free movement of goods, services, capital and labour.

The Union has a strong record of involvement. It is the largest donor to the Palestinians, contributing over 1.6 billion euro in grants and loans between 1994 and 1999 (EU and Member States combined) representing over 60 % of all international assistance. This EU support has effectively underpinned the Palestinian Authority and contributed substantially towards the reconstruction of the deteriorated physical infrastructure in the West Bank and Gaza Strip. In addition, the EU and its Member States make an annual transfer of over 100 million euro to the UNRWA, the UN agency caring for Palestinian refugees – the largest group of refugees in the world, numbering more than 3 million people.

The EU provides substantial support to Jordan, Lebanon, Syria and Egypt. Regional cooperation in the Middle East is reinforced by annual aid of some 20 million euro to specific projects involving Israelis and Arabs through people-to-people activities (seminars, festivals, etc.) and cross-border cooperation between municipalities, experts and non-governmental organisations.

Relations with Israel are largely determined by a succession of trade agreements between the two parties and by the bilateral association agreement which came into force in June 2000. This launched a close political dialogue between the two partners and set out a large number of areas for future cooperation.

In the Gulf region, the Union has a cooperation agreement with the Gulf Cooperation Council (consisting of Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman). Since 1998, a dialogue with Iran on political and cooperation issues has been taking place. With Iraq, the EU has no contractual relations due to the UN sanctions. The EU also concluded a renewed cooperation agreement with Yemen in 1997.

## **Euro-Mediterranean Partnership**

In November 1995, the 15 EU members and 12 countries and territories, covering almost the whole of the Mediterranean region adopted the Barcelona declaration. The signatories undertook to create an area of peace and shared prosperity and to improve mutual understanding between their peoples. This is being followed by a new Euro-Mediterranean 'charter for peace and stability' to implement strengthened political and security cooperation in areas such as drug trafficking, terrorism, immigration, conflict prevention and human rights.

To reinforce the overall objectives, the Union is negotiating bilateral association agreements with its Mediterranean partners. By mid-2000, these had been concluded

with Morocco, Tunisia, Jordan, the Palestinian Authority and Israel.

The 'Barcelona process', which is the only forum where ministerial meetings involving all 27 partners have taken place even during difficult periods in the Middle East peace process, aims to establish a Euro-Mediterranean free trade area by 2010.

To help the Mediterranean partners overcome the challenges posed by free trade, the EU's MEDA programme provides around 1 billion euro annually in grants supplemented by around 1 billion euro in loans from the European Investment Bank.

There is already a considerable degree of economic interchange in the Euro-Mediterranean region. The latter's imports from the Union now amount to more than 30 billion euro (some 47 % of total imports), while exports are even higher at 63 billion euro (52 %).

## ***The Euro-Mediterranean Partnership***

*The European Union and:  
Morocco,  
Algeria,  
Tunisia,  
Egypt,  
Israel,  
Jordan,  
the Palestinian Authority,  
Lebanon,  
Syria,  
Turkey,  
Cyprus,  
Malta.*



EKA

*Markets all over the world offer new business opportunities for European companies.*

### **The Asia–Europe Meeting (ASEM)**

*The European Union and:  
Brunei,  
China,  
Indonesia,  
Japan,  
South Korea,  
Malaysia,  
the Philippines,  
Singapore,  
Thailand,  
Vietnam.*

### **Regional groupings**

In addition to bilateral contacts, the Union has a large number of multi-lateral relations both with international organisations and with other regional groupings of countries. It attaches particular importance to encouraging regional forms of integration, since these help create large, integrated local markets and enable countries in specific parts of the world to participate more effectively on global issues.

In Asia, the Union has developed a stronger regional relationship through greater involvement with the Association of South-East Asian Nations (ASEAN). Burma/Myanmar, while a member of ASEAN is not part of the EU–ASEAN Member States agreement. There are also regular Asia–Europe meetings (the ASEM process) with the majority of ASEAN members as well as China, Japan and Korea.

In Latin America, the main partnerships are with the San José Group (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama), Mercosur (Argentina, Brazil, Paraguay and Uruguay), the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela) and the Rio Group of countries (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela).

The Union gives strong encouragement to the establishment of regional groupings among the African, Caribbean and Pacific countries and cooperates closely with the Southern African Development Community (SADC). Closer to home, it has a well-developed relationship, particularly on single market matters and flanking policies such as the environment and competition, with the three European Free Trade Association (EFTA) countries – Iceland, Norway

and Liechtenstein – which, with the EU, make up the European Economic Area. A unique feature of this association is that the three countries participate in decisions shaping relevant EU legislation. As Switzerland, the fourth EFTA country, is not a member of the EEA, the EU is strengthening its ties with this country through a package of seven bilateral agreements ranging from agriculture and research to transport and the free movement of people.

One of the most recent initiatives is the 'northern dimension' which brings together the EU's more northerly members, Russia and candidate countries in northern Europe.

## **Multilateral relations**

*Over the years, the Union has strengthened its cooperation with a wide range of international organisations. Among the various bodies it now works closely with are the United Nations, the Organisation for Security and Cooperation in Europe, the Council of Europe, the Western European Union, the North Atlantic Treaty Organisation, the World Trade Organisation and various organisations established under the Law of the Sea Convention. In its dealings with the UN, for instance, the Union has been active in the economic, social, environmental, drugs, humanitarian and human rights areas and cooperates on crisis management and conflict prevention.*

## Environment

*Some internal EU responsibilities have international implications. Environmental protection and sustainable development are undoubtedly the most visible.*

*One major priority is ensuring nuclear safety in the former Soviet Union. This is being tackled through a special Tacis programme which in 1999 had funds of 23 million euro. These are used to provide various forms of technical and practical assistance with particular attention being paid to the decommissioning of reactors at the Chernobyl nuclear plant, and to the problems posed by spent nuclear fuel from submarines and icebreakers in north-west Russia.*

*The importance of candidate countries meeting high environmental standards was underlined in early 2000 when negotiations were opened to allow all 13 to participate in the Copenhagen-based European Environment Agency (EEA) – their first opportunity to be involved in the work of any of the EU's 11 specialised agencies. The EEA provides up-to-date, reliable and targeted information to help the candidates implement EU environmental laws, establish effective monitoring systems and set up reliable data collection networks.*

*In addition, a 'priority environmental investment programme for accession' (PEPA) offers some financial help for the candidate countries to implement EU standards. Reliable estimates suggest that as much as 120 billion euro will be required to meet the 10 most important pieces of environmental legislation.*

*While extending the benefits of participation in existing programmes, the Union has also pressed the candidates to take measures to increase nuclear safety. By the end of 1999, it had successfully won firm commitments from Slovakia, Lithuania and Bulgaria to close down as early as possible the eight nuclear reactors on their territory considered dangerous and non-upgradable.*



EKA



## Humanitarian Aid

*The European Union's humanitarian role has developed substantially over the past decade and is now an important aspect of its external policy. It is coordinated and organised by the EU's Humanitarian Aid Office (ECHO) with its remit of providing effective humanitarian aid to the victims of natural disasters and armed conflicts. ECHO is now the world's largest donor of humanitarian aid.*

*The assistance from ECHO is channelled through its partners – United Nations agencies, over 170 non-governmental organisations such as Oxfam and Médecins Sans Frontières, as well as other international bodies.*

*Since 1992, it has signed over 7 000 individual aid contracts with a value of almost 5 billion euro, funding humanitarian assistance in more than 85 countries. The aid is non-discriminatory and is intended to go directly to those in distress irrespective of their race, gender, religious or political convictions. It may include essential supplies, food, medical equipment and medicines and services such as medical aid, water purification teams and logistical support.*

*ECHO evaluates needs for humanitarian operations and monitors the implementation of the projects themselves. It promotes and coordinates disaster prevention measures by training specialists, strengthening institutions and running pilot micro-projects. It finances landmine clearance schemes. ECHO also supports public awareness and information campaigns aimed at increasing understanding of humanitarian issues.*

*As emergency aid must be linked to longer-term reconstruction, ECHO's policy is to reduce vulnerability and encourage self-sufficiency among those receiving humanitarian aid so they do not become dependent on it. To that end, it helps set up suitable longer-term strategies.*



# EU enlargement: a historic opportunity

Enlargement offers the unique opportunity of ending the artificial divide which has split the European continent into two for most of the past 60 years. Not only will individuals be able to move, study and work freely across frontiers, but businesses and economies in central and eastern Europe should prosper as a market-based economy takes root. Europe as a whole will also benefit economically and politically with the creation of a domestic market of 500 million people.

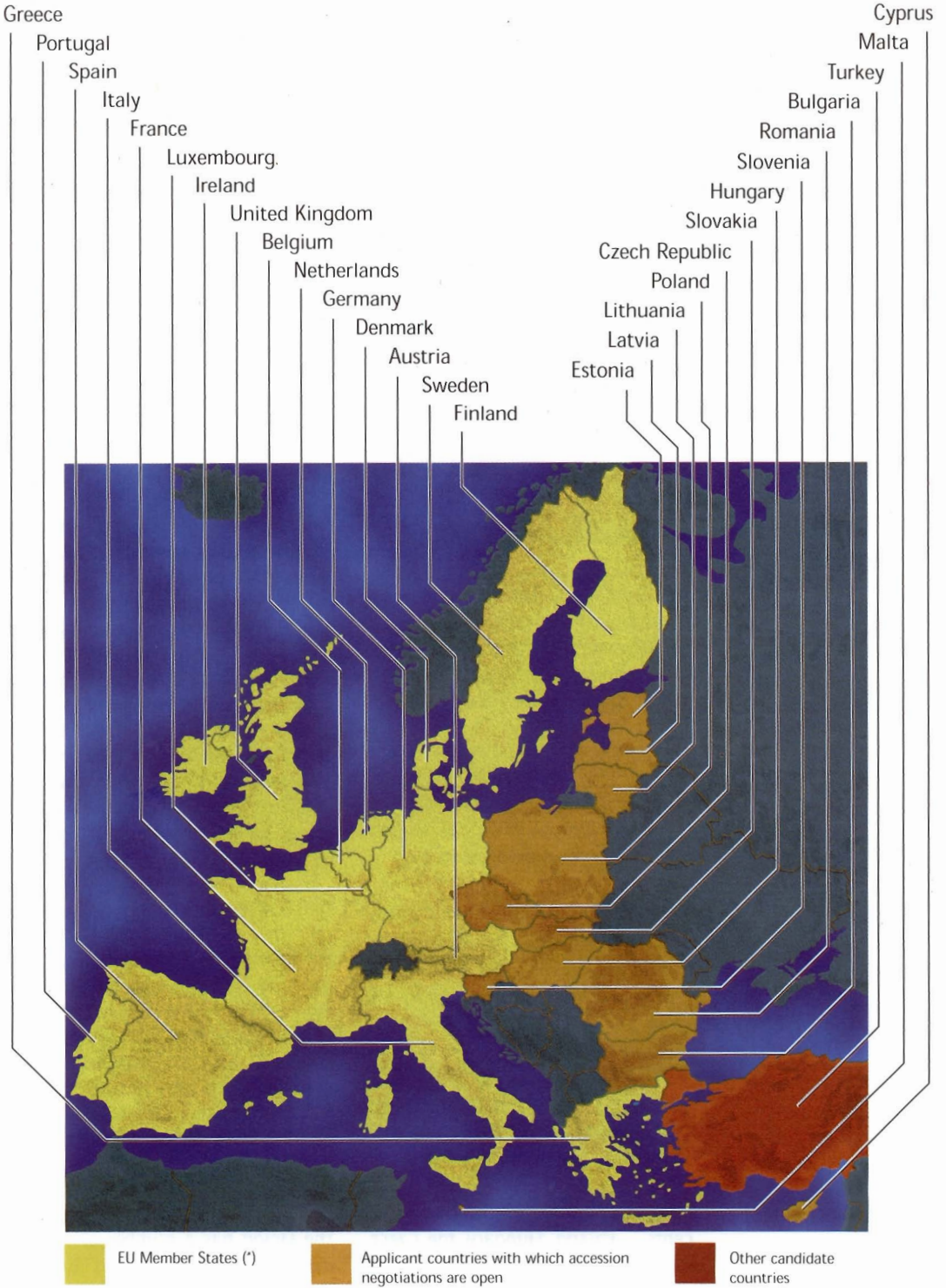
The EU has already experienced four separate enlargements (in 1973, 1981, 1986 and 1995) as it has grown from six to 15 members. But with 13 candidate countries in the wings stretching from Estonia in the north to Turkey in the south, this is easily the most ambitious. The preparations that have to be made by both existing and potential members to meet such a challenge are huge. To take just purely economic considerations, the GDP per head in purchasing power standards as a percentage of existing EU levels ranges from 79 % in Cyprus and 68 % in Slovenia to 23 % in Bulgaria and 27 % in Latvia.

Internally, the EU has to adapt its own policies, finances and procedures to prepare for a Union of 20 or more countries. The first two challenges were met at the EU summit in Berlin in March 1999 when budgetary ceilings were set for all areas of EU spending up to 2006. These were accompanied by wide-ranging

reforms to regional, social and agricultural expenditure. Decision-making procedures are also being streamlined. In addition, the Commission is coordinating various information campaigns to inform the public of the implications of enlargement.

The EU summit in March 1999 made some 22 billion euro available for pre-accession support between 2000 and 2006 – double the amount allocated during the 1990s. In addition, the Union's budget will be ready for the first accessions from 2002 onwards with some 57 billion euro specifically earmarked for new Member States between 2002 and 2006.

No date has been set for the next enlargement, but the Union has committed itself to be in a position, both institutionally and politically, to welcome new members from the start of 2003 – provided they have met all the accession requirements.



(\*) Non continental and overseas territories not shown.



EKA

Cyprus – opened in March 1998. After receiving the green light from EU leaders at their Helsinki European Council meeting in December 1999, formal negotiations were launched in mid-February 2000 with another six candidate countries – Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia.

Although the accession negotiations have been launched in two groups, each applicant is considered on its own merits. The Union has put in place a fully flexible, multi-speed accession process where countries will be assessed on their own merits and join when they are able to meet all the obligations of membership.

The first stage in the complex process is a screening exercise involving a series of multilateral and bilateral meetings with the candidates. These enable the European Commission to present the 'acquis communautaire' – the whole corpus of EU Treaties, legislation and practices running to almost 100 000 pages – and to determine whether the applicants are able to apply it. This is followed by detailed negotiations on the 31 individual policy chapters ranging from fisheries to external relations.

The Commission continues to monitor the progress each applicant makes in actually implementing and applying EU legislation and, increasingly, emphasis is placed on its proper transposition into national law. In principle, each new member must be able to implement all EU obligations and responsibilities from the first day of entry, with temporary exemptions and transition measures kept to a minimum.

The Union has a number of specific pre-accession programmes to help

*Training in new working methods is part of the applicant countries' preparation for EU membership.*

## EU membership conditions

Before a country can contemplate the possibility of joining the EU it must demonstrate that it satisfies the three basic membership criteria laid down at the Copenhagen Summit in June 1993. These are:

- the existence of stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union;
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

Negotiations with six of the applicants – Poland, Hungary, the Czech Republic, Slovenia, Estonia and

the candidates prepare for membership. The best-known and longest-running vehicle for channelling the financial and technical cooperation to the candidates is Phare.

This programme provides grants, rather than loans, and can be broken down into two main priorities. The first, with some 30 % of the budget, is institution building to help national and regional administrations as well as regulatory and supervisory bodies familiarise themselves with EU objectives and procedures.

The second, with 70 % of the budget, helps the candidates bring their industries and major infrastructure up to EU standards by mobilising the investment required. The support is chiefly targeted at areas where EU norms and standards are becoming increasingly demanding: environment, transport, industrial plants, and quality standards in products and working conditions.

Other aid programmes are specifically aimed at agricultural and rural development and at transport and environmental projects. There are also programmes to fight corruption and organised crime and to handle refugees and asylum seekers. In addition, numerous seminars and workshops for officials in the candidate countries are held on subjects as diverse as fiscal surveillance and customs clearance.

While the European Union has taken the lead in helping candidate countries prepare for membership, it is not alone. Other international bodies lend their support and expertise: the World Bank, the European Bank for Reconstruction and Development, the Council of Europe and the Nordic Council.

## Turkey

Turkey's formal relations with the Union date back to the 1963 association agreement and the country was the first of the current group of applicants to apply for EU membership – back in 1987. For a variety of political, economic and human rights reasons, the request made little progress over the years, until the Helsinki Summit in December 1999. At that meeting, EU Governments formally recognised the country's status by agreeing that 'Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States'.

As a result, the country benefits from a pre-accession strategy and partnership to stimulate and support its political and economic reforms and a closer political dialogue with the Union. It is able to participate in existing EU programmes and in meetings between the candidates and the Union and is being helped to bring its own domestic legislation into line with the EU's rules and practices.

But before actual accession negotiations may begin, Turkey must first demonstrate its respect for human rights and restructure many elements of the country's economy. Given the historical friction between Turkey and its Aegean neighbour, Greece, the Union has specifically called for the peaceful settlement of any outstanding border disputes and other related issues, such as Cyprus.

Alongside Turkey's EU membership aspirations, a customs union with a 15 million euro budget already links the two and the Union is making available a further 135 million euro

to promote the country's economic and social development.

### **Enlargement must not lead to new barriers**

Enlargement also raises questions about how the Union will organise its relationships with countries facing a longer road towards membership. The Commission has floated the concept of virtual membership to give Albania and former Yugoslavia, for instance, the stimulus and advantages of various forms of close cooperation even before they are ready for accession. But to benefit from these, they would have to meet certain criteria. These include recognition of each other's borders, settlement of all outstanding issues relating to the treatment of minorities and the establishment of a regional cooperation organisation. This would encourage economic integration by creating a free trade zone and then a customs union which could later merge with the EU's own customs union as a first step towards accession.

The EU is conscious of the impact enlargement will have on its neighbours for whom accession is not an issue, but with whom it wants close and constructive relations and so it is actively examining suitable strategic partnerships with Russia, Ukraine and the Mediterranean Basin.

# Trade: removing barriers, spreading growth

The European Union is the world's biggest trading partner, accounting for over a fifth of all exports in 1999. Since its earliest days, the EU has been committed to removing trade barriers between its individual members on the grounds that this will stimulate economic prosperity and national and individual well-being. It has championed the same principles on the world stage.

The figures speak for themselves. The multilateral trading system has been progressively liberalised through a series of international negotiations over the past half-century. During that time, world trade has grown seventeen-fold, world production has more than quadrupled, world per capita income has doubled and average tariffs applied by industrialised countries have dropped from 40 % in 1940 to under 4 %.

The EU believes that multilateral trade liberalisation can yield very substantial benefits for the global economy and that much of this should go to developing regions. It considers that economic growth through trade liberalisation is a major factor in improving social conditions worldwide and contributing to sustainable development.

The Union is one of the strongest advocates of continuing this trend by pressing for as wide an agenda as possible in the next round of World Trade Organisation (WTO) talks involving 137 countries. Despite the setback at the ministerial meeting

held in Seattle in December 1999, the EU is still committed to a broad agenda and is convinced the benefits will be significant.

Two European Commission studies published shortly before the Seattle conference concluded that further trade liberalisation could help sustainable development and bring about an annual welfare gain for the world of up to 420 billion euro – the equivalent of adding an economy the size of Korea or the Netherlands to world GDP every year. Economic growth translates into employment as the Union itself has shown with the creation of half a million new jobs after the abolition of its own internal trade barriers.

Freer trade can mean more business opportunities, more efficient allocation of resources and more wealth. Further reductions in tariffs will enable business to better exploit export potential because trade flows will be driven increasingly by quality, price and service and be less impeded by artificial obstacles like tariffs. Consumers should benefit from wider choice and lower prices through increased competition.



*International trade and globalisation must serve to improve the prosperity of poorer people.*

## World Trade Organisation

As part of this wide ranging agenda, the EU is in the vanguard of countries arguing that the next WTO negotiations should not be limited to the narrow agenda of agriculture and services left over from the last Uruguay round. It must be more comprehensive, covering both traditional topics and new issues to allow all participants to have an interest in the negotiations and meet the needs of the economy of the 21st century.

The Union has drawn two clear lessons from the failure to open the liberalisation talks in Seattle. The first is that the days when a handful of major trading nations negotiated deals among themselves and imposed them on the rest of the

world are over. Others, particularly developing countries, now legitimately demand a bigger say in the process.

The second is that the WTO must be reformed to make it more inclusive, transparent, efficient and accountable. Its rule book needs to be rewritten and civil society more closely involved so that environmental and social concerns can be considered alongside trade and development issues.

When a new round of WTO negotiations is launched, the Union believes it should cover at least four main areas if it is to be comprehensive and successful. In the EU's view, the round should:

- improve market access across the board, including agriculture, services and non-agricultural products;
- set rules in a number of new areas such as investment, competition and trade facilitation;
- focus more on development, by providing better market access and improvements to the special and differential treatment accorded to developing countries, as well as ensuring that new agreements promote development;
- address a number of civil society concerns, by clarifying WTO rules on trade and environmental agreements, labelling, public health and the application of the precautionary principle. This should be done with a view to ensuring that rules are mutually supportive and the measures taken do not constitute



a means of arbitrary or unjustifiable discrimination between countries.

While aware that the globalisation process is a trend that cannot be stopped and that economies must adapt to survive, the Union does not accept that unfettered market forces should dictate its peoples' way of life, culture and ultimately their society and core values. As a result, it sets out to reconcile the way societies and values are managed with the need to modernise and globalise.

In this respect, the Commission sees the WTO, with its membership of over 130 countries – and a further 30 queuing up to join it – and wide-ranging powers to set rules and arbitrate in trade disputes, as a crucial institution for global governance.

The WTO should cooperate more closely with other international organisations to promote the overall goal of sustainable development and contribute to the reduction of inequalities, both within and among nations. That is why the EU favours regular consideration of the relationship between trade and social development, including the promotion of core labour standards. It supports positive incentives for promoting labour rights and is firmly opposed to any protectionist or sanction-based approach.

## Japan

The second largest national economy after the United States, accounting for two thirds of Asian GDP and 14 % of the global economy, Japan is one of the Union's major trading partners and its third largest foreign market. Friction during the 1980s

over trade imbalances and the difficulties European firms encountered in exporting to Japan have given way to a far more constructive relationship, based on the 1991 political declaration governing relations between the two partners. This was consolidated by approval of an EU strategy in 1995 on Europe and Japan, and will be considerably extended by the action plan which the two parties agreed to develop at their Tokyo Summit in July 2000. This will launch a 'decade of Japan–Europe cooperation' beginning in 2001 in four key areas: promoting peace and security, strengthening the economic and trade partnership, coping with global and societal challenges and bringing people and cultures together.

Apart from purely bilateral issues, existing collaboration extends to regular shared analyses on the political and security situation in North Korea, China's evolving role in Asia, the creation of security structures on the continent and promotion of development assistance.

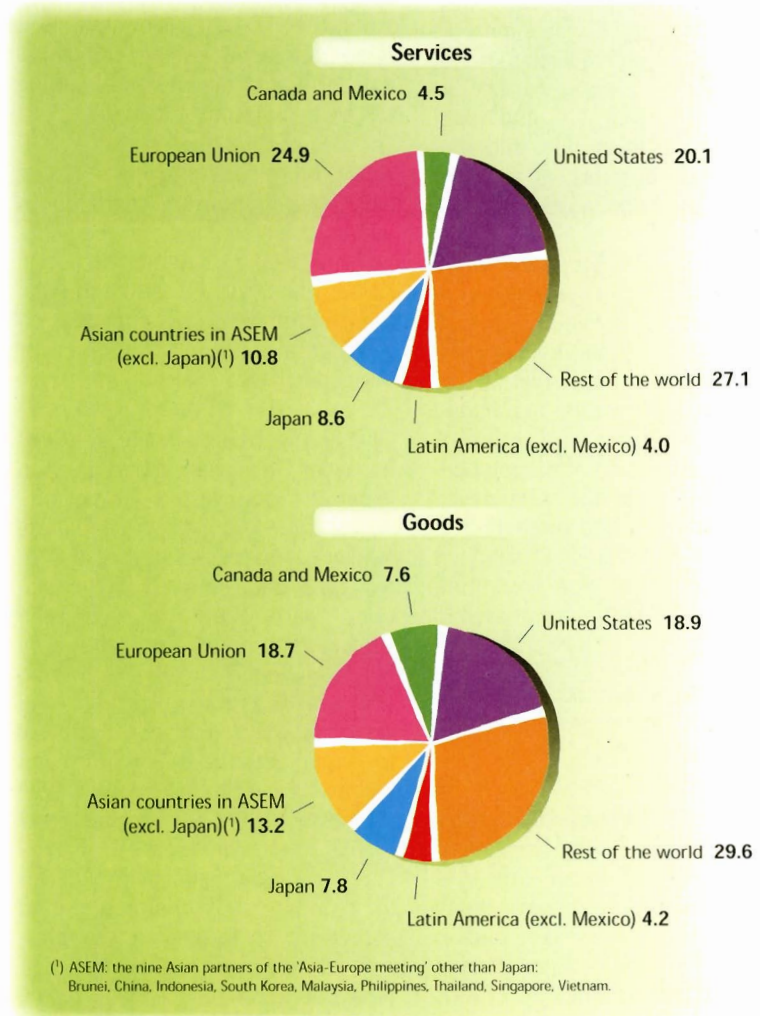
One of the Union's major concerns has been to ensure that European exporters and investors are not prevented from entering the Japanese market by unnecessarily restrictive red tape and bureaucratic regulations. Since 1995, this has been achieved through the regulatory reform dialogue aimed at removing structural and other obstacles facing exporters. The Commission's gateway to Japan export promotion campaigns have also helped many EU businesses, especially smaller ones, to break into the Japanese market. This is being accompanied by moves to negotiate a mutual recognition agreement on testing and certification, which would constitute the first treaty between the EU and Japan,

and by an accord on the application of each partner's competition legislation. There are also regular contacts between the respective consumer and business communities.

investment in Japan. Japanese direct foreign investment is seven times greater in the EU than European investment in Japan.

Often dialogue has been successful in overcoming obstacles but, when not, the EU has turned to the WTO to defend the interests of European businesses. The Union is also keen to see fewer obstacles to European

Share of world trade, % (1998 figures)



## Asia

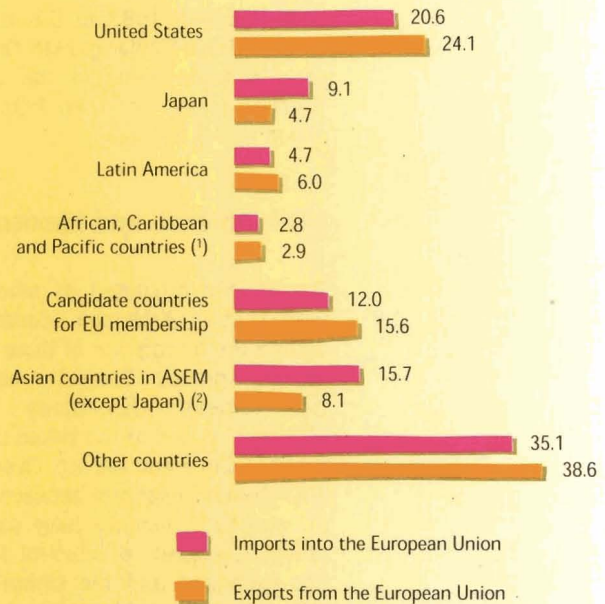
China has undergone dramatic changes since it opened up to the outside world in 1978, evolving from an inward-looking centrally planned economy to a market driven one engaged in global commerce. During the past two decades, EU-China trade increased more than 20 fold and was worth 70 billion euro in 1999. China is the Union's third largest non-European trading partner after the United States and Japan and the EU is China's fourth largest source of imports. In 1999, the Union became the largest foreign direct investor in the country, excluding Hong Kong, with 4.5 billion euro.

The Union has been a strong supporter of Chinese membership of the World Trade Organisation and has worked closely with the United States to help bring this about. In summer 2000, the two parties completed their lengthy bilateral negotiations on China's accession to the WTO. The agreement will give a major boost to trade between the two.

Under the terms of the EU-China WTO accession agreement, China agreed to substantial reductions on import tariffs for over 150 leading European exports, ranging from machinery to wines and spirits. The accord will make it easier for European distributors and companies to operate in China and restrictions which used to apply to a number of service sectors and professions such as bankers and lawyers will also be relaxed.

Although devoting considerable time and resources to China, the Union is keen to deepen its contacts with the

Share of the main partners of the external trade of the EU, % (1999 figures, goods)



(1) The 77 ACP countries that are part of the so-called Cotonou Agreement.

(2) ASEM: the nine Asian partners of the 'Asia-Europe meeting' other than Japan: Brunei, China, Indonesia, South Korea, Malaysia, Philippines, Thailand, Singapore, Vietnam.

whole continent. This may be done on a multilateral basis – a process begun with the first 'Asia-Europe meeting' in Bangkok in 1996 – or via ASEAN, the EU's fourth largest trading partner, or bilaterally.

Relations with Asia's second largest nation – India – are also moving up a gear as they broaden from dialogue and cooperation to partnership. That shift was epitomised by major initiatives in 2000. These included the first EU-India Summit and wider contacts between officials, policy-makers, opinion formers and civil society.

This is in addition to the extensive commercial contacts which already

exist. The EU is India's most important partner in trade, investment and development cooperation. Indian exports to the Union grew from 1.8 billion euro in 1980 to 9.8 billion euro in 1998. Similar growth can be seen in trade going in the other direction which has risen from 2.4 billion to 9.5 billion euro.

on EU exports will disappear by 2007 at the latest. The accord provides a new dimension to a relationship which was already well anchored in the 1997 EU-Mexico Economic Partnership, Political Coordination and Cooperation Agreement.

## Latin America and Mexico

The EU has organised its relations with Latin American countries around the recognition of three sub-regional groups: Central America, the Andean Community and Mercosur, as well as individual countries like Chile and Mexico. Over the past decade, relations between the EU and Latin America have consistently developed as bilateral trade has expanded and the Union has promoted regional integration in the area.

The Andean countries enjoy easier access to the European market under the 'generalised system of preferences' and the EU works closely with them on a programme to tackle drug trafficking. Caribbean countries enjoy trade preferences with the EU, while Cuba is the only Latin American country not to have signed a cooperation agreement with the Union.

A quantum leap in the Union's relations with this part of the world took place in June 1999 with the first ever summit between the EU, Latin America and the Caribbean, involving the leaders of 48 countries. This was followed in 2000 by a free trade agreement between the EU and Mexico. Under the ambitious deal, Mexican exports will enter the Union duty-free from 2003 and all tariffs

# Promoting development, fighting poverty



EKA

The Union is the developing world's main partner, providing 55 % of all international official assistance, and is by far its biggest trader and foreign investor. At a bilateral level, it grants non-reciprocal trade preferences, along with more favourable arrangements for the least developed. It has concluded economic and trade cooperation agreements, which will in time lead to free trade areas, with several countries or regional groupings in the Mediterranean, Latin America, Africa, the Caribbean and the Pacific.

The marginalisation of many economies, the increase in poverty in the world, the need to manage better environmental interdependencies, the destabilising effects of migration, and the consequences of armed conflicts, natural disasters and pandemics are major concerns for everyone and Europe's citizens understandably expect effective EU action in tackling them. Given the finances at its disposal and its economic and political weight the EU can make an impact.

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*Far from home—or?  
The alternative to  
emigration is better  
economic prospects  
at home.*

## New emphasis on helping the world's poor

The Union firmly believes that it is politically and morally unacceptable that more than 1 billion people on the planet still have to survive on less than one euro per day. That figure may well rise as the world's population grows. As a result, the fight against poverty is the central thrust of the EU's development policy efforts as it concentrates its attention on a more limited number of policy areas.

Foreign direct investment into developing countries has soared in the past decade, rising from 29 billion euro in 1990 to 185 billion euro in 1998. But it is unevenly spread. Some 55 % goes to the top five developing nations, while the 48 least developed, many of them in Africa, receive less than 1 %.

Responding to concerns about the effectiveness of aid programmes in general, the European Commission presented a major reorientation in the summer of 2000 of its development policy. This is designed to bring its internal organisation, procedures and methods up to international best practice and provide a new vision of its core objectives. Central to the new strategy are attempts to integrate developing countries into the international economic system, to encourage them in their efforts at regional integration, to use the EU's considerable expertise and financial means to provide a critical mass, as in the transport sector, and to relate more closely to what other donors are doing.

By concentrating on core tasks, the Commission has suggested the EU should limit its activities to those

areas where it can offer comparative advantages and added value. It has selected six: trade for development, regional integration and cooperation, macroeconomic policies linked with poverty reduction strategies, reliable and sustainable transport, food security and sustainable rural development strategies, and institutional capacity building to consolidate good governance and the rule of law.

The new strategy with its emphasis on empowerment, capacity-building, ownership and sustainability, is based on clear political guidelines:

- ownership of the process must lie with the developing countries themselves and involve maximum participation of civil society representatives;
- the need for more coordination and a better division of labour between the EU's development programme and those of other donors, especially the Union's Member States;
- contradictions between development policy and other EU activities – trade, agriculture and fisheries – which impact on developing countries must be avoided;
- administrative procedures must be streamlined to increase the speed and efficiency of programme delivery.

## ACP–EU Partnership

The lynchpin of the EU's development policy is the Cotonou Agreement which binds it with African, Caribbean and Pacific (ACP) countries and is the most ambitious and comprehensive agreement between developed and developing countries. Its predecessor, the Lomé Convention, was first signed in 1975 in Lomé, the capital of Togo, and was regularly updated. Its importance grew as its provisions were extended to new areas and the number of signatories increased.

However, the basic objective of the comprehensive aid-and-trade agreement remains constant. It is 'to promote and expedite the economic, cultural and social development of the ACP States and to consolidate and diversify their relations [with the EU and its Member States] in a spirit of solidarity and mutual interest'. The wide-ranging partnership is based on equality between the signatories, respect for their sovereignty and mutual interest and interdependence.

The Cotonou Agreement was signed in June 2000 in the capital of Benin, which is the origin for the informal name of the agreement. At this occasion, the existing ACP members were joined by six new countries from the Pacific, bringing the total to 77 ACP countries. The outcome underlines how far the partnership has evolved over 25 years as it prepares for the challenges of the next two decades. It sets out an integrated and comprehensive approach to development, poverty eradication, trade and a political dialogue that includes conflict prevention, human rights and democratisation and issues of mutual concern such as migration.

The new agreement includes some notable qualitative changes from its predecessors as it moves from market-access-based trade relations to a more comprehensive relationship and from government to government partnerships to a more inclusive process involving all elements of civil society. It is both comprehensive and innovative. Civil society is involved in shaping its country's future and the allocation of funds is based not just on an assessment of needs, but also on a country's record on policy implementation.

New procedures have been drawn up for handling any violations of human rights and where these are particularly serious and flagrant, action can be taken immediately. In what is a real innovation in international relations, the two partners have agreed new procedures to deal with serious cases of corruption.

The EU has agreed to implement an immigration and asylum policy founded on the principle of partnership with the originating countries and regions. This includes new initiatives on the rights of third country citizens inside the Union and arrangements for the repatriation of illegal immigrants found on the other's territory.

Regional economic partnership agreements are new arrangements within the Cotonou Agreement designed to promote trade liberalisation between the EU and ACP countries and between ACP States themselves. Negotiations on these will start no later than 2002 – allowing regional integration processes to be strengthened in the meantime – and they will come into force by 2008. Until then, the EU and the ACP countries will ask the WTO for a waiver to

allow them to retain their existing preferential arrangements.

The Union is committed to helping the ACP countries become more active members in the international economic and trade system. That, it hopes, will encourage other countries and international business to establish closer relations with ACP partners, boosting investment and the transfer of technology and know-how, thus helping their overall competitiveness. This should help the ACP members as the value of the preferences they have with the Union is eroded by the general liberalisation process and reduction of tariffs taking place globally.

The Union has agreed special trade concessions for all least developed countries, of which 39 are signatories of the Cotonou Agreement. By 2005, their exporters will have free access to the EU market for almost all their products. The agreement introduces more refined ways of mitigating the effects of fluctuations in export earnings for the ACP countries than the previous compensation schemes.

On the financial front, the European Development Fund used to finance ACP programmes will have a budget of 13.5 billion euro over the next seven years. To this, will be added a further 9.5 billion euro unspent from previous funds and 1.7 billion euro in loans from the European Investment Bank.

## Africa

Traditionally, relations between the Union and Africa have had two different focuses: the Mediterranean Basin and Lomé Convention members. But, largely on Portugal's initiative, the relationship was recently placed on a wider, continental basis, when the first EU–Africa Summit was held in Cairo in April 2000.

The object of the largest ever meeting between Heads of State or Government from the two continents was to strengthen international awareness of Africa's important potential, encourage its integration into the world economy and construct a strategic partnership to promote peace, democracy and development. While the meeting concentrated on the interrelationship between political, economic and development issues, it also dwelt on international debt relief, around 80 % of whose beneficiaries are African countries.

Future cooperation will be partly determined by the action plan adopted by the summit. This will focus on greater regional integration and ways to provide a solid and corruption-free environment to attract foreign investment. It includes, via better crisis management and peace-keeping capacities, ways to end conflicts between and within countries. These can destroy in a few short weeks countless lives and the efforts invested over years in promoting economic development. Attention is being paid to improving health and welfare conditions, by tackling disease and AIDS in particular, reducing unemployment and combating social exclusion. Emphasis is placed on the need for sound democratic foundations anchored in the rule of law and respect for human rights. These



objectives will be fleshed out by a permanent committee of officials and regular ministerial meetings, and they will be re-examined at a second summit in Greece in 2003.

## South Africa

In early 2000, a wide-ranging trade, development and cooperation agreement which had taken three and a half years to negotiate came into effect between the EU and South Africa. By the end of the ensuing 12 years, the latter will have granted duty-free status to 86 % of EU exports, while the Union will do the same for 95 % of goods travelling in the other direction. Most EU liberalisation, giving South Africa preferential access for items such as chemicals, clothing, food, textiles and vegetables, will be completed by 2002. The accord is accompanied by parallel agreements on science and technology, wines and fisheries and around 125 million euro of EU financial assistance to South Africa every year.

The Union also played a central role in the country's successful transition to a democratic government – one of the clearest examples of the impact of EU support for human rights and democracy in recent years.



*The EU-ACP Partnership or 'Cotonou Agreement' is the biggest cooperation and aid programme in the world.*

## Human rights

The importance which the European Union attaches to respect for human rights around the world was underlined by two developments in 1999. For the first time, responsibility for this area was given to one Commissioner – Chris Patten, the External Relations Commissioner. The second, was the publication of the first annual report on human rights documenting the EU's policies, priorities and practices in this area.

This commitment to human rights and a legal framework are reflected in the Union's common foreign and security policy provisions and in its development cooperation programme. Every new agreement between the EU and a third country includes a human rights clause allowing for trade benefits and development cooperation to be suspended if abuses are established.

The Union can impose targeted sanctions as it has done against Serbia and Burma. These range from a refusal to give visas to senior members of the regime to freezing assets held in EU countries. The Union has little hesitation in speaking out against what it considers to be human rights abuses such as torture, political arrests or censorship, whether these be in China, Turkey, Cuba or Russia. But its preference is to use positive action rather than penalties.

To help achieve this, the Union has an 'initiative for democracy and human rights' with a budget of some 100 million euro as well as several million euro a year for use in external assistance. The funds can be used for projects with the direct aim of strengthening the rule of law and democratisation, such as support for electoral reform or training lawyers. More indirect ways like improving the basic infrastructure of water supplies and transport links which help reduce potential tension and threats to human rights are also supported. Sending international observers to monitor elections and the use of humanitarian aid are other tools in the EU's armoury.

This concern for the respect of human rights worldwide is matched by renewed efforts to prevent any deterioration of standards inside the Union itself. This is partly being achieved through a charter of fundamental rights to provide a comprehensive code of common values with the aim of better protecting people living inside the EU.



# Defence and security: keeping the peace

For most of the post Second World War period, Europe's security was guaranteed in close cooperation with the United States, and NATO was the predominant self-defence institution. With the end of the cold war, the picture has changed.

Europe no longer faces the threat of a massive attack by conventional and nuclear weapons. Instead, as the Balkans have shown, the EU is confronted by a range of risks which threaten Europe's stability, but not its existence. Understandably, the United States does not wish to intervene in every regional crisis on the continent and there will be occasions when it will be more appropriate for Europeans to take the lead. There is a growing readiness by members of the Union to equip themselves with the tools needed to promote their common set of values and to defend their interests.

It is these factors which led the EU to lay down the foundations of a common foreign and security policy (CFSP) in the Maastricht Treaty of 1993. These were further refined by its successor, the Amsterdam Treaty, which took effect from 1 May 1999. Five fundamental objectives lie behind the Union's CFSP:

- to safeguard the fundamental interests and independence of the Union;
- to strengthen the security of the Union;
- to preserve peace and strengthen international security;
- to promote international cooperation;
- to consolidate democracy, the rule of law and respect for human rights.

The Amsterdam Treaty improved CFSP decision-making. It provided for common strategies in areas where Member States share important interests. It introduced more focused policy formulation and an early warning mechanism through the creation of a policy unit working for the Council of Ministers. This has been strengthened with the addition of an interim political and security committee and a parallel military committee to advise governments on crisis management.



*The European Union can  
organise peace-keeping  
actions in troubled  
areas.*

One of the most visible achievements of the Amsterdam Treaty was the establishment of a High Representative for the CFSP. In October 1999, Javier Solana, former Spanish Foreign Minister and Secretary-General of NATO, became the first holder of the post. He works closely with the Commission and Member States, including their extensive diplomatic networks and the Commission's delegations, ensuring continuity and efficiency in the Union's foreign policy.

## Rapid reaction for conflict prevention

Amsterdam also reformulated the Union's security and defence objectives by opening up the prospect of using both military and non-military capabilities in cases of humanitarian disasters. These are the so-called Petersberg tasks which range from search and rescue missions to peace-keeping and even peace-making operations.

Kosovo revealed the shortcomings of Europe's existing national and collective military capabilities and underlined the need for a European strategic defence policy. The framework was laid down by EU leaders at their Helsinki Summit in December 1999. There, they agreed to establish a rapid reaction force and insisted on transparent procedures for consulting and cooperating with NATO and non-EU countries. They made it clear that NATO remains the foundation of the collective defence of its members and that the Union would only act where NATO as a whole was not engaged.

As experiences in places as far apart as the Balkans and East Timor have demonstrated, the EU must be prepared to react quickly and effectively when required. It was this requirement which lay behind the Helsinki commitment to establish by 2003 the ability to deploy up to 60 000 troops within 60 days and sustain them for up to a year to carry out various Petersberg tasks. Use of force is clearly always a matter of last resort.

The European Commission is determined to play its full part in the process, although this is largely organised on an intergovernmental

basis rather than following procedures used in most other EU business. While having no competence for military matters, the Commission has the means and experience to make a valuable input to non-military issues. One clear contribution is encouragement for a vibrant economy which can help develop a competitive and open European defence industrial and technological base.

Secondly, the Commission and the Union have a role to play in conflict prevention and crisis management. This involves obvious areas such as humanitarian assistance, rehabilitation and reconstruction and more indirect means including help with law enforcement, institution building and trade policy. Recent initiatives have included de-mining in Bosnia, the re-establishment of a viable police force in Albania, and promoting reconstruction and reconciliation in Kosovo.

### ***Further reading***

*Further information about the European Union's external relations can be found via the Internet web portal called 'The European Union in the World' at:*

**[europa.eu.int/comm/world](http://europa.eu.int/comm/world)**

*This portal gives thematic access to the different aspects of the EU's external relations (foreign policies, enlargement, external trade, development policy, humanitarian aid, and external cooperation programmes) as well as news, press releases, contact persons, mailbox and other services.*

*The European Commission has delegations in most countries around the world. The addresses can be found at:*

**[europa.eu.int/comm/external\\_relations/repedel/index.htm](http://europa.eu.int/comm/external_relations/repedel/index.htm)**

*The EU Council of Ministers presents information on the EU common foreign and security policy at:*

**[ue.eu.int/Pesc/default.asp?lang=en](http://ue.eu.int/Pesc/default.asp?lang=en)**

European Commission

**The European Union and the world**

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This brochure presents all aspects of the European Union's relations with other countries and peoples of the world. This includes trade relations, the common defence and security policy, development assistance to help combat poverty around the world, humanitarian aid and the forthcoming enlargement of the EU with a significant number of new Member States.

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Information in all the official languages of the European Union is available on the Internet. It can be accessed through the Europa server ([europa.eu.int](http://europa.eu.int)).

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