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COVER NOTE

from	Secretariat
to	The Convention
Subject :	Contribution by Mr Farnleitner, member of the Convention and Mr. Gerhard Tusek, alternate member of the Convention on:
	" A Common Foreign Policy for the European Union "

The Secretary-General of the Convention has received the contribution annexed hereto from Mr. Farnleitner, member of the Convention and Mr. Gerhard Tusek, alternate member of the Convention.

A Common Foreign Policy for the European Union

Contribution by Hannes Farnleitner, Member of the Convention,
and Gerhard Tusek, Alternate Member of the Convention

The diagnosis is old and unsatisfactory, but it remains true: “Europe”, the European Union, does not carry as much weight internationally as would be appropriate in view of its economic strength and its concrete financial contributions.¹ In international institutions – UN, IMF, WTO – Europe lacks a common voice. Generally speaking one gets the impression of living in a unipolar world where the US set the tone.

The Convention and the subsequent Intergovernmental Conference are a historic opportunity to define a **therapy** and to adopt the structural changes which will at last enable **Europe to rise to the position of a global player**.

Of course, there is no such thing as a **universal panacea**. The weaknesses in the Union’s external relations are as varied as the external dimension is multiple. Thus, the **solutions**, too, will have to **vary from sector to sector**. What seems vital to me is to get the train moving and to tackle the **first essential steps** quickly.

The Common Foreign and Security Policy

“Even the biggest European countries are no more than medium-sized on the stage of world politics,” as former German Foreign Minister **Hans-Dietrich Genscher** once put it. Ever since September 11, 2001, one thing is absolutely clear: no single European nation-state is in a position to face the new foreign policy challenges all by itself. In order to assert themselves the European states, therefore, need the European **Union’s capacity to act**.

Especially in the area of classical foreign policy and in comparison with the United States, the EU is persistently criticised for being too reluctant, for not putting across European positions in a sufficiently clear way and for being unable to assert EU interests. In today’s world, the **creation of effective European structures in foreign policy would not result in a duplication** but produce a clear **“added value” at the European level**.

This logic was dominant at this **Convention** in its April session, where closer European cooperation and coordination were called for especially in **foreign, security and defence policies**.

In **organisational terms**, this means that the European Union needs a genuine **European “Foreign Minister”**, who should be the **representative and spokesman of the national foreign ministers** and should **render the EU’s foreign policy more visible**. This new function should be a **combination** of today’s **Chris Patten** and **Javier Solana**; **institutionally it should be placed inside the Commission - with a special status – it should be able to resort to the services of the European Commission including its delegation offices in third countries, should have the**

¹ Europe’s share of world trade is 21%, but it pays for 36% of the UN budget, 55% of humanitarian programmes and 57% of development cooperation. In some regions, like the Balkans, the proportion is 85%.

necessary budgetary funds at its disposal, and should have a right of initiative – in parallel to the member states – which would give it the leverage commensurate to its tasks.

The EU foreign policy's effectiveness is closely related to the question of **decision-making**. Given the **growing number of member states**, the question arises to what extent **foreign policy decisions by the Council will increasingly have to be taken by a qualified majority** in order to ensure the Union's future capacity to act at the international level. One might object that so far the EU has not even been using the existing possibilities for qualified majority voting and that, no doubt, the introduction of more majority voting is viewed by many with great scepticism. However, in the course of our discussions in the Convention we cannot avoid dealing with questions touching national sensitivities. Provided that **due consideration is paid to individual member states' vital interests, qualified majority decisions would pave the way to more effective action in the area of external affairs**.

However, military matters would have to be excepted.

Coherence of external relations

Ensuring the **coherence the EU's external assistance** must remain one of the most important aims of the reform efforts.

Hence the **responsibilities** within the **Commission** have to be made **clear** (DG Relex : DG Development) and **instances of duplication** between the Commission and EuropeAid should be **removed**.

As regards the **Council**, the coherence of EU external assistance is a "classical" task assigned to the **Council configuration "General Affairs and External Relations"** as defined by the European Council of Seville.

European representation in international financial institutions: IMF and G-7

The EU member states conjointly hold over **30% of quotas in the International Monetary Fund** (with the Euro Zone accounting for about 23%), whereas the **US** has only around **17%**. Yet the US, and to a lesser extent the G-7, determine the IMF agenda and decisions. In the IMF, the Europeans must succeed in the medium-term in mutually aligning their **voting patterns** and ultimately in achieving a **homogeneous EU representation**.

This long-term aim has also been agreed by the **Finance Ministers** at their **informal spring meeting in Oviedo**. There is no reason why we should not tackle the necessary intermediate steps towards **formalised coordination** quickly. If all the countries of the EURO zone were to **speak and to vote with one voice**, they would form an effective platform from which the EU could eventually work for a reliable organization of global financial markets and for a functioning surveillance of financial corporations that engage in irresponsible speculation.

A first visible success of this kind of joint action would be for the IMF – in accordance with its Articles of Agreement – to move its headquarters to Europe².

² (Art. XIII Section 1. The principal office of the Fund shall be located in the territory of the member having the largest quota, and agencies or branch offices may be established in the territories of other members.)

In the important forum of the **G-7/8**, the Union even acts by way of playing musical chairs. Since experience shows that Europe's international weight is inversely proportionate to the number of its representatives, the European Union should be represented by **one common representative** at G-7/8 summits **acting on the basis of one common position**.

The same logic applies to the **Security Council of the United Nations**.

Development cooperation

The EU's **international profile** in the area of development cooperation must be strengthened (making it not just a "global payer" but also a "global player"). In parallel to strengthening the European foreign and security policy, we should also **Europeanize** development cooperation policy.

In doing so, the EU must make full use of the **possibilities and advantages** which result from the Community method. At the international level the **Commission** can act in a more credible and thus more effective way than nation-states, because it can never be accused of pursuing national interests or advantages.

Given the high volume of resources it commits, the EU should moreover be able to exert leverage in a number of fields. The various instruments of EU external action should operate taking account of **conditionalities**, thus calling on partners to show a cooperative attitude in areas considered by the Union to be of fundamental significance.

Incorporating the European Development Fund into the Community Budget would be a logical step towards strengthening efficiency and visibility.

It would be equally important to adopt structural measures geared to **speed up decision-making** – from strategic planning to the implementation of common external assistance programmes and projects. The new financial regulation ("**Sunset Clause**") should already yield a clear improvement in this respect, especially with regard to avoiding (excessive) outstanding commitments.

In order to accomplish its tasks, the **Commission** needs to be given the necessary **resources** (cf. e.g. the new EuropeAid Co-operation Office to enhance the visibility of EU external activities).

Trade

The situation in the area of foreign trade can be assessed as **being quite positive**. For this reason, **no radical changes** should be made with regard to **institutional arrangements**. Improvements of "relative efficiency" in the area of the Union's Common Trade Policy could be ensured through efficient **EU internal coordination on WTO questions**. This would be of great importance in view of the new **WTO round of negotiations**, where the EG is acting as the driving force in many areas.

For all member states, a joint foreign policy implies the difficult task of blowing out the cobwebs of the past and overcoming cherished habits. In view of the global challenges, Europe's citizens will summon up the sufficient understanding and support for such a policy. They rightly expect Europe's foreign policy to reflect Europe's economic strength.