

# THE EU AND THE WORLD: PLAYERS AND POLICIES POST-LISBON A HANDBOOK

Edited by **Antonio Missioli**



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**European Union Institute for Security Studies**

Director: Antonio Missiroli

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**The EU and the world:  
players and policies post-Lisbon  
A handbook**

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Edited by Antonio Missiroli

**With contributions from**

Daniel Fiott

Florence Gaub

Sabina Lange

José Luengo-Cabrera

Roderick Parkes

Eva Pejsova

Nicu Popescu

Lorena Ruano

Gerald Stang

Thierry Tardy

*as well* as Jan Joel Andersson, Erika Balsyte, Jakob Bund, Marco Funk, Julia Lisiecka,  
Michal Makocki, Annelies Pauwels, Patryk Pawlak, Ginevra Sponzilli and John-Joseph Wilkins

**European Union**

**Institute for Security Studies**

*100, avenue de Suffren*

*75015 Paris*

**[www.iss.europa.eu](http://www.iss.europa.eu)**

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# Introducing EU ‘foreign policy’

In the spring of 1533, Georges de Selve, a bishop who had represented France at the Diet of the Holy Roman Empire, travelled to London to visit his old friend Jean de Dinteville, then French Ambassador to the court of King Henry VIII. The visit took place at a critical moment in the early modern history of Britain and Europe, shortly before Anne Boleyn was crowned Queen and gave birth to the future Elizabeth I, and against the backdrop of the tumultuous religious, political and social changes wrought by the Reformation. To mark the occasion, de Dinteville commissioned the German artist Hans Holbein to paint their portraits. Nearly 500 years later, *The Ambassadors* represents one of the finest examples of Renaissance portraiture as well as being one of the most familiar and popular pictures in London’s National Gallery. Yet Holbein’s life-size picture of the two friends – showing de Dinteville on the left, and de Selve on the right – is also one of the most puzzling, filled as it is with objects that intrigue and perplex: a broken lute string, a celestial globe (on the top shelf) and a terrestrial one (on the lower shelf) showing the edge of the recently discovered continent of America, a range of instruments for measuring time and space, and a Lutheran hymn book – all depicted between a distorted skull (in the foreground) and a half-concealed crucifix (in the top left corner).

The strong and somewhat cryptic symbolism of the painting has surely contributed to its popularity. It is also hard to find another artistic masterpiece equally capable of capturing both the multiple facets of sixteenth-century European culture and the birth of the modern European state system – and, with it, the dawn of a new profession: diplomacy. It is also for this reason that the Institute has chosen *The Ambassadors* for the cover of this volume, which is intended to offer the interested twenty-first century reader – whether a graduate student, academic, experienced practitioner, diplomat, think tanker or journalist – a portrait of how the European Union works in its dealings with the outside world, and how it conducts diplomacy, defence, development and other related policies.

The main rationale behind this publication – conceived as a handbook on the workings of the EU – is the conviction that neither the academic literature on European integration and the EU’s role in the world, nor the flurry of think tank and media coverage of what the EU does (or does not) and should do (or not do) in the field of foreign policy contribute sufficiently to a balanced approach to or full understanding of the constraints and opportunities that exist in this domain. This handbook tries to strike a balance between accessibility of language and depth of analysis; between facts, figures and explanations; between institutions and policies; and between countries, regions and organisations. In order to achieve this objective and cover such a large ground,

it has been necessary to combine the competences and skills of the entire EUISS team in a truly collegial effort. Our ambition is to provide a useful compass for those seeking to navigate the intricacies of EU foreign policy-making (but also its achievements) at a time when the merits of collective action at the European level are increasingly questioned.

The speed at which change now occurs both internationally and domestically may eventually prompt a further revision of the institutional and policy frameworks analysed here. This handbook – published also in e-book format – is thus sufficiently flexible to permit updating in the future, making it a sort of ‘app’ to download onto our mental ‘devices’.

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The institutional context in and through which the European Union carries out its external action – starting with the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP) – is quite complex, difficult to conceptualise, competence- and instrument- rather than policy-driven, and highly fragmented. This is the consequence of the way in which the system and all related common policies have evolved over time: incrementally and by the accumulation and juxtaposition of *ad hoc* norms and bodies rather than through a previously agreed overall design. While the level of public support for ‘more’ EU in the field of external affairs seems to be still quite high right across the continent, the large number of players and formats for shaping, making and implementing decisions hardly facilitates a thorough understanding of the *modus operandi* of the Union in this domain. It is not by accident that one of the most successful metaphors associated with the Union’s external action has been the ‘capability-expectations gap’, a term coined over two decades ago by Christopher Hill. The legal framework is no less complicated, at the treaty level as much as across the numerous procedures and regulations that govern the Union’s external action.

The first and second chapters of this handbook offer some guidance and essential information on where EU diplomacy comes from and how it works. In order to do so, the publication opens with a quick overview of the intellectual frameworks through which the scholarly world has studied and analysed Europe’s ‘foreign policy’ – a broad and loose term that tends to encompass more than just CFSP/CSDP but less than the full spectrum of external operations of all EU institutions – and to factor in the combined impact of the policies, positions and actions of member states in other institutions and organisations, starting with NATO and the UN.

The overview continues with more detailed analyses of the main players in the EU system and their interplay, through which it tries to convey both past dynamics and present trends – a few years into the implementation phase of the Lisbon Treaty, halfway into the term of current office



holders (2014-2019) and the execution of the multi-annual budgetary cycle (2014-2020), at the very beginning of the implementation of the 2016 EU Global Strategy (EUGS) on foreign and security policy, and ahead of both the beginning of the Trump administration in the US and the foreseeable changes that the 'Brexit' vote may trigger. In doing so, it examines both the broader institutional context (European Commission, Parliament and Council) and the specific CFSP/CSDP set-up (HR/VP, EEAS and other bodies) with a view to highlighting the challenges and opportunities they create for Europe's 'foreign policy'.

The third section analyses the sectoral and functional policies that underpin the EU's external action, starting from the 'core' security and defence components, touching upon the internal security dimension, and completing the picture with both 'old' and 'new' policy areas where competences are often shifting and overlapping.

The fourth section follows a primarily geographical approach, from close by to far away, and ends with a summary overview of the Union's bilateral 'strategic partnerships'. Finally, the annex offers a selection of relevant treaty articles and an essential bibliography.

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A collective endeavour does not rule out acknowledging individual contributions. Accordingly, Daniel Fiott has been the main author for chapter I and Antonio Missiroli for chapter II. Thierry Tardy covered CSDP missions and operations and civilian capabilities; Daniel Fiott defence capabilities and industrial base; Roderick Parkes migration and home affairs; Patryk Pawlak civil protection and cyber security; José Luengo-Cabrera trade; and Gerald Stang space, development, energy and environment. Moreover, Sabina Lange covered the Western Balkans, Nicu Popescu the eastern neighbours and Russia, Florence Gaub the southern neighbours, José Luengo-Cabrera Sub-Saharan Africa, Eva Pejsova the Asia-Pacific, and Lorena Ruano Latin America.

Special thanks also go to Ginevra Sponzilli, who has effectively coordinated the entire editorial effort, Jakob Bund (especially for his work on the graphics), Jan Joel Andersson, Erika Balsyte, Julia Lisiecka, Annelies Pauwels and John-Joseph Wilkins. The initials of the various contributors who drafted the thematic boxes in the text as well as regionally-focused analyses in the 'Strategic Partnerships' section of chapter IV have been included where personal recognition was due. Finally, Marco Funk and Gearoid Cronin have made it possible to transform the disparate contributions into a homogeneous and coherent whole – *e pluribus unum*.

Antonio Missiroli  
Paris, December 2016



# I. Understanding EU ‘foreign policy’

Seeking to understand *why* and *how* European countries cooperate with one another is a challenging task. The study of foreign policy, security and defence benefits from a number of established theories in the field of international relations, such as realism and liberalism. Yet, it has not always been easy for scholars and students to transfer or translate theories, which were initially developed to explain the behaviour of states in broad terms, into ones that more specifically account for the developments that have occurred in Europe since the end of World War II. We should recall that many of the theories used to understand international relations today directly emanate from Europe’s historical experiences. Centuries of war spurred on realist theories about the nature of man and the state, whereas peace after 1945 and European integration have allowed liberal theories about cooperation to thrive. Yet some scholars believe that the European Union is too unique to be understood by established theories of international relations. If the EU is a *sui generis* project (i.e. a political enterprise that has never before been attempted in history), then might we not need a new theory or even multiple theories? To paraphrase one leading economist from the past, ‘if the facts change, surely so must our ideas’. The following series of theoretical perspectives provide a backdrop that should help to better understand the other sections of this handbook.

## I.1 POWER AND ANARCHY

*Realism* suggests that states will find it extremely difficult, if not impossible, to cooperate on foreign policy, security and defence. In particular, *neo-realist* theories argue that because there is no over-arching global authority to manage relations between states (a condition neo-realists call ‘anarchy’), it is up to states to protect themselves and provide for their own security through the development and accrual of military capabilities. Neo-realism presupposes that states seek national solutions to foreign policy, security and defence, and that cooperation between states only emerges in the form of a military alliance when their collective security deteriorates or is directly threatened (i.e. NATO during the Cold War). For neo-realists, anarchy results in a balance of power between states and the objective of international relations according to this worldview can be considered as a constant endeavour to ensure that no single state or group of states becomes powerful enough to endanger the security of others. As the old realist adage goes, ‘if you want peace, prepare for war’.

Most neo-realists would argue that the EU's Common Security and Defence Policy (CSDP) has done little to overcome states' need to cater for their own security and defence, and they point to the fact that the CSDP still relies on national capabilities and intergovernmental relations. What neo-realism has difficulty in explaining is why EU member states would nevertheless willingly agree to cede certain responsibilities for their foreign policy, security and defence to supranational institutions such as the European External Action Service and the European Commission. Neo-realism also finds it problematic to account for the fact that initiatives such as the CSDP were largely developed in a political context where there was no imminent threat to security in Europe. The Saint-Malo Summit which gave birth to the CSDP occurred in 1998, and therefore after the fall of the Soviet Union. The CSDP was born out of the frustration that stemmed from Europe's inability to effectively respond to the break-up of Yugoslavia and its aftermath.

Some neo-realist scholars have, however, sought to respond to such events by claiming that the CSDP is not an attempt to deal with insecurity in Europe, but rather aims to address the global balance of power. One perspective even goes as far as suggesting that the CSDP is a vehicle through which Europeans can balance against US military power. Yet given the continued primacy of the latter, it may seem fanciful to suggest that Europe is seeking to militarily balance against the US. Indeed, even some realist scholars find this hypothesis to be far-fetched. While *classical realism* shares neo-realism's belief that the world is anarchical and that power counts, it does not believe that European cooperation on foreign, security and defence policy reflects the EU's ambition to become a global military power. On the contrary, classical realism argues that European cooperation is a symptom of the weakness of individual states in Europe. In this sense, and when one considers the rise of continent-sized powers, European cooperation is seen by some as a way to 'rescue the state in Europe'. Accordingly, for some realists, the EU can be seen as 'multiplying' the power of individual European states and thereby offsetting the dwindling power of each single one.

## 1.2 COOPERATION AND INTEGRATION

*Liberal theories* share with realism the basic assumption that international relations are anarchical and that states are the main actors, but the liberal tradition rejects the idea that international relations are marked by power politics. For liberalism, world anarchy should not automatically lead to military confrontation and/or conflict because cooperation between states is equally possible. For some liberal scholars, the EU represents one of the most successful forms of regional cooperation, which has not only led to peace in Europe for close to 60 years but has also driven new forms of cooperation and integration between states. *Democratic peace theory*, which argues that 'democracies do not go to war against each other', sees the EU as a way to reinforce democracy within the continent. In this respect, it is notable that accession candidate countries have to agree to the EU's body of law and norms before becoming an EU member state. Liberal theory

thus focuses not on the balance of power between states, but on the conditions that might make conflict between states impossible. From this perspective, it may be argued that one of the EU's most potent foreign policy tools is its ability to alter the behaviour of states through membership and/or close partnership.

Unlike realism, the liberal tradition places much more emphasis on the interconnectedness of international relations. While liberalism agrees that the state is an (if not the most) important actor, a host of other actors such as companies, international organisations, non-governmental organisations, civil society, etc. have a stake in international relations as well. One theory claims that the transnational nature of the global economy makes conflict between states a daunting prospect that would incur significant costs on conflicting parties. Yet liberalism makes clear that an open international economy brings economic gains as well as challenges such as migration, environmental degradation, resource constraints, criminal activity, illegal drug smuggling, human trafficking, etc. Given the transnational nature of these challenges, liberal theorists believe that regional and international cooperation affords the most effective way of dealing with global problems. Under this world view, European states cooperate on foreign policy, security and defence not for power but to meet a multitude of common challenges.

The idea that cooperation between states can enhance their collective response to common challenges has a well-established place in studies about the EU as a global actor. In this respect, liberal theorists point to the fact that the EU has far greater influence in policy areas such as trade, climate change and development than it does in security and defence. This is suggestive of an EU that does not prioritise hard power in the way expected by some realists. Some scholars have even argued that the EU's CSDP is not geared towards hard power at all, but rather to specific tasks (such as security sector reform, border management, etc.) that can make a difference to regional and global security. Still other scholars state that it is likely that the EU will one day become a credible foreign policy, security and defence actor by virtue of the interconnected nature of EU priorities and policies. This *functionalist* understanding of the EU argues that closer European cooperation in one area of public policy (e.g. economics – the single market, euro currency, etc.) will 'spill over' into other areas of policy (e.g. foreign policy, security, defence) as it becomes clear that economic prosperity relies on security in Europe and across the globe (the 'internal-external' security nexus).

### 1.3 IDEAS AND CULTURE

According to *constructivist* or *ideational* theoretical approaches, however, realist and liberal theories are overly focused on the material aspects of international relations (i.e. military capabilities, the economy and international institutions). In contrast, constructivists focus on the meanings associated with key words and concepts as the main feature of international relations. They analyse the connotation that realists assign to words such as 'anarchy' and question whether such a word

is predisposed to conflict or power politics. Constructivism is also interested in how meaning is developed or ‘constructed’ over time. In this regard, bodies such as the Council of the EU, the European Commission, the European External Action Service (EEAS) and the European Defence Agency (EDA) are not simply institutions responsible for the conduct of foreign, security and defence policy, but rather the nodes through which meaning is ‘produced’. In particular, these institutions are seen as vehicles through which representatives of national governments and EU officials can together understand how and why the EU should act in international affairs.

Ideas and meaning are seen as a particularly important element in how the EU defines itself as an actor in the world. In one sense, a number of European countries have their own national perceptions about what kind of actors they are, but, constructivists argue, the EU increasingly finds itself in a position to project itself as a global actor as well. There exists a train of thought that sees the EU also able to develop its own beliefs, practices and *strategic culture* based on its historical experiences and the unique development of its institutions. Compare, for example, the objectives and practices of NATO and the EU. One institution was established to deter an attack on Europe through military means, whereas the other has a more multifaceted – some might say ‘post-modern’ – approach to security and defence that draws on civilian as well as military means. In this sense, while realists may argue that interests are fixed (e.g. survival and power) a more constructivist reading of the world assumes that interests, strategic cultures and the conduct of foreign, security and defence policies are in constant flux.

Some constructivists take the idea of meaning one step further, however. For some, ideas and ‘norms’ are to be considered as foreign and security policy tools in their own right. Instead of assuming that the EU will one day become a hard power in the guise of the US, Russia or China, some would rather see it as a *normative power*. Such a conception of the EU seeks to view it not as a ‘state-like’ entity that desires to act like most other states, but as a unique international actor that operates on the basis of its own ideas, symbols and identity. The basis for the EU’s ‘identity’ in international affairs can be found not only in its treaties, but also in the multitude of statements, strategies and policies devised at the EU level. On this basis alone, it is argued, the EU is bound to act differently from states in international affairs. In this respect, the theory of normative power not only assumes that the European Union is creating new rules in international relations by stressing norms such as human rights, democracy and the rule of law rather than military power, but that it is able to influence international events by virtue of its *sui generis* identity.

# II. The institutional frame

## II.1 THE BIG PICTURE

The functions that the European Commission exercises in the external domain have increased significantly since the establishment of the European Economic Community (EEC) almost 60 years ago. From a limited legal basis in the founding treaties, in which its ‘external relations’ responsibilities were mostly confined to acting as the EEC’s external negotiator with third countries on trade matters, the Commission (COM) now exercises a much wider range of responsibilities across a broader policy spectrum. But both such responsibilities and the roles and powers it holds vary significantly across the various domains of external relations – all the more so after the entry into force (late 2009) and the initial implementation of the Lisbon Treaty.

In historical terms, the Commission’s external roles and powers have been strengthened not only by the more general expansion of the EEC/EU (in terms of membership and jurisdiction) but also by rulings and decisions of other EU institutions. A case in point is the increasingly extensive interpretation given by the European Court of Justice to the principle of ‘parallelism’, whereby the existence of internal policy competences is assumed to be paralleled by the existence of external powers. Similarly, the Council has indirectly fostered the Commission’s ability to act abroad by encouraging the ‘externalisation’ of justice and home affairs policies and agencies.

Since the Single European Act (SEA), the Commission has also been ‘fully associated’ with European ‘foreign policy’, although the Common Foreign and Security Policy (CFSP)/Common Security and Defence Policy (CSDP) domain has been largely dominated by intergovernmental principles. Still, the responsibility – shared initially with the Council and now also with the High Representative/Vice President – to ensure consistency of the EU’s various external activities has further strengthened the Commission’s hand by virtue of its competences in trade, development and humanitarian policies. Last but not least, since the late 1980s, the Commission itself has acted in a proactive manner to assert its powers and influence in as many areas of ‘foreign policy’ as possible – by launching new policy initiatives (e.g. the European Neighbourhood Policy) or fighting for an autonomous role on the international stage (e.g. G7/G8, G20).

### Box II.1. Lisbon Treaty: the main reforms

The Lisbon Treaty enshrined a number of reforms and provisions that affected the overall position of the Commission in the system. The strengthened institutional position of the European Council not only in the CFSP domain but also in ‘other areas of the external action of the Union’ (art.22 TEU) represents a major incursion on the CION’s direct strategy-setting and indirect coordination prerogatives, although it has been accompanied by a weakening of the ‘historical’ counterpart of the Commission, the General Secretariat of the Council (GSC). Furthermore, the creation of a new semi-permanent post of President of the European Council impinges upon the status of the Commission’s own President, especially in the foreign policy arena, where the former is clearly above the latter (art.15 TEU) also in terms of external representation. This potential competition hardly emerged during Herman van Rompuy’s term (2009-14), in part because of the predominance of financial and fiscal policy issues at that time, and in part because his signature agenda-setting initiative in the external domain was on defence (December 2013), an area where the Commission has only limited but well-guarded competences. His successor Donald Tusk, however, seems to have a more pronounced interest in shaping ‘foreign policy’ at a time when external developments have also increasingly encroached on the internal set-up of the Union.

Moreover, the creation of the HR/VP and later the EEAS [see below] contributes to bringing Commission resources and prerogatives under a more ‘hybrid’ institutional set-up, potentially weakening its inter-institutional clout based on policy formulation and execution. It should therefore come as no surprise that the first years after the entry into force of the new treaty were characterised by slow implementation and recurrent turf battles.

Finally, the European Parliament (EP) has generally been seen as the main net institutional beneficiary of the Lisbon Treaty, primarily because of its strengthened law-making powers. In EU ‘foreign policy’ proper, however, its role is quite limited – with the exception of its budgetary powers and its prerogatives in the adoption of international agreements. Yet the EP has organised itself in such a way as to maximise its involvement in and influence on foreign affairs. Through the CFSP budget line, it has a say on the common costs of civilian CSDP missions. It voices its stance on CFSP/CSDP matters through a regular stream of own reports, resolutions and parliamentary questions, and it has managed to increase its clout through a series of inter-institutional agreements – for instance, on the establishment of the EEAS.

The main EP-internal players are the Committee on Foreign Affairs (AFET) and its subcommittees on Human Rights (DROI) and Security and Defence (SEDE), the Committee on Development (DEVE), and the Committee on International Trade (INTA) – while the Budgets Committee plays an important ‘horizontal’ role. In addition, the EP has more than 40 Inter-parliamentary



Delegations for relations with parliamentary assemblies from third countries, regions or international organisations. Finally, the EP must ‘consent’ to international agreements – including, after Lisbon, trade agreements as well as international agreements on issues that are internally regulated via the ordinary legislative procedure (e.g. environment, justice and home affairs). Recent cases in which the EP has refused or denied its consent, often in order to extract concessions from the Commission or the Council, include the rejection of the multilateral Anti-Counterfeiting Trade Agreement (ACTA) on intellectual property rights enforcement, in 2012, and the initial rejection and subsequent approval (following a number of amendments) of the SWIFT agreement with the US and the EU-US Passenger Name Record (PNR) directive.

Even after Lisbon, however, the European Commission’s responsibilities remain essential in a number of external policy areas. The CION is the main, and usually the sole, negotiator for the EU in bilateral and multilateral *trade* negotiations with non-member states under the Common Commercial Policy (art. 207 TFEU), although the increasing complexity and ‘mixture’ of trade issues has recently blurred the legal boundaries between exclusive and shared competences. It is also the main negotiator and manager for the EU regarding the broadly-based cooperation and association agreements – going beyond trade – that are agreed with many different types of third countries. It is not by accident that the biggest and most important Directorate-General in the Commission has historically been devoted to trade policy, first as DG I and, more recently, as DG Trade proper [see Chapter III.6].

The Commission undertakes many responsibilities in connection with the *enlargement* process, arguably the most successful ‘foreign and security policy’ ever carried out by the EC/EU (albeit ‘by other means’, so to speak). These include assisting aspiring members with transitional arrangements, advising the Council on whether and when accession negotiations should be opened with applicants, and negotiating terms of entry with applicants with whom negotiations have been opened. It does so under close scrutiny from the Council and on the basis of unanimity, but it enjoys nevertheless significant leeway in shaping the various stages of the process through its technical and administrative know-how. A dedicated Directorate-General (DG ENL) and Commissioner (Gunther Verheugen) were created at the onset of the Prodi Commission in 1999 to handle the large number of applicants that would eventually produce the so-called ‘big bang’ enlargement of 2004. The DG was later merged with the directorates dealing with the neighbouring countries in what is now DG NEAR; similarly, since 2009 the relevant Commissioner has combined the two portfolios of enlargement and ‘neighbourhood’.

The Commission also deals and negotiates with third countries – sometimes on its own and sometimes alongside the Council Presidency and/or member states’ representatives – regarding the many internal EU policies (including environment, climate, border issues, transport and energy) that have external aspects and dimensions. It carries out a wide variety of tasks within the framework of the EU’s *development* policies (most of which are implemented through what once

was DG VIII and now is DG DEVCO). It is the main coordinator of EU emergency and *humanitarian* aid mainly through DG ECHO. And it significantly contributes to staffing and resourcing the over 130 offices in third countries that once were part of the Directorate-General for External Relations (DG RELEX), and are now incorporated into the EEAS, while also liaising closely with over 160 missions to the EU that third countries have established in Brussels.

The European Commission also participates in the work of those international organisations in which: (a) the EU is a member, such as the WTO and the FAO; (b) the EU is an observer, including the UN and its specialised agencies; and (c) the EU has a status that is somewhere between a full member and an observer, e.g. in the OECD and the Council of Europe. The Commission's precise role in these organisations differs markedly – and understandably – depending on the issue at hand.

Yet it is undeniable that the Commission's role and status in the CFSP domain remain limited. As a distinct EU policy area, the CFSP dates back to the 1970s and 1980s, when the foreign ministers of the then EC started meeting up more or less informally (in the so-called 'Gymnich' format, from the castle in West Germany where the first such meeting took place) to discuss foreign affairs issues of common interest unrelated to the regular Community matters discussed in the General Affairs Council formation. First tested in the context of the Conference on Security and Cooperation in Europe (CSCE), in 1975, such European Political Cooperation (EPC) was later formalised in the Single European Act and further developed in the Maastricht Treaty as CFSP proper, where it came to constitute the second 'pillar' of the new EU. However, it remained essentially intergovernmental (the Commission was and remains simply 'associated' to it, although it administers the dedicated CFSP budgetary line), predominantly declaratory – at least in its initial stages, throughout the 1990s – and immune from parliamentary scrutiny (by either the EP or national assemblies) or direct judicial control (through the European Court of Justice).

In terms of instruments, the CFSP includes common declarations and *démarches*, Joint Actions (i.e. legislative acts spelling out the administrative and budgetary conditions for each activity agreed at Council level) – after Lisbon they are simply called Decisions – and common 'strategies'. Deliberations are normally unanimous, with the exception of personal appointments and procedural steps, where the qualified majority vote applies. Yet, the consensual principle has been softened a little over the years to include the possibility of a limited amount of 'qualified' abstentions (now art.31.1. TEU): such provision, however, has been used only once to date, when the EULEX Kosovo mission was agreed in 2008, with Cyprus abstaining.

With the launch of the European Security and Defence Policy (ESDP), in 1999, as an integral part of the CFSP, a significant operational dimension has been added to the Union's toolkit. And while its decision-making and funding mechanisms are no different from the CFSP proper (if anything, they are even more consensual, especially as regards defence matters), the implementation of what is now called CSDP (with 'common' replacing 'European') is left to varying coalitions of interested member states.

The creation, after Lisbon, of the multi-hatted HR/VP and the EEAS – along with the formal suppression of the three Maastricht ‘pillars’ – has somewhat blurred the traditional distinctions between EU policy areas and competences, potentially paving the way for a more ‘joined-up’ approach to foreign policymaking but also for occasional friction and turf battles, thus making the demand for policy coherence an ambition as much as a condition for success.

### **Box II.2. The European Neighbourhood Policy (ENP)**

A peculiar case in this context is represented by the so-called *European Neighbourhood Policy* (ENP), as it was built upon previous Commission-run schemes (TACIS for the post-Soviet space and MEDA for the Mediterranean region) but did not really stem from existing internal competences and, most importantly, was in potential competition with the fledgling CFSP/CSDP and relevant desks in the GSC.

With the ‘big bang’ round of enlargement in progress and the EU borders expanding, the EU was seen as being in need of a fresh long-term strategy for its ‘new neighbours’. Originally articulated in a joint British-Swedish paper on ‘Wider Europe’, the concept was later extended – under pressure from the southern EU members – to include the Mediterranean Basin and the countries involved in the EuroMed Conference (the Barcelona Process launched in 1995 by then Spanish Foreign Minister Javier Solana). Formally launched in 2004, the ENP would lead – it was hoped – to major structural transformations in partner countries by promoting democratisation, rule of law and market reforms in return for them being given preferential relations (including on trade and aid) with the EU. The ‘Rose Revolution’ in Georgia (2003), followed by the ‘Orange Revolution’ in Ukraine (2004), helped include the Southern Caucasus in the ENP framework.

From 2004 to the entry into force of the Lisbon Treaty in 2009, the Commission played the central role as interlocutor with partner countries, drafter of agreements requiring Council approval and administrator of the European Neighbourhood and Partnership Instrument (ENPI, 2007-2014, now simply ENI). Since 2009, these tasks are undertaken jointly with the EEAS and, at the day-to-day level, analysis, funding decisions and progress assessment require close interaction between the CION and the EEAS. Most importantly, shortly after its launch, the ENP started suffering from the intrinsic tension between its southern and its eastern (and European) components. Between 2007 and 2008, the original French plan for a ‘Union for the Mediterranean’ including all EU members and the Southern neighbours evolved into a separate organisation in its own right, based in Barcelona and having access to EU funding for specific civilian projects. Almost in response to that, a Polish-Swedish initiative led in 2009 to the creation of the ‘Eastern Partnership’, a leaner format encompassing the EU members and their six eastern neighbours (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).

With the onset of the so-called ‘Arab Spring’, since early 2011, and the escalation in and around Ukraine (since late 2013) prompted by the competition between the Deep and Comprehensive Free Trade Agreements proposed by the EU and the Eurasian Economic Union promoted by Russia, the original format of the ENP – a single policy template for all EU neighbours based on EU-driven conditionality (enlargement ‘lite’, as it was characterised) – found itself in need of a substantial review, which was carried out in 2015 and whose implementation is still work in progress.

Similarly, with the emergence of migration (legal and illegal), terrorism and organised crime as major challenges, the Commission’s DGs, agencies, competences and resources in the field of *justice and home affairs* have increasingly become part and parcel of the EU’s ‘foreign policy’, complementing a number of other common policies – from trade and development to CFSP/CSDP proper – in what appears now to be a ‘hybrid’ and constantly evolving system that defies traditional boundaries and categorisations.

## II.2 THE HIGH REPRESENTATIVE/VICE-PRESIDENT (HR/VP)

The creation of the High Representative (HR) of the Union for Foreign Affairs and Security Policy and Vice-President of European Commission (VP) represents one of the most important institutional changes enshrined in the Lisbon Treaty. It was also the result of a learning and adaptation process spanning more than a decade. In fact, discussions about the need to give the Union’s Common Foreign and Security Policy (CFSP) ‘a face and a voice’ alongside (and beyond) the six-month rotating Presidency started already shortly after the entry into force of the Maastricht Treaty. While the country holding the Council Presidency was expected to provide impulse and input, foreign partners were often confused by the all-too-frequent turnover (and number) of interlocutors on the EU side, which in turn risked undermining the overall credibility of the fledgling CFSP.

### The High Representative: rationale and context (1997-99)

In order to give it more continuity as well as visibility, the EU’s member states decided that the Presidency ‘should be assisted by the Secretary-General of the Council, who shall exercise the function of High Representative for the common foreign and security policy’ according to article J.8 of the Amsterdam Treaty, which was agreed in June 1997 and entered into force in May 1999. This was the first-ever ‘double-hatting’ aimed at combining a traditionally administrative function – that of the Council’s SG, until then carried out by Niels Ersbøll (1980-94) and Jürgen Trumpf (1994-99) – with a more representative one. In addition, however, the SG/HR was also expected to assist ‘through contributing to the formulation, preparation and implementation of

policy decisions' [art. J.16] – a function that suggested a policy-shaping role that could help build a common *acquis* in this domain. In the preliminary talks following the signature of the Treaty, the general consensus was that the post would go to a senior diplomat with extensive experience at the multilateral level.

However, the treaty ratification process took longer than expected, including two (successful) referenda in Denmark and Ireland. And when the Amsterdam blueprint eventually entered into force, the political and strategic context in Europe had changed significantly. France and the UK had signed the Saint-Malo Declaration (subsequently endorsed by all the other partners and virtually incorporated into the EU Presidency Conclusions of June 1999), NATO had intervened militarily in Kosovo, and the Santer Commission had resigned shortly before the end of its term. This led to the appointment of a new College led by Romano Prodi (1999-2004), which included the last British Governor of Hong Kong, Chris Patten, as Commissioner for External Relations. The conflation between all these developments, coupled with the launch of the European Security and Defence Policy (ESDP) under the German Council Presidency, convinced the member states to *de facto* upgrade the role of the SG/HR. At the Cologne European Council of June 1999, the post was unanimously given to Javier Solana, a former Spanish Foreign Minister then serving as Secretary-General of NATO. His appointment combined a higher political profile with significant operational experience at the multilateral level.

The Amsterdam Treaty also stated that the EU could 'avail itself of the Western European Union (WEU) to elaborate and implement decisions and actions of the Union with defence implications' [art. J.7], and that these, in turn, would 'include humanitarian and rescue tasks, peace-keeping tasks, and tasks of combat forces in crisis management, including peace-making' [art. J.7] – a provision that incorporated the famous 'Petersberg Tasks' adopted by the WEU itself in June 1992. Solana's NATO record was useful in this respect – especially as the WEU and NATO were then negotiating the so-called 'Berlin-Plus' arrangements. His appointment to the SG/HR post also contributed to giving the newly created ESDP further credibility. In the autumn, the WEU Council (which included 10 EU and NATO members) also nominated him Secretary-General of the organisation, in order to concentrate authority and resources in one and the same person. The 'hats' therefore amounted to three, although Solana appointed French diplomat Pierre de Boissieu as Deputy Secretary-General of the Council, delegating the administrative function to him. This allowed Solana himself to *de facto* become more a HR than a SG.

Finally, the Amsterdam Treaty stated that, in the field of CFSP, the acting Presidency could also be assisted 'by the next Member State to hold' it, with the Commission 'fully associated' [art. J.8]. In practice, the previous *troika* – created by the Maastricht Treaty and composed of the preceding, incumbent and successor country chairing the Council – was replaced by a new one, which essentially included the serving Presidency, the HR and the RELEX Commissioner.

## The Solana era (1999-2009)

Although the post and its legal competences were still the same ones originally envisaged by the Amsterdam Treaty, the political mandate that Solana received, and the operational interpretation that he gave to it, would reshape the function significantly. He aimed to raise the international profile and operational ambition of CSFP/EDSP, with the backing of key member states, the support of a reinforced Directorate-General for external and politico-military affairs (DG E) and the newly created Early Warning and Policy Planning Unit in the GSC.

His diplomatic activism brought him to play a major role in at least two key theatres: the Middle East and the international negotiations over Iran's nuclear programme. In the first, he was invited by US President Bill Clinton to participate in the 2000 Taba negotiations between Israelis and Palestinians – as a member of the so-called 'Quartet' including also Russia and the UN Secretary-General. In the latter, he held a key position from 2004 onwards by chairing the 3+3/5+1 framework for international negotiations with Tehran.

He was also active in the Western Balkans, where he helped prevent a possible escalation of violence. He did so, first, in the former Yugoslav Republic of Macedonia (in the run-up to and the wake of the 2001 Ohrid Agreement). Then he intervened in Montenegro, whose 2006 independence from Serbia was achieved through a process that included a three-year federative arrangement between Podgorica and Belgrade – a special union jokingly nicknamed 'Solania' precisely because of his personal engagement – as well as a popular referendum with a 55% threshold. Moreover, he played an active role during the so-called 'Orange Revolution' in Ukraine in late 2004, and supported reforms and reformers all across the EU neighbourhood, in line with the commitment to have the Union surrounded by 'a ring of well-governed countries'.

It was also under his stewardship that the 'Berlin-Plus' arrangement with NATO was finalised in late 2002, with the EU *de facto* taking over from the WEU. Another essential step forward was the deployment of the first ESDP missions and operations, starting in Bosnia and Herzegovina in January 2003, which would soon amount to a sizeable record on both the civilian and the military sides [see Chapter III.1]. Good working relations with NATO's Secretary-General Lord Robertson (who as UK Defence Secretary had helped launch the ESDP in the first place) and RELEX Commissioner Chris Patten facilitated these achievements, also showing the added value of personal and public diplomacy to build confidence and bring results. For the first time, the EU's foreign and security policy amounted to more than the sum of its parts and operated well above its lowest common denominator. This was in part due to the more or less explicit support of the member states. When agreement among them was not forthcoming, as in early 2003 over the war in Iraq, Solana quietly retreated from the scene. And he only re-emerged when the same member states conferred to him and his team, in May 2003, the task of drafting a common 'security strategy'.

### Box II.3. The multi-hatted HR/VP: rationale and context

The functional division of labour and smooth personal relationship between Solana and Patten had prompted many to advocate the appointment of a sort of ‘Pattana’ – as it was, once again, jokingly labelled. This idea fed the debates on institutional reform, first in the Convention on the Future of Europe (2002-03) and then in the intergovernmental conference that led to the new treaty. As a result, an agreement was reached on the creation of a ‘Union Minister for Foreign Affairs’ who would combine the two ‘hats’ in a personal union, by becoming one of the Vice-Presidents of the European Commission (which Patten was not) and chairing a new Foreign Affairs Council, distinct from the General Affairs Council [art. I-28 CT]. S/he would also be ‘assisted’ by an equally brand new European External Action Service (EEAS) comprising ‘officials from relevant departments of the General Secretariat of the Council and of the Commission as well as staff seconded from national diplomatic services of the Member States’ [art. III-296 CT].

It is no secret that Solana, who was set to become the first such ‘Union Minister’ had the treaty been ratified as planned, was not wildly enthusiastic about the prospect of taking over all these functions – to which that of Head of the newly created (2004) European Defence Agency (EDA) was also being added. In his view, the various responsibilities would overload the post and make it more difficult to carry out the kind of personal roving diplomacy which had proved so effective until then.

As it turned out, the Constitutional Treaty was put on hold after its rejection in the French and Dutch referenda in the spring of 2005. The core elements of those reforms, however, would eventually be re-inserted in the Lisbon Treaty, signed in October 2007, albeit with minor linguistic adjustments. Accordingly, the ‘Union Minister for Foreign Affairs’ became the ‘High Representative for Foreign Affairs and Security Policy’ – closer to the Amsterdam wording and seemingly less controversial due to national sovereignty concerns – while maintaining the ‘multi-hatting’ and the EEAS respectively as such. Uncertainty over the fate of these reforms, however, lingered until the very end of Solana’s second mandate as HR, due to another failed referendum in Ireland (June 2008). When the new treaty eventually entered into force, after a second successful Irish referendum (October 2009), Solana was no longer being touted as the first HR/VP.

The European Security Strategy (ESS), agreed by the Council in December 2003, arguably marked the highest point of Solana’s mandate by paving the way to his extension as HR for a second five year term, thus injecting additional momentum to the CFSP/ESDP at large. It also facilitated agreement following the EU enlargement of May 2004 over the new institutional provisions enshrined in the so-called Constitutional Treaty, agreed in Dublin in June and officially signed in Rome on 29 October 2004.

Even beyond the crisis over the Constitutional Treaty, Solana's second term was also marred by a much less smooth relationship with Patten's successor, Commissioner Benita Ferrero-Waldner; this was at a time when turf battles between the Council and the Commission also intensified at the legal level. Furthermore, a number of external developments contributed to a waning of the momentum built during his first mandate: after the election of Mahmoud Ahmadinejad as President of Iran in August 2005, the prospect of reaching a deal with Tehran became ever more elusive; the deteriorating security situation in Iraq and Afghanistan drained important military resources while stifling the drive towards more foreign interventions; and the onset of the global financial crisis in 2007-2008 diverted the attention of policymakers, while also having an impact on Western diplomacy. Finally, in late 2008, first the Russian-Georgian war and then Israel's operation in Gaza found the member states divided once again. As French President Nicolas Sarkozy took the lead over the conflict in Georgia, using France's EU Presidency to carry out negotiations almost single-handedly, intra-European divisions prompted another temporary eclipse of the HR while also complicating his work on the Report on the Implementation of the ESS, which was eventually released in December 2008.

Yet Solana's legacy was solid. Despite occasional regrets on the part of smaller member states, none contested the usefulness of overcoming the rotating presidency system in this domain and having 'a face and a voice' representing the Union on the diplomatic stage, especially in critical contingencies. A few success stories – both political and operational – amounted to a first *acquis* to build upon. There was enough evidence – both positive and negative – of the difference that a more coherent and better integrated EU action (or the lack thereof) could make on the international stage, particularly in and around Europe.

### **The first HR/VP: Catherine Ashton (2009-2014)**

The new treaty did not only create the HR/VP post but also that of a permanent President of the European Council, in another effort to overcome the drawbacks of the rotating presidency system. Although the mandate was shorter than the HR/VP's (a two and a half year term with the possibility of a one-time renewal), the two appointments were immediately treated as a single package by both the member states and the main political groups in the European Parliament. As a result, then Belgian Prime Minister Herman van Rompuy (EPP) was appointed as President, while José Manuel Barroso (also EPP) was confirmed at the helm of the European Commission. The HR/VP post was allocated to the centre-left S&D, and the Labour government in the UK was asked to come forward with possible candidates after its initial proposal to appoint former Prime Minister Tony Blair in van Rompuy's post met with opposition.

After Foreign Secretary David Miliband declined to be in the race, Prime Minister Gordon Brown nominated three names: former European Commissioner Peter Mandelson, former Defence Sec-



retary Geoff Hoon, and the then Commissioner for Trade Catherine Ashton. She had succeeded Mandelson in October 2008 after steering the ratification of the Lisbon Treaty in the House of Lords. Considerations linked to the need for a better gender balance at the highest EU level as well as Ashton's tenure in the Commission led to her appointment on 19 November 2009, despite her limited diplomatic experience. She immediately switched her portfolio with Benita Ferrero-Waldner and was then confirmed by the European Parliament as a Vice-President of the new Commission on 9 February 2010.

Ashton's start as HR/VP was a bit rocky, since the post was highly demanding yet the resources at her disposal were still purely virtual, as the EEAS had yet to be set up. It would indeed take a full year to reach a decision on the new service and another to have it fully operational in Brussels. What is more, she was not allowed to formally appoint deputies to relieve her of at least some of the overwhelming representational duties that her job description imposed, thus exposing her to difficult choices. For instance, she soon had to partially disengage from her role as a member of the College, attending meetings only sporadically (even the 'Group of Commissioners' on external relations is recorded as having been convened only once in five years) and was constantly confronted with painful choices between external commitments and internal duties at ministerial level and as 'appointing authority' of the EEAS. Furthermore, it did not help that the UK elections held in May 2010 relegated her Labour Party to the opposition, *de facto* weakening her standing in Brussels for the remainder of her mandate.

Nevertheless, Catherine Ashton did build up the EEAS and did achieve some tangible political results. The most acclaimed one was the agreement between Belgrade and Pristina that she managed to facilitate and ultimately helped finalise in April 2013, after months of patient and discreet diplomacy. Her activism in the Middle East was surely not comparable to Solana's, but it must also be said that the so-called 'Arab Spring' caught EU member states by surprise. NATO's intervention in Libya was quite controversial, and disagreements also surfaced around the *coup d'état* in Egypt and the civil war in Syria. Nevertheless, Ashton was the only Western official to be allowed to visit former President Mohamed Morsi in prison.

Most importantly, Catherine Ashton was essential in maintaining the 3+3/5+1 negotiations with Iran until it was eventually possible to strike a preliminary deal with the new leadership under President Hassan Rouhani in November 2013. Quiet diplomacy behind closed doors proved to be her strength. Moreover, throughout her mandate, she kept excellent bilateral relations with her counterparts across the Atlantic – in particular with US Secretary of State Hillary Clinton (2009–2013). And while she refrained from engaging as much as Solana in the Union's strategic doctrine (whose update Ashton explicitly deferred to her successor) or in defence policy, she contributed substantially to the elaboration of the so-called 'comprehensive approach' in late 2013. This became an integral part of her legacy as the first HR/VP.

#### Box II.4. The tasks of the HR/VP

As HR/VP, Catherine Ashton was conferred a role of *prima inter pares* among her fellow College members dealing with external policies. Accordingly, she was asked to coordinate the Commissioners for Enlargement and Neighbourhood Policy (Štefan Füle), Development (Andris Piebalgs, who would also represent the Commission in the new FAC), and International Cooperation, Humanitarian Aid and Civil Protection (Kristalina Georgieva). The Commissioner for Trade, Karel de Gucht, was explicitly exempted from such coordination – although on 10 April 2010 the College approved the creation of ‘Groups of Commissioners’, and both de Gucht and the Commissioner for Economic and Monetary Affairs, Olli Rehn, were part of the external relations group – thus leaving President Barroso, and the College as a whole, the ultimate task of securing coherence across the entire range of EU common external policies. However, while Baroness Ashton was not the only VP (there were six more), she was the only other College member – except for the President – entitled to attend the meetings of the European Council, which no longer included Foreign Ministers. Incidentally, this treaty provision probably contributed, along with the onset of the sovereign debt crisis, to put foreign policy on the back burner of EU summits, as well as to confer a bigger role to the Heads of State and Government in managing international crises.

Finally, Catherine Ashton also became *ex officio* the head of the CFSP/CSDP-related agencies: the EDA, the SatCen and the EUISS. On the other hand, she could relinquish two other ‘hats’: one to Pierre de Boissieu, who formally took over as Secretary-General of the Council (until June 2011, when he was succeeded by Germany’s Uwe Corsepius), and the other to Arnaud Jacomet, who became the last Secretary-General of the WEU. In fact, negotiations were immediately launched over the cessation of its activities (and completed in June 2011), as its functions were now entirely transferred to the EU.

## From Ashton to Mogherini

The appointment of her successor, the then Italian Foreign Minister Federica Mogherini, was also the result of a political deal between member states and political groups. The Presidency of the European Commission went to the candidate – the long-serving Prime Minister of Luxembourg, Jean-Claude Juncker – put forward by the EPP, which obtained a plurality of votes in the European Parliament elections of June 2014. In contrast, the Presidency of the Parliament remained with the incumbent Martin Schulz (S&D). An additional deal was subsequently struck whereby the Presidency of the European Council was given to the outgoing Polish Prime Minister, Donald Tusk (EPP), and the HR/VP post to Mogherini (S&D), put forward by the national party with most elected MEPs in the group. This was intended to ensure not only a political, geo-

graphical and gender balance in the EU leadership but also a balance of attitudes *vis-à-vis* the potentially most divisive issue at that time – namely relations with Russia, after the annexation of Crimea and the conflict in the Donbass region of Ukraine.

In terms of policy, Mogherini picked up the Western Balkans and Iran dossiers where Ashton had left them, contributing *inter alia* to finalising the 3+3/5+1 agreement with Tehran on 14 July 2015. She immediately engaged the ‘strategic’ file by fulfilling the mandate given to the HR/VP in December 2013 and releasing a report on the changing global environment in June 2015. Following this, she drafted the ‘Global Strategy on Foreign and Security Policy’ (EUGS) that the European Council had tasked her to deliver and went on to release it on 24 June 2016 – just one day after the ‘Brexit’ referendum. The new strategy emphasised the need for a more ‘joined-up’ vision and action by the EU in diplomatic and security matters, well beyond the traditional boundaries between the external and internal dimensions of EU policy-making. This approach was rendered ever more urgent following the terrorist attacks and the refugee crisis that hit Europe in 2015-2016.

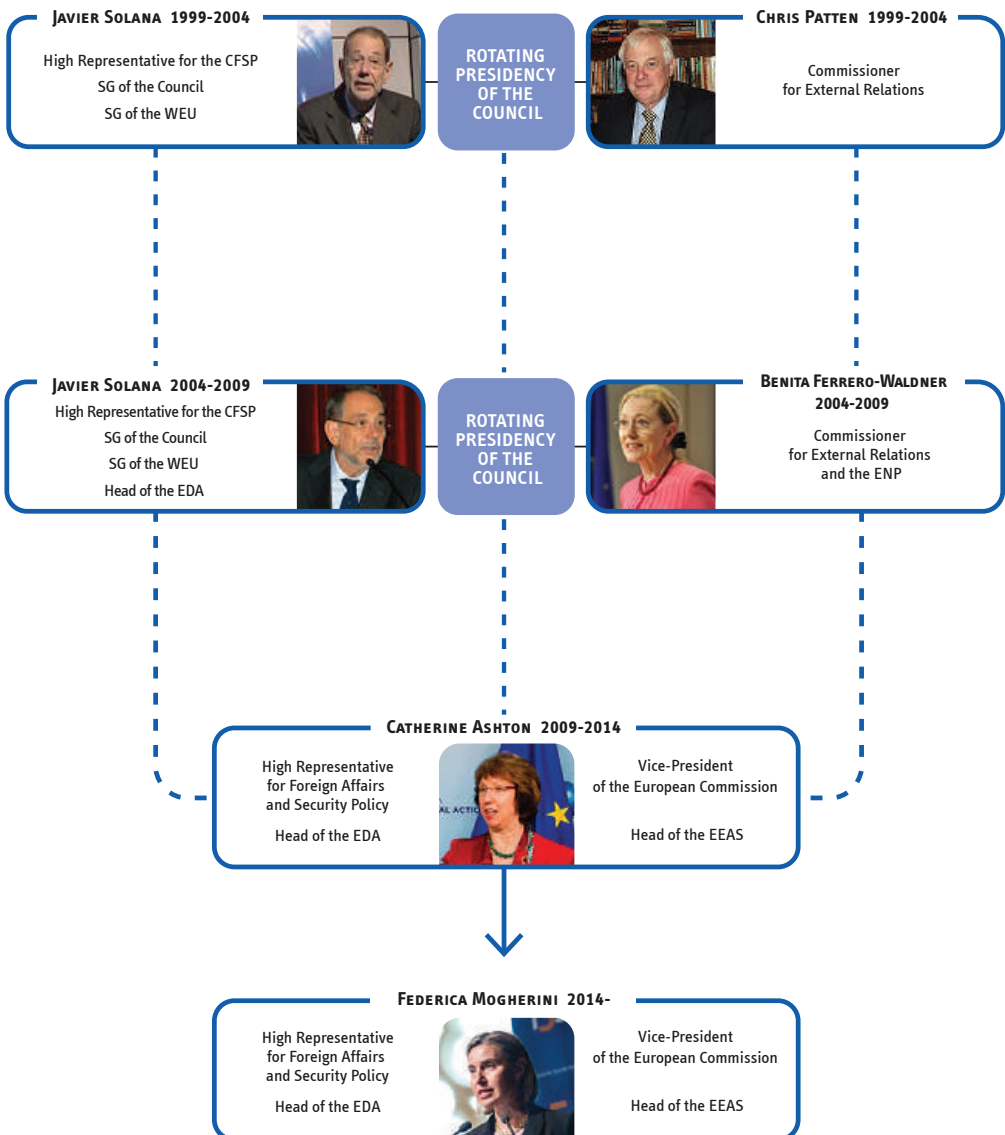
#### **Box II.5. HR/VP Federica Mogherini**

Mogherini was younger but had more diplomatic experience than Ashton when she took over in November 2014, after a non-unanimous decision by the European Council (Lithuania’s President Dalia Grybauskaitė did not support her). Her first decision was to move the HR/VP office back to the Berlaymont building, where all the other Commissioners were based, and to wear her VP ‘hat’ more regularly than Ashton. Not only did she attend the weekly meetings of the College (as well as the plenary sessions of the Parliament in Strasbourg) more often; but she also started convening the newly established Group of Commissioners on External Action – including Johannes Hahn (ENP and enlargement negotiations), Neven Mimića (international cooperation and development), Christos Stylianides (humanitarian aid and crisis management), and Cecilia Malmström (trade) – on a monthly basis. Mogherini also began to release statements and co-organising field visits with fellow Commissioners. While she was no longer a *prima inter pares* in the same sense as Ashton – Juncker had appointed the Dutch Frans Timmermans as his First Vice-President – she was from the outset a more active member of the College, significantly improving relations with the Commission’s DGs.

This also influenced the implementation of the 2013 EEAS Review, presented in June 2015 and completed one year later, which saw also a partial rebalancing in the senior positions in favour of officials from both the Commission and the Parliament. Even the review of the ENP – a policy over which both Solana and Ashton were often at odds with the relevant Commissioner – was launched in early 2015 and completed later that year in full cooperation with Hahn and the newly created DG NEAR.

While it is far too early to attempt any final assessment, it is quite evident after barely seven years of implementation that the HR/VP position is still in a state of relative flux. It continues to depend markedly on both the changing external strategic context and the evolving internal political and institutional landscape. However, it is also shaped to a considerable extent by the post holder's interpretation and implementation of the role in any given situation.

FIGURE II.1: FROM HR TO HR/VP



## II.3 THE EUROPEAN EXTERNAL ACTION SERVICE (EEAS)

Along with the HR/VP, the establishment of the European External Action Service (EEAS) constitutes one of the most important innovations launched by the Lisbon Treaty. Previous decades' experience in this domain provided the rationale for its creation: in fact, the term 'external action' itself was coined to bridge the traditional distinction between 'external relations', as managed by the European Commission, and CFSP proper, which was primarily a Council competence. Yet the full implementation of the EEAS will probably still require some time in order to yield the desired results, especially as it constitutes an original and virtually unprecedented case of administrative transformation across both the EU institutions and the relevant national ministries.

### From the Commission

After the creation of the European Community proper, the gradual expansion of the Commission's external representation (its first such office was opened in Washington in 1954) stemmed from the need to be present on the ground in all the countries and regions where the Community ran development aid programmes and established privileged trade agreements. A network of Commission Delegations started to take root in the wake of the 1973 enlargement to the UK and the 1975 signature of the Lomé Convention. At that time, however, most of the Delegations' personnel had a primarily technical profile (engineers, agronomists, administrators), with a strong emphasis on project management.

During Commissioner Claude Cheysson's tenure (1973-81), the Commission also extended its representation to such places as New Delhi, Bangkok, Caracas and Tokyo. It opened its first 'diplomatic' offices in multilateral organisations – notably in Paris (OECD), Geneva (GATT) and New York (UN), where it gained observer status. It ultimately also obtained presence in Rome (FAO) as well as Vienna (CSCE). In the 1980s, in part because of the Iberian enlargement (1986) and in part due to the parallel development of the European Political Cooperation (EPC), this network of Commission Delegations began to evolve into a structure with more emphasis on trade and political affairs. By the end of the decade, it encompassed some 90 offices across six continents with an increasingly specialised staff.

The signing of the Maastricht Treaty (1992) prompted a partial reorganisation of the second *Delors Commission*, which was also intended to 'match' the parallel development of Council structures in the domain of the newly established Common Foreign and Security Policy (CFSP). With the creation of DG I-A for external political affairs under the authority of a dedicated Commissioner (Hans van den Broek) – as distinct from DG I proper (external economic affairs) – and the ensuing creation of a Unified External Service (1994), the scope of the Commission Delegations' tasks broadened significantly. This had repercussions on the composition of their staff, which necessarily started becoming more diverse. The simultaneous upgrading of the Heads of Delegation

tion to ambassadorial status – through accreditation by Heads of State rather than Foreign Ministers – strengthened this trend while also highlighting the potential dualism with the Council apparatus in Brussels and the member states' own embassies in third countries.

The new structures, however, suffered also from recurrent turf battles between Commissioners as well as a general staffing freeze that hampered their growth. The *Santer Commission* (1995-99) reunited political and economic affairs and established four separate DGs with mainly geographical responsibilities: Central Europe/Russia/CIS (under Commissioner van den Broek), industrialised countries (Leon Brittan), Latin America/Mediterranean/Middle East/Asia (Manuel Marin) and African, Caribbean and Pacific (ACP) countries (João de Deus Pinheiro). An internal College committee, chaired by Jacques Santer himself, was tasked with coordinating all external policies – as many grey areas persisted, with overlapping areas of competence (for example, trade) and much unnecessary fragmentation (Commissioner Emma Bonino was in charge of humanitarian affairs, along with fisheries).

With the *Prodi Commission* (1999-2004) came another internal reorganisation, resulting in the creation of DG RELEX (*relations extérieures*) with a new Director-General and the appointment of Chris Patten as a *primus inter pares* among the Commissioners in charge of external relations, namely Paul Nielson for development aid, Günter Verheugen for enlargement (another new portfolio and DG, in view of the imminent accession of the Central European candidates) and Pascal Lamy for trade. Moreover, when the Amsterdam Treaty entered into force and the new European Security and Defence Policy (ESDP) was launched, a separate Directorate for CFSP was set up within DG RELEX and organised along four functional units with a view to 'matching', once again, the emerging ESDP structures in the Council. This new set-up worked reasonably well, despite the usual reluctance of individual Commissioners to 'be coordinated' by a fellow College member. In addition, Patten's approach and attitude also helped smooth relations with the new player on the opposite side of Rue de la Loi, the High Representative (HR) for CSFP Javier Solana.

The official signing of the Constitutional Treaty in Rome, on 29 October 2004, had a direct impact on the makeup of the *Barroso Commission* (2004-09). The existing DGs were retained but the new President took back the chair of the group of Commissioners dealing with external policies, namely Olli Rehn (enlargement), Peter Mandelson (trade), Louis Michel (development aid) and Benita Ferrero-Waldner for RELEX as well as the recently launched European Neighbourhood Policy (ENP). This partial reorganisation was based on the assumption that the Constitutional Treaty would enter into force as planned on 1 November 2006, when the new 'Union Minister for Foreign Affairs' would take over the RELEX services. Meanwhile, Ferrero-Waldner would remain Commissioner for the ENP and, possibly, sit on the Foreign Affairs Council on behalf of the Commission. Yet the crisis triggered by the French *Non* and the Dutch *Nee* to the treaty in the spring of 2005 put all this on hold, and the new institutional blueprint remained somewhat 'in hibernation' for a couple of years – first, until the signature of the Lisbon Treaty (autumn 2007),

which included a few minor changes compared to the Constitutional Treaty, then until its eventual entry into force in the autumn of 2009, when the second *Barroso Commission* (2009-14), including the new HR/VP, was sworn in.

## From the Council

What is normally referred to as the ‘Council’ in the context of EU foreign policymaking – when it does not mean the formation composed of the Foreign Ministers of the EU member states – is in fact the Council General Secretariat of the Council (GSC), based in the Justus Lipsius building since 1995. Mentioned for the first time in the Maastricht Treaty, it actually existed long before that, by virtue of the Council’s own rules of procedure. In particular, a dedicated Secretariat for European Political Cooperation (EPC) had been established in 1987, after the entry into force of the Single European Act which institutionalised the hitherto informal meetings of the Foreign Ministers of the Community.

In 1994 a new DG for External Relations was set up under Brian Crowe. One of his deputies (Pierre Champenois) led the new CFSP unit, while another was in charge of external economic relations. With the onset of ESDP, in 1999, this was transformed into an expanded DG E – devoted to ‘external and politico-military affairs’ – under Robert Cooper. CFSP/ESDP-related structures, in other words, originated mostly from the progressive institutionalisation of foreign policy bodies and procedures since the 1990s. Before and alongside them, however, a number of more informal fora, functions, preparatory bodies and groups have taken shape over the years. The periodical meetings of the Political Committee (PoCo), made by the member states’ political directors from the ministries of foreign affairs (MFAs), were prepared by ‘European Correspondents’ based in the national foreign ministries (and the Commission). On the other hand, the various Council Working Groups/Parties and Task Forces that convened regularly in Brussels were mostly prepared by the ‘RELEX/CFSP Counsellors’ based in the Permanent Representations (and the Commission).

These bodies complemented the work of the Council Secretariat and provided a permanent channel of consultation and decision-shaping with the national MFAs. Some (mostly technical) were chaired by the GSC, others (the majority) by the rotating Council Presidency. They were also part of the CFSP *acquis* that applicant countries had to incorporate before joining the EU. As such, they induced a high degree of ‘Europeanisation’ in the bureaucratic machinery (and culture) of national diplomacies. They also reinforced the ongoing socialisation of officials across the board as well as the growing ‘Brussels-isation’ of foreign policymaking itself that had begun in the late 1980s.

The size and scope of GSC structures were given a significant boost between 1999/2001, first of all through the appointment of the High Representative for CFSP and Secretary-General of the Council, Javier Solana, and the creation of his dedicated Policy Unit (formally Policy Planning

and Early Warning Unit), in the wake of the entry into force of the Amsterdam Treaty. Its first head was the German diplomat Christoph Heusgen.

This was followed by the establishment, starting in 2001, of the new ESDP bodies, starting with the Political and Security Committee (PSC), which *de facto* replaced the PoCo but was permanently based in Brussels. It was composed of junior ambassador-level diplomats from the member states (and one Commission representative) to deal with international crisis management. Other structures like the EU Military Committee (EUMC), the EU Military Staff (EUMS) and the new Council agencies came into existence through the transfer of most functions of the Western European Union (WEU) to the EU. With the partial exception of the PSC, which was also inserted in the Nice Treaty [art.25, now art.38 TEU], virtually all of these new ESDP-related structures – including the Committee on Civilian Aspects of Crisis Management (CIVCOM), the Situation Centre (SITCEN) and later the European Defence Agency (EDA) – were set up through simple Council decisions or Joint Actions, while most policy developments were launched through Council Presidency conclusions.

Finally, Council ‘Special Representatives’ (EUSRs) – i.e. roving ambassadors to regions of particular relevance for the Union’s CFSP, already foreseen by the Maastricht Treaty – were used ever more frequently after the ESDP was launched. They offered a pragmatic and relatively ‘light’ solution to the shortage of specialised/senior diplomats directly serving the EU. They were normally appointed by the Council, temporarily hired by the Commission as Special Advisers (at Director-General level), and often supported by seconded officials from their countries of origin.

More generally, the practice of resorting to diplomats from the capitals offered the GSC another way to bolster its capabilities in this domain. This happened in the Policy Unit, which was designed explicitly to this effect with an implicit system of national quotas, and in the DG E itself. Secondments thus enabled an increase in staff at affordable costs as well as to widen member states’ ownership and input. Yet the relevant administrative rules and career patterns in national foreign services remained very diverse in this respect, generating different incentives especially for young and mid-career diplomats.

At any rate, on the eve of the entry into force of the Lisbon Treaty, very little preparatory work had been done in view of the creation of the EEAS (in part also due to the pending second Irish referendum, eventually held in early October 2009). The number and competences of EU officials dealing with ‘external action’ remained very uneven across Rue de la Loi – namely between the Berlaymont and Charlemagne buildings (where most of the Commission services were hosted) and the GSC in Justus Lipsius – and a certain degree of duplication (for example, regional desks) contributed to feeding competition across the policy board.



## The making

As soon as the new treaty entered into force at the end of 2009, the establishment of the EEAS – i.e. its precise nature, status, scope and set-up – became the object of additional negotiations between EU institutions: the Commission, the Council and the Parliament. This was especially the case for the purpose of establishing staff regulations and budgetary procedures, both subject to co-decision.

### Box II.6. The genesis of the EEAS

While some initial papers were delivered by the Parliament and the (last) fully-fledged rotating Council Presidency, held by Sweden, concrete work on treaty implementation started only after the appointment of Catherine Ashton as the first HR/VP on 1 December 2009. The vision was to finalise a draft arrangement by 30 April 2010. To this end, she led an *ad hoc* inter-institutional steering group and was assisted by a special advisor, former Danish Permanent Representative to the EU Poul Skytte Christoffersen. On the basis of a first proposal agreed in late April, formal consultations with the Parliament – represented by MEPs from the three main groups (Elmar Brok/EPP, Roberto Gualtieri/S&D, Guy Verhofstadt/ALDE) – were opened in the so-called ‘quadrilogue’ format. This would also include Ashton’s aides, the Commission and the Spanish Council Presidency.

On 21 June, in Madrid, an agreement was reached between the four parties and submitted for approval to the EP plenary on 8 July (549 MEPs voted in favour, 78 against, and 17 abstained). The College of Commissioners voted unanimously in favour on 20 July, and so did the General Affairs Council, thus adopting the Decision on 26 July. Finally, on that basis, the EEAS Financial Regulation and Staff Regulations were both adopted by the EP plenary on 20 October 2010, respectively with 578 votes to 39 (38 abstentions) and 513 to 51 (98 abstentions). On 25 October, the Council gave its final approval to the whole package of legal acts. As a result, the EEAS was formally launched on 1 December 2010, on the first anniversary of the entry into force of the Lisbon Treaty, and started operations on 1 January 2011. These dates also marked the formal termination of the Commission’s DG RELEX as well as a tangible political victory for the Parliament, which had succeeded in transforming the entire creation of the EEAS into a *de facto* co-decision procedure.

On the whole, the final outcome of the negotiations proved to be quite conservative in its principles and guidelines. It factored in some organisational changes that had already occurred with the formation of the second Barroso Commission (2009-14). These changes include: the continuing supervisory role of the President in the field of external relations, including the ENP and en-

largement in Štefan Füle's portfolio, and the forthcoming merger of DG DEV and AIDCO into the new DG DEVCO under Commissioners Andris Piebalgs (due also to represent the Commission in the FAC) and Kristalina Georgieva (for humanitarian aid). Nevertheless, it also left some room for a substantial review after the initial phase.

In fact, the EEAS was set up as 'a functionally autonomous body' (i.e. not as an EU 'institution' in its own right) consisting of a *sui generis* stand-alone structure, separate from both the Commission and the Council. This also meant creating its own dedicated administrative budget, proposed and implemented by the HR/VP as part of the EU budget. Despite this budgetary autonomy, it does not have its own operational resources, although a newly created Commission service, the Foreign Policy Instruments (FPI), was also placed under the authority of the HR/VP – in her capacity as 'VP' – to fund some particular actions.

Catherine Ashton became the sole 'appointing authority' for the entire EEAS and presided over a sort of 'quadrumvirate'. This included an Executive Secretary-General (some had objected that only a true 'institution' could have a proper Secretary-General) in charge of key horizontal functions, a position held by Pierre Vimont, a top French diplomat; two deputies whose respective tasks were not spelt out in the Decision but ended up covering those of a Political Director supervising most regional desks (Helga Schmid, a German diplomat and the outgoing head of the Council's Policy Unit) and those of a Security Policy Director supervising civilian and military crisis management structures (Maciej Popowski, a Polish official with experience in both the Commission and the Parliament). Furthermore, at the insistence of the Parliament but with Ashton's tacit consent, a Director-General for Budget and Administration overseeing all financial, budgetary and auditing procedures was also appointed (David O'Sullivan, a former Secretary-General of the Commission and the outgoing Director-General for Trade under Commissioner Ashton). In order to underline the novelty of the EEAS, Ashton liked to call this team, which included also her Head of Cabinet, the service's 'Corporate Board', with Vimont as the CEO and O'Sullivan as the COO.

Under them operated a 'Policy Board' encompassing five 'Managing Directors' with regional competences (Europe and Central Asia, North Africa and the wider Middle East, Africa, Asia, and the Americas), two with horizontal ones (respectively for Crisis Response and Operational Coordination, Global and Multilateral Issues), and two with a functional specialisation (Administration and Finance and the Head of the EUMS). Then there was also the new permanent Chair of the PSC, to be appointed by the HR/VP following the suppression of the rotating presidency system in the CFSP domain (a similar logic would be applied to many Working Group/Parties previously chaired by the presidency): the first post holder, the Swedish diplomat Olof Skoog, was chosen among the serving PSC ambassadors. The Chair of the EUMC and the EUSRs were directly and solely accountable to the HR/VP [see Figure II.3].

### Box II.7. EU Delegations and EU representation

The Lisbon Treaty endowed the EU with legal personality (art.47 TEU) and stated that ‘Union delegations in third countries and at international organisations shall represent the Union’ (art.221 TFEU). In late 2016, 137 EU Delegations and offices operated around the world, plus 4 inside member states (namely at international organisations based in Paris, Rome, Vienna and Strasbourg). In two delegations (Afghanistan and Bosnia and Herzegovina), the Head of Delegation also serves as EUSR, while in Kosovo the EUSR is also the Head of the EU Office. In 2016, total staff in EU Delegations was approximately 5,800 strong, including roughly 40% from the EEAS and the rest from the Commission. EU Delegations cooperate with member states’ diplomatic missions abroad: in recent times such cooperation includes colocation (in some 20 countries).

In *international organisations*, where the European Union can now claim the status previously held by the European Community, the attempts to upgrade the EU’s position have been conditioned so far by two factors: the rules governing membership in specific multilateral bodies (including the attitude of other members towards the EU’s status as a regional organisation), and the complexity of the EU’s own competence regime, which requires a case-by-case assessment and decision as to whether the EU can speak on behalf of its member states. Within the United Nations ‘family’, only the Rome-based Food and Agriculture Organisation (FAO) has a clause allowing membership by a regional organisation: accordingly, the EU is now a member in its own right. The Union is also a full member of the World Trade Organisation (WTO) and, more recently, it has become a Party to the Convention on International Trade in Endangered Species (CITES). Wherever only states may join an organisation or body, the EU has normally taken over the ‘observer’ status previously held by the EC while trying to upgrade it whenever possible, acceptable or desirable. In May 2011 the Union was granted ‘enhanced observer’ status in the UN General Assembly: it can thus be represented in its own right but cannot vote, challenge decisions or put forward candidates.

In some international bodies, the observer status is held by the European Commission (World Bank/WB, International Maritime Organisation/IMO) or the European Central Bank (International Monetary Fund/IMF, Organisation for Economic Cooperation and Development/OECD). In other international conferences and fora, full participation status is assured by the EU (G7/G20, international climate change and biodiversity negotiations) or the European Commission (Organisation for Security and Cooperation in Europe/OSCE). [SL]

Yet the most important change brought about by the Decision was arguably the full integration of the over 130 Commission-led EU Delegations to third countries and international organisations into the EEAS. The new treaty had simply put them under the authority of the HR/VP but had not (or not necessarily) indicated that they would become part of the EEAS, seen until then simply as a merger between the previous Policy Unit assisting the HR and most of the Brussels-based directorates of DG RELEX (plus the ACP-related geographic directorates of DG DEVCO). On the one hand, this gave the new service a completely different size, scope and range, well beyond its 'core' Brussels headquarters. On the other, it raised questions about the actual functioning of a structure where EEAS officials would coexist with a large number of Commission officials (from trade, development aid or other DGs) each with their own separate reporting and accountability lines.

Indeed, in terms of EEAS staffing, tenured EU officials originally from the GSC and the Commission maintained their status, career rights and privileges. However, grades and seniority tended to vary significantly between them; and, in quantitative terms, Commission *fonctionnaires* represented the lion's share (75% of the initial bloc of 800 officials earmarked for Brussels). By late 2012, the overall size of the EEAS HQ was foreseen to encompass approximately 1,200 staff.

The Decision also stated that, once the EEAS would be fully operational (by June 2013), tenured EU administrative officials should represent roughly 60% of the overall service, with national diplomats amounting in turn to at least 33%. The remaining share would be filled up with Seconded National Experts (SNEs) while a fair degree of mobility and rotation would be ensured for all, in conjunction with a better geographical and gender balance. This meant, in practice, that the member states' component needed to be increased significantly and rapidly, with particular emphasis on the senior levels (management and Heads of Delegation). On the other hand, their contracts with the EEAS would not exceed, in principle, two four-year terms, in order to maintain mobility and rotation among national MFAs and to stimulate the cross-fertilisation of diplomatic cultures across the Union.

### The shaping

Such a 'hybrid' set-up would of course need time and resources to consolidate and adjust. As much as the Parliament was in favour of a 'big' EEAS, however, the member states imposed the principle of 'budgetary neutrality', at least for its starting phase. They remained wary of allocating extra funding to a body whose ultimate added value still needed to be demonstrated.

The initial stages in the implementation of the EEAS were particularly difficult, as the personnel earmarked to join the new service were still scattered across various offices in Brussels or detached in EU Delegations worldwide. Under these circumstances, building a new *esprit de corps* from scratch would prove particularly difficult. Indeed, it was only at the end of 2012 that key senior positions were filled and the service could move into its new headquarters at Rond-Point Schuman, almost symbolically situated between the Berlaymont and Justus Lipsius buildings.

It may therefore come as no surprise that the first so-called EEAS Review released by Catherine Ashton in July 2013 highlighted a large number of recommendations for improving the operation of the fledgling EEAS. The HR/VP's recommendations included *inter alia*:

- The extension of permanent EEAS chairs to all the Council Working Groups in the area of external relations that had remained with the rotating Presidency;
- A drastic reconsideration of EUSR mandates and roles, with a view to integrate them into EEAS structures (HQ and Delegations).

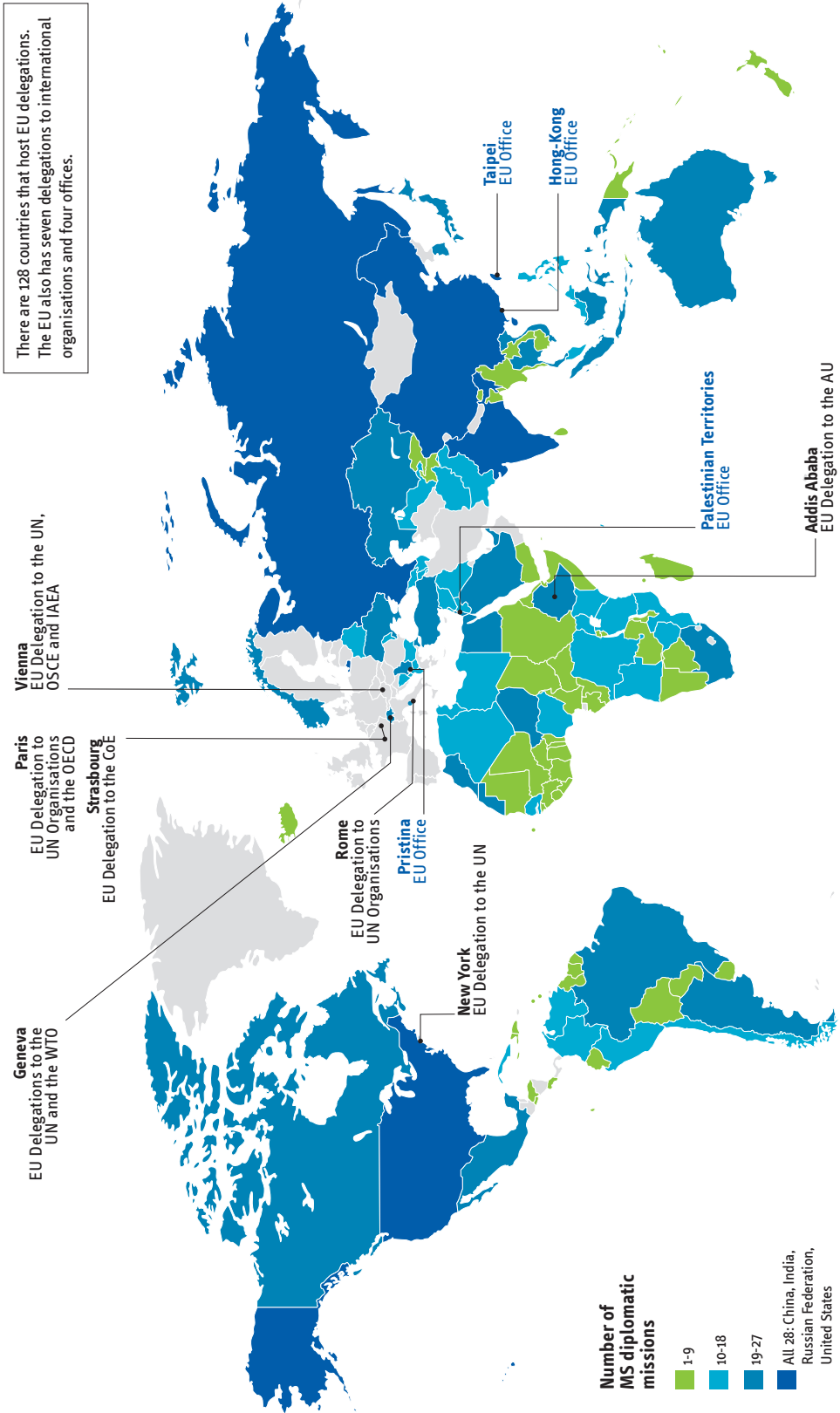
These recommendations were directed primarily at the member states and aimed at completing the transition from the pre-Lisbon system. Moreover, the HR/VP underscored the need to:

- Make the Heads of EU Delegations the traffic hub through which all instructions and briefings between Brussels and the external offices would be channelled;
- Simplify administrative budgets and the management of EU resources, thereby overcoming residual fragmentation and their underlying turf battles.

These recommendations were mainly directed to the Commission and, to a lesser extent, the Parliament. They aimed at streamlining channels of communication, information and administration inside the new system, in accordance also with the 'comprehensive approach to external conflicts and crises' presented in a joint communication by the EEAS and the Commission in December 2013.

Taken all together, Ashton's recommendations also indirectly highlighted the intrinsic nature of the EEAS as quintessential work in progress. This was all the more true as the implementation of the 2013 Review was basically left to her successor, Federica Mogherini, who took over as HR/VP in November 2014. While the possible full integration of all the EUSRs – currently nine, to which should be added two Special Envoys on non-proliferation and disarmament and on space – into the EEAS remains a bone of contention with the member states, some progress has in fact been achieved, albeit gradually, on the other issues with a view to shaping a more 'joined-up' CFSP.

**FIGURE II.2: EU DELEGATIONS, OFFICES AND MEMBER STATE DIPLOMATIC MISSIONS (IN COUNTRIES WITH EU DELEGATIONS), 2015**



As for the EEAS structure itself, Federica Mogherini presented her own proposals in June 2015 and started implementing them accordingly in the following months. The main adjustments to the previous set-up included:

- Unifying the functions held by Vimont and O’Sullivan into a single ‘Secretary-General’ post at the top of the service, to which the French diplomat Alain Le Roy was appointed (until August 2016), and under whose supervision now lies a new Directorate for General Affairs
- Confirming the two Deputy SGs, Helga Schmid and the Spanish diplomat Pedro Serrano (under whose supervision now also lies the Crisis Response Directorate) but adding a third one in charge of economic and global issues (the Swedish Commission official Christian Leffler)
- Setting aside the business-like titles of key functions while streamlining and simplifying the somewhat top-heavy management of the DGs (now eight overall) and Directorates

The appointment of Helga Schmid as the new SG from September 2016 (succeeded by French diplomat Jean-Christophe Belliard as Deputy SG and Political Director) and the simultaneous turnover in most EU Delegations marked the completion of the first phase of the EEAS’s existence [see Figure II.4] and set the stage for a phase of consolidation and continuity.

### Box II.8 Specialised Committees and Working Groups/Parties

As of 2016, the specialised Committees and Working Parties chaired by a representative of the HR/VP are the following:

- Political and Security Committee (PSC)
- Committee for Civilian Aspects of Crisis Management (CivCom)
- Nicolaidis Group
- Politico-Military Group (PMG)
- United Nations Working Party
- Working Party on OSCE and Council of Europe
- Working Party on Human Rights
- Working Party on Transatlantic Relations
- Working Party on Eastern Europe and Central Asia
- Working Party on the Western Balkans Region
- *Ad hoc* Working Party on the Middle East Peace Process
- Middle East/Gulf Working Party (MOG)
- Mashreq/Maghreb Working Party (MAMA)
- Africa Working Party (COAFR)
- Asia-Oceania Working Party (COASI)
- Working Party on Latin America and the Caribbean
- Working Party on Non-Proliferation
- Working Party on Conventional Arms Exports
- Working Party on Global Disarmament and Arms Control

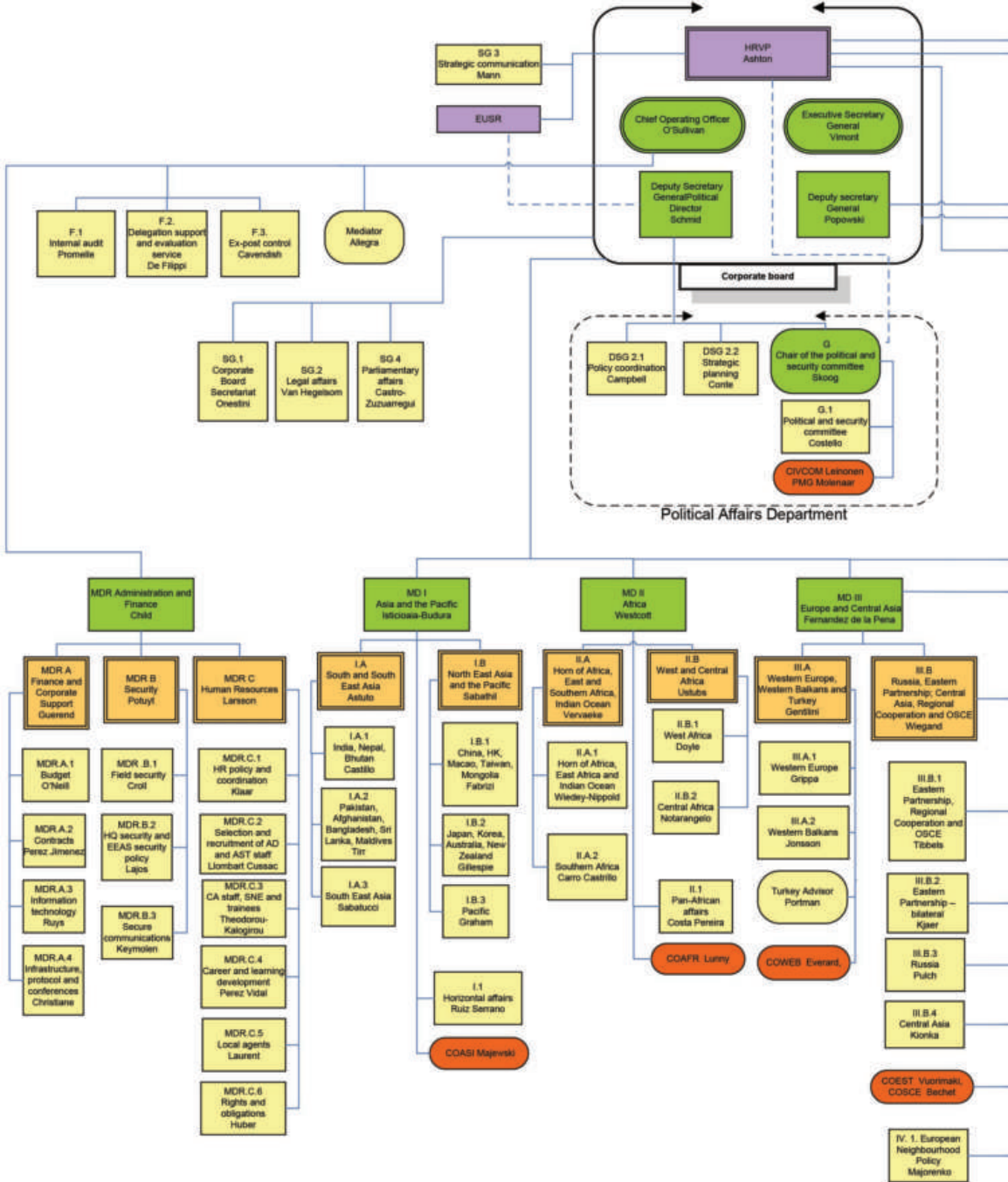
Those chaired by the rotating Council Presidency are:

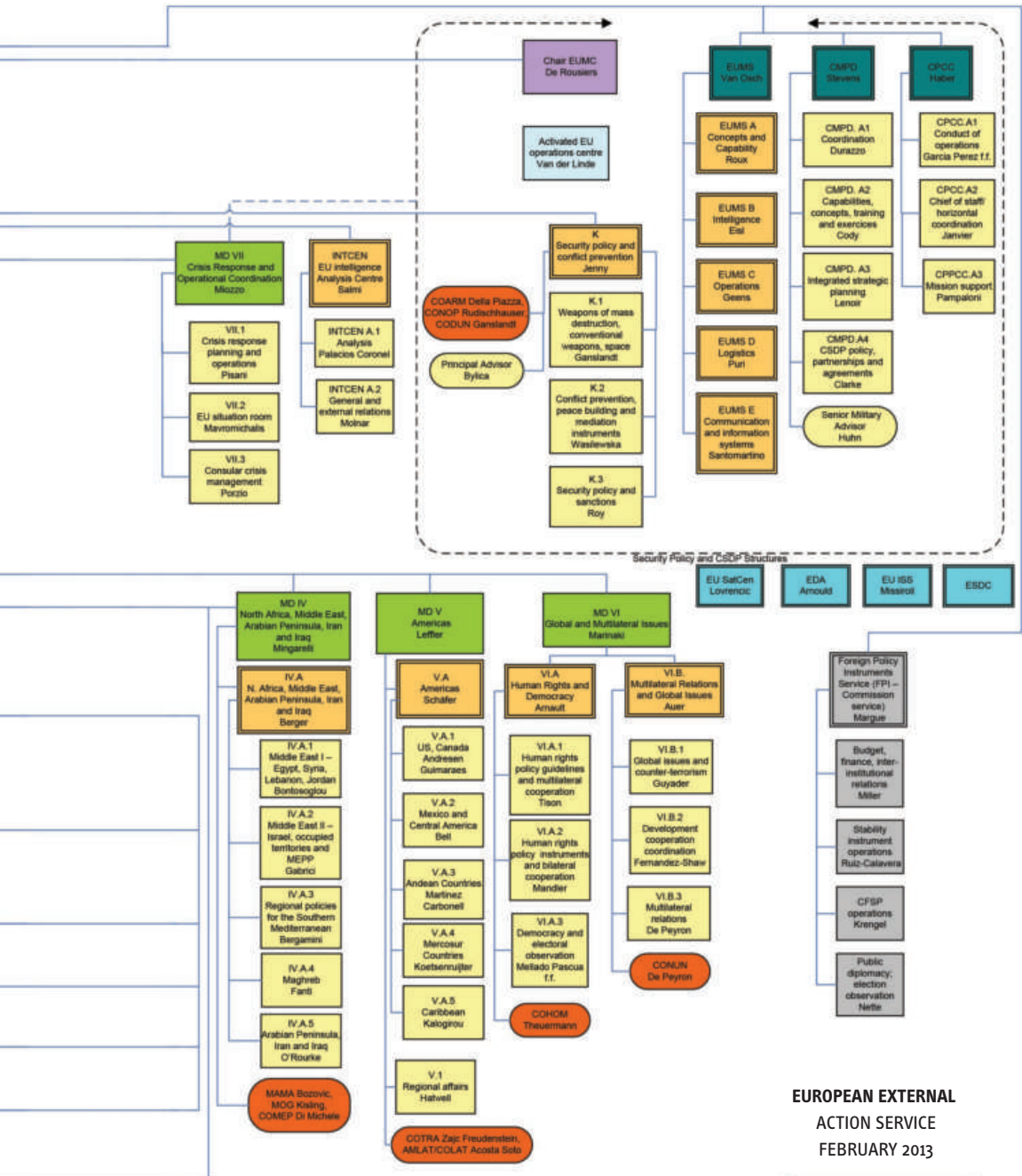
- Working Party of Foreign Relations Counsellors (RELEX) – Sanctions
- Working Party on Public International Law – ICC
- Working Party on the Law of the Sea
- ACP Working Party
- Working Party on Terrorism (international aspects)
- Military Committee Working Group (EUMC WG)
- Working Party on Development Cooperation
- Working Party on Humanitarian Aid and Food Aid
- Working Party on Consular Affairs





FIGURE II.3: EEAS ORGANISATIONAL CHART (AS OF FEBRUARY 2013)

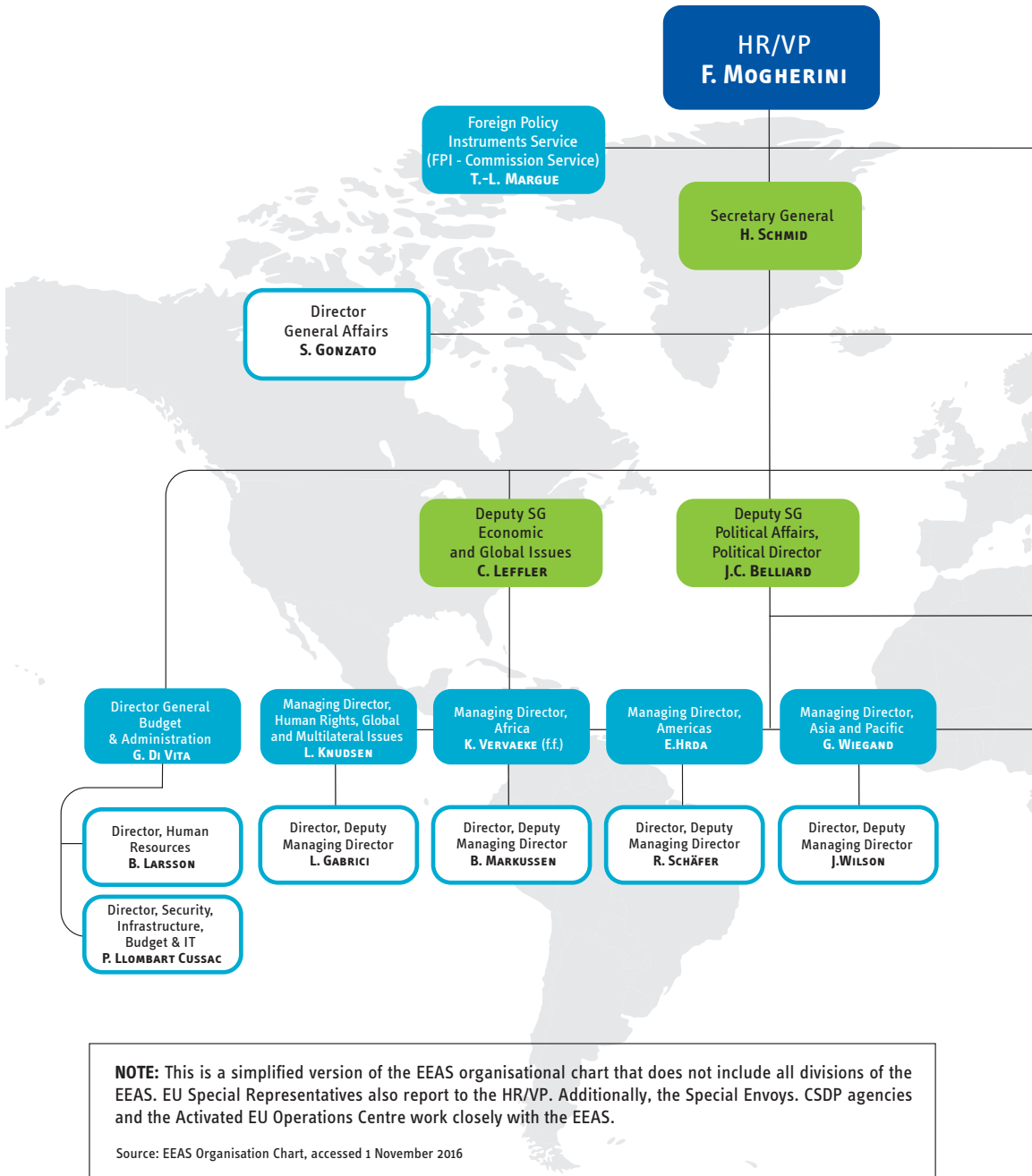




EUROPEAN EXTERNAL  
ACTION SERVICE  
FEBRUARY 2013

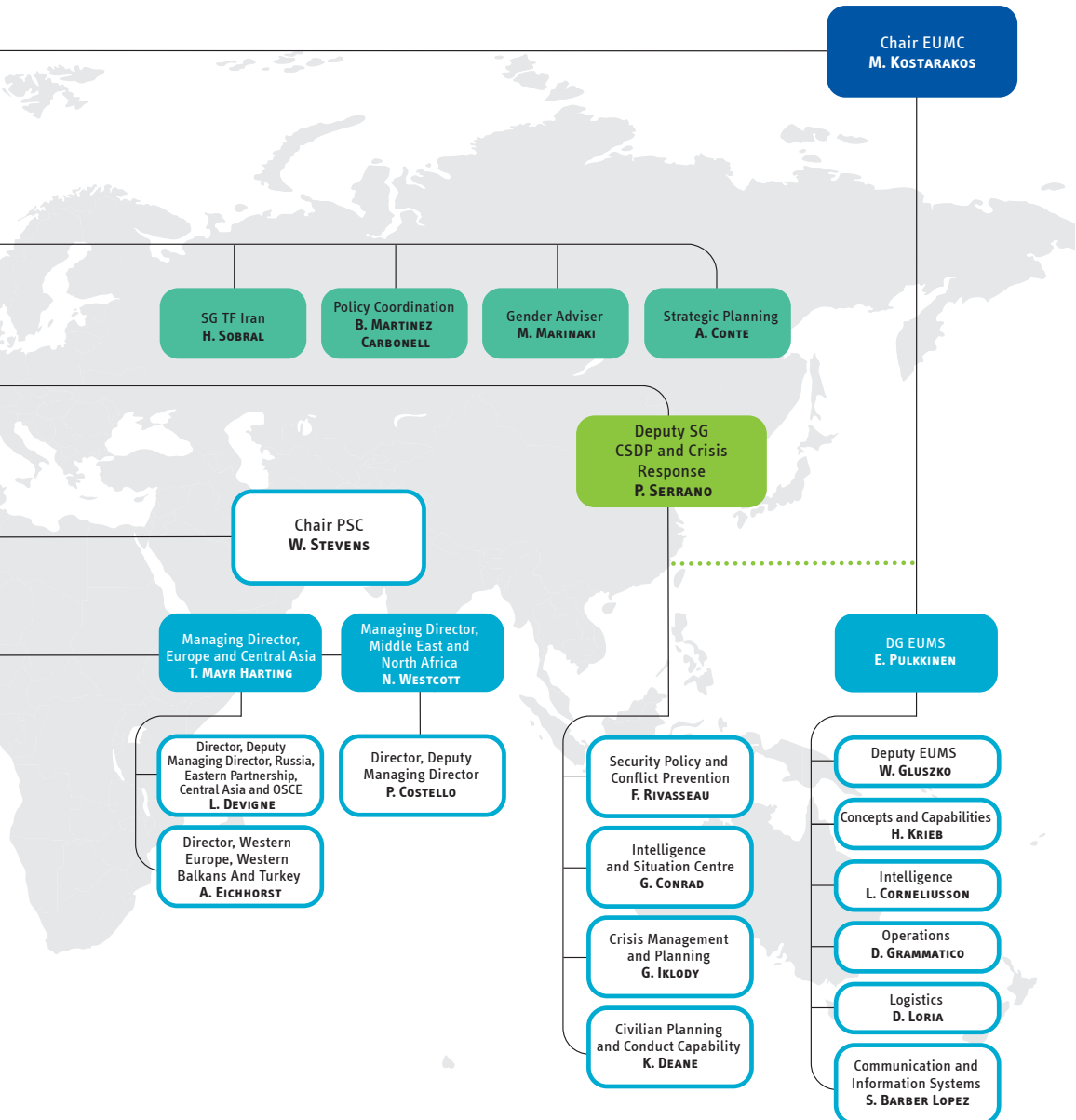
- GREY : Commission Service reporting directly to HRVP ASHTON

FIGURE II.4: EEAS ORGANISATIONAL CHART (AS OF 1 NOVEMBER 2016)



**NOTE:** This is a simplified version of the EEAS organisational chart that does not include all divisions of the EEAS. EU Special Representatives also report to the HR/VP. Additionally, the Special Envoys, CSDP agencies and the Activated EU Operations Centre work closely with the EEAS.

Source: EEAS Organisation Chart, accessed 1 November 2016





# III. The functional scope

## III.1 CSDP OPERATIONS AND MISSIONS

In the general framework of the Common Foreign and Security Policy (CFSP) defined in the 1992 Maastricht Treaty, EU member states formulated – first at the 1998 Franco-British Summit in Saint-Malo and then at the EU level – a European Security and Defence Policy (ESDP), subsequently renamed Common Security and Defence Policy (CSDP) in the Lisbon Treaty. According to the TEU, CSDP shall provide the Union with ‘an operational capacity drawing on civilian and military assets’ that can be used on ‘missions outside the Union for peace-keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter’.

Although CSDP is theoretically much broader, in practice it has taken the form of military and civilian operations undertaken by the EU and covering a wide spectrum of activities aimed at contributing to the security and stability of third countries, mainly in the Balkans and Sub-Saharan Africa.

Since 2003, the EU has launched and run 34 CSDP operations, 12 of which were military, 21 civilian, and one – in Darfur – mixed. Since the entry into force of the Lisbon Treaty on 1 December 2009, six military operations and six civilian missions have been launched. In total, there are 16 ongoing CSDP operations as of September 2016, six military and ten civilian [see Table III.1 and Map III.1, and see pp. 61-5 on civilian CSDP].

### Military operations vs civilian missions

CSDP was initially conceived as a military activity aimed at giving the EU an operational capacity to respond to Balkan-type crises. After a period of relatively intense activity during the first five years of the operationalisation of EU crisis management (between 2003 and 2008), the military component of CSDP has become less prominent. As of September 2016, there are no medium- to large-scale ground military operations deployed under CSDP. Three of the six missions are training operations (EUTM Somalia, EUTM Mali and EUTM Central African Republic), and one (in Bosnia and Herzegovina) has become relatively peripheral. This has left military CSDP with two maritime operations: the anti-piracy operation in the Gulf of Aden under the name EUNAVFOR *Atalanta* and the more recent operation in the South Mediterranean Sea that is mandated to disrupt the networks of migrant smugglers operating from Libya (named EUNAVFOR Operation *Sophia*).

**TABLE III.1: ONGOING CSDP CIVILIAN MISSIONS (SEPTEMBER 2016)**

| Mission                             |                        |                    |                             | Personnel        |              |       |       |
|-------------------------------------|------------------------|--------------------|-----------------------------|------------------|--------------|-------|-------|
| Name                                | End of current mandate | Budget (€ million) | Budgetary period            | EU Member States | Third States | Local | Total |
| EULEX Kosovo                        | 14 June 2018           | 77                 | 15 June 2015 – 14 June 2016 | 588              | 22           | 749   | 1,359 |
|                                     |                        | 63.6               | 15 June 2016 – 14 June 2017 |                  |              |       |       |
| EUAM Ukraine                        | 30 Nov. 2017           | 17.67              | 1 Dec. 2015 – 30 Nov. 2016  | 98               | 4            | 79    | 181   |
| EUMM Georgia                        | 14 Dec. 2016           | 17.64              | 15 Dec. 2015 – 14 Dec. 2016 | 208              | 0            | 109   | 317   |
| EUBAM Rafah                         | 30 June 2017           | 1.27               | 1 Jul. 2015 – 30 June 2016  | 4                | 3            | 7     | 11    |
|                                     |                        | 1.545              | 1 Jul. 2016 – 30 June 2017  |                  |              |       |       |
| EUPOL COPPS Palestinian Territories | 30 June 2017           | 9.175              | 1 Jul. 2015 – 30 June 2016  | 58               | 1            | 42    | 101   |
|                                     |                        | 10.32              | 1 Jul. 2016 – 30 June 2017  |                  |              |       |       |
| EUPOL Afghanistan                   | 31 Dec. 2016           | 43.65              | 1 Jul. 2016 – 31 Dec. 2016  | 122              | 0            | 141   | 263   |
| EUCAP Nestor Somalia                | 12 Dec. 2018           | 12                 | 16 Dec. 2015 – 12 Dec. 2016 | 46               | 0            | 3     | 49    |
| EUCAP Sahel Niger                   | 15 July 2018           | 9.8                | 12 Jul. 2015 – 15 Jul. 2016 | 64               | 0            | 34    | 98    |
|                                     |                        | 26.3               | 16 Jul. 2016 – 15 Jul. 2017 |                  |              |       |       |
| EUBAM Libya                         | 21 Aug. 2017           | 26.2               | 22 May 2014 – 21 Feb. 2016  | 2                | 0            | 2     | 4     |
|                                     |                        | 4.475              | 22 Feb. 2016 – 21 Aug. 2016 |                  |              |       |       |
|                                     |                        | 17                 | 22 Aug. 2016 – 21 Aug. 2017 |                  |              |       |       |
| EUCAP Sahel Mali                    | 14 Jan. 2019           | 29.7               | 15 Jan. 2017 – 14 Jan. 2018 | 82               | 1            | 34    | 117   |



**TABLE III.2: ONGOING CSDP MILITARY OPERATIONS (SEPTEMBER 2016)**

| Mission                                     |                | Personnel                               |
|---|----------------|---|
| Name  | End of mandate | Authorised strength                     |
| EUFOR <i>Althea</i><br>(Bosnia-Herzegovina) | Nov. 2017      | 600                                     |
| EU NAVFOR<br>Operation <i>Atalanta</i>      | Dec. 2018      | 750                                     |
| EUTM RCA                                    | Sept. 2018     | 170                                     |
| EUTM Mali                                   | May 2018       | 578                                     |
| EUTM Somalia                                | Dec. 2018      | 160                                     |
| EUNAVFOR MED<br>Operation <i>Sophia</i>     | July 2017      | 5 ships, 3 helicopters,<br>3 air assets |

EU operations and missions are established by the Council of the EU acting unanimously in response to a proposal from the High Representative of the Union for Foreign Affairs and Security Policy or an initiative from a member state (see Box III.1 on ‘Establishing a CSDP mission’, pp. 52-54). In legal terms, operations are established on the basis of a combination of a Council decision and either an invitation by the host state or a UN Security Council (UNSC) resolution under Chapter VII of the UN Charter. No CSDP operation has to date been created in the absence of the consent of the host state. Once established, CSDP operations are placed under the political control and strategic direction of the Political and Security Committee (PSC).

Military and civilian operations are financed differently. While military operations are mainly financed by contributing member states (with only a small portion of common expenses being shared among all member states through the ATHENA mechanism), civilian missions are financed through the CFSP budget as well as through seconded personnel.

CSDP operations are deployed in an international environment characterised by the presence of a multitude of other actors involved in crisis management at different legal, political and operational levels. Five of the six CSDP military operations and the civilian missions in Afghanistan, Kosovo, Somalia, and Mali operate in conjunction with a United Nations, NATO, or African Union (AU) presence (see Map III.2). This reflects a degree of burden-sharing among institutions based on comparative advantages but also calls for a certain level of inter-institutional coordination (see section on ‘The NATO dimension’ on pp. 58-60, Box III.2 on EU-UN relations on pp. 56-7 and Box IV.5 on EU-AU relations on pp. 138-9).

On the whole, CSDP has become an important instrument in the EU's external action toolbox and its operations are the most visible manifestations of EU activity in fragile states. However, the last five years have also highlighted a number of challenges that show the limits of what the EU and its member states are able and willing to do to make the world more secure.

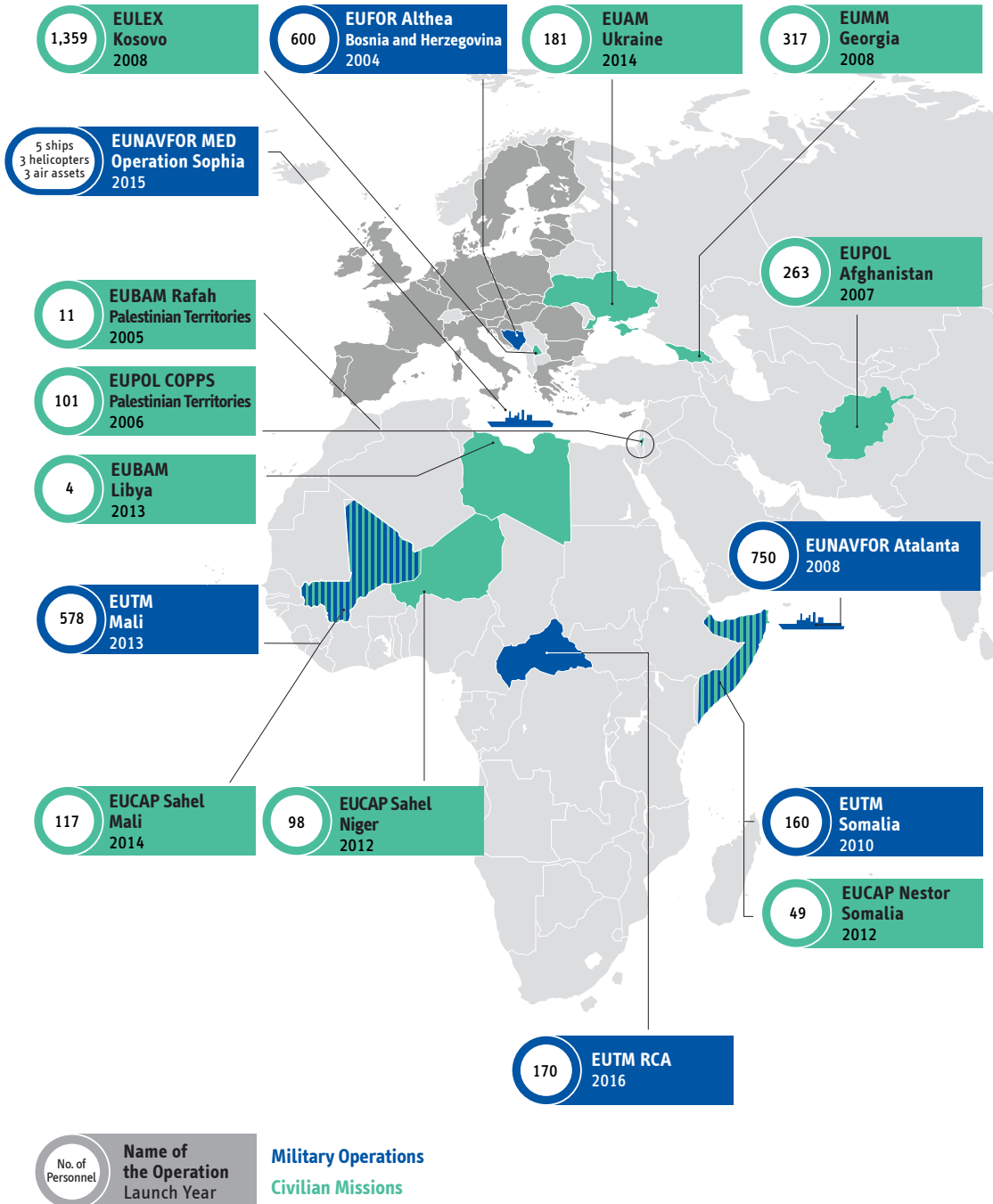
## Coordination and coherence

The effectiveness and impact of CSDP operations require a certain level of strategic purpose and consistency between the EU's various external action components. In December 2013, a Joint Communication of the European Commission and the HR/VP on the 'comprehensive approach to external conflicts and crises' defined the *comprehensive approach* as an ambition to make the EU's 'external action more consistent, more effective and more strategic' by 'drawing on the full range of its instruments and resources.'

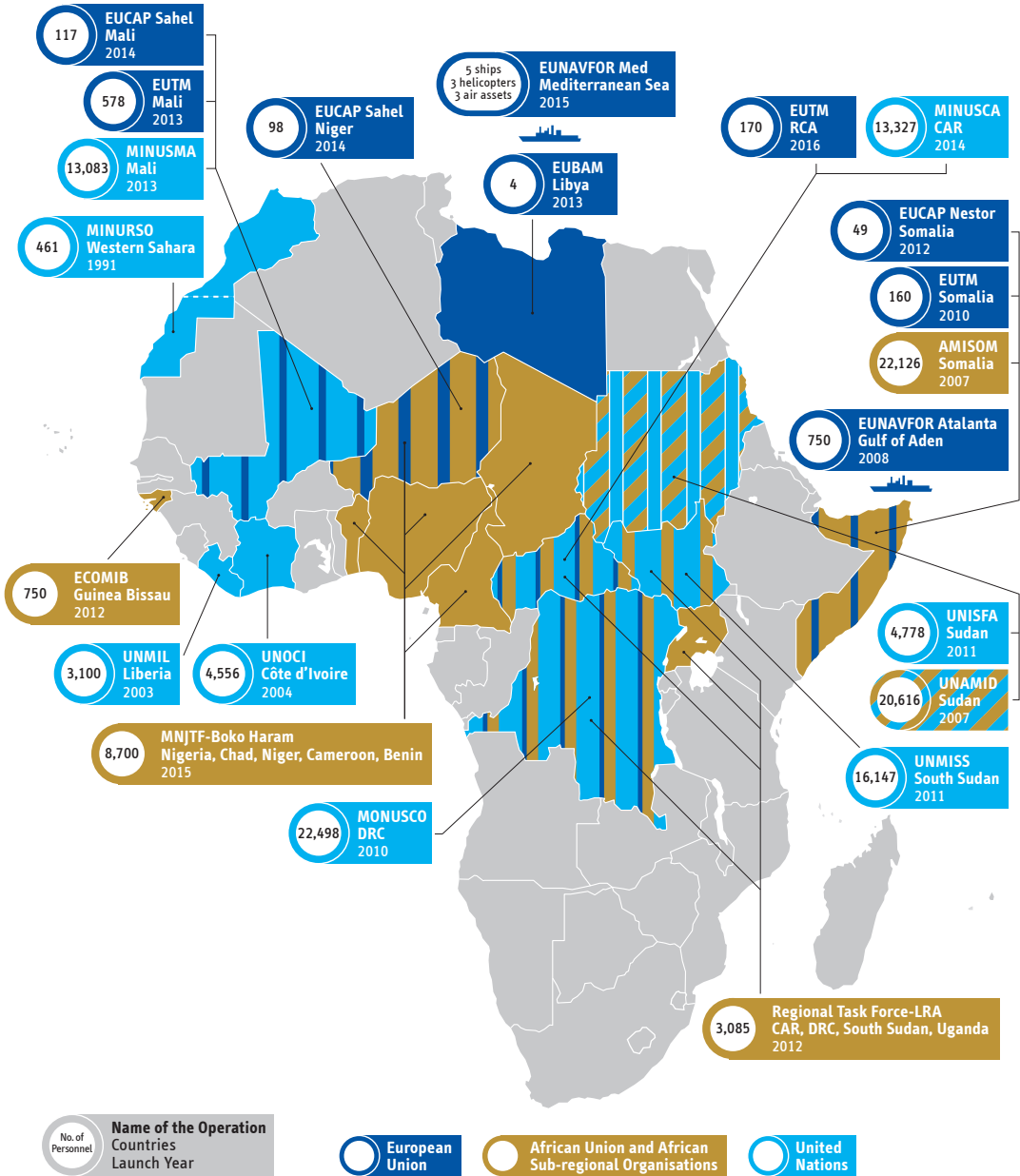
In practice, the CSDP component of the comprehensive approach implies increased coordination within a CSDP operation as well as between an operation and other EU actors such as member states, the on-site EU Delegation, and the European Commission. In the case of military operations, the civil-military interaction represents a key element too. Yet the comprehensive approach is more a guideline or a process than an end goal proper. Political, cultural, administrative, and even personality-related obstacles are likely to act as inherent constraints on its full implementation.

In the meantime, progress is visible on various fronts, and EU policy in the CSDP domain has been more integrated in 2016 than it probably ever was before. Recent evolutions, such as the increasing participation of Commission staff in CSDP-related planning and working groups, the socialisation process between military and civilian personnel within the European External Action Service (EEAS), the mutual acknowledgement of the connections between security and development, and the elaboration of regional strategies have all to some extent contributed to shaping a culture of coordination that is not comparable with what existed thirteen years ago, when the first ESDP operations were established.

MAP III.1: ONGOING CSDP OPERATIONS AND MISSIONS (AS OF 31 OCTOBER 2016)



MAP III.2: PEACE MISSIONS IN AFRICA (AS OF 31 OCTOBER 2016)\*



\*Data on UN operations and missions are as of 31 July 2016.

## Member state support

CSDP is to a large extent a member state-led process. The term ‘political will’ – or the lack thereof – is abundantly used to signify this inescapable link between states’ postures and common EU action. From the decision-making process leading to the establishment of an operation to the provision of capabilities, financial resources and political support for the operation itself, the role of member states is central. In practice, this means that an operation can hardly be established and run if it is not supported by at least a few member states that are ready to pull their political weight – and provide the human and financial resources – to make it happen.

Whenever used appropriately, the intergovernmental nature of CSDP generates a political leverage that becomes a source of strength. However, many CSDP operations suffer from insufficient political support from a majority of EU member states, in both the military and civilian spheres. This impacts on the overall number of operations, their level of ambition, as well as on the type of resources at their disposal.

Almost all operations established since 2010 have encountered difficulties in finding the required resources. The difficult force generation process of EUFOR RCA in 2014 was revealing in this respect. Similarly, civilian missions have to contend with recurrent human resources shortfalls, and quite a few missions are understaffed as a consequence.

Member states’ limited and conditional commitment has also translated into an insistence on short mandates, even for operations that by design – in the security sector reform (SSR) domain for example – would require a long-term presence.

At least three sets of reasons account for this state of affairs. First, member states’ different strategic cultures inherently limit the cases where an EU operation benefits from broad political support. Simply put, what matters to some states does not necessarily matter to others; consequently, CSDP often tends to reflect the lowest common denominator. In the military sphere, most EU states have developed a risk-averse approach to their crisis management policies, which complicates their engagement in military operations that carry potential risks to their own troops.

Second, there is a financial aspect to member states’ limited appetite for CSDP operations. All institutions and public policies have been affected by budgetary austerity since the financial crisis of 2008, and CSDP has not been immune from this. This is particularly the case for military operations where expenses are not shared among all EU members.

Third, fifteen years after ESDP/CSDP was launched, the extent to which it has indeed become a ‘common’ policy is not empirically demonstrated. Depending on the situations and member states, either the EU or other crisis management actors are considered and used. In this exercise, the EU is one among various other options, and not necessarily or always the preferred one. Na-

tional policies, NATO, ‘coalitions of the willing’ and to a lesser extent the UN are equally important security policy options. Indeed, there are cases in which some states are more active through NATO or national channels than through existing CSDP operations or missions.

In an attempt to reinvigorate CSDP, defence was put on the agenda of the December 2013 and June 2015 European Councils, so that CSDP – beyond its operational dimension – could be discussed at the level of heads of state and government. Three main focus areas were identified: (i) CSDP effectiveness, visibility and impact; (ii) capability development; and (iii) the strengthening of Europe’s defence industry. The process of developing the EU Global Strategy on Foreign and Security Policy (eventually released in June 2016) was also partly inspired at this stage.

### Box III.1. Establishing a CSDP mission

CSDP operations and missions are formally created by the Council of Ministers of the EU, typically in Foreign Affairs Council formation, acting unanimously (Denmark has an opt-out on matters ‘having defence implications’). The creation and deployment of a CSDP operation are the result of a well-defined process that combines a political assessment of the situation, various planning steps, and decision-making procedures. This process is placed under the responsibility of the Council and the High Representative, and conducted in accordance with Crisis Management Procedures that were revised in 2013. While procedures are similar for military operations and civilian missions alike, there are slight variations on certain issues.

To start, a CSDP operation shall not be considered as *the* response to any kind of problem, but only as one possible option, alongside other policy alternatives such as *inter alia* diplomatic or humanitarian action, restrictive measures (sanctions), or abstention. In ideal circumstances, the first exercise permits the EU to assess whether the CSDP route is best suited to a particular situation. This exercise can be done through a process called the ‘Political Framework for Crisis Approach’ conducted by the EEAS, but it is not a prerequisite for CSDP action.

If the Council decides that a CSDP operation is the way to go, various military and civilian entities of the EEAS will then plan the operation under the authority of the Political and Security Committee (PSC). Planning defines the objectives, modus operandi, and required assets of a CSDP operation. It takes place at two different levels, strategic and operational. At the strategic level, the main planning document is the Crisis Management Concept (CMC) that analyses and proposes various political and strategic CSDP options, prior to the creation of the operation. It is produced by the Crisis Management and Planning Directorate (CMPD) of the EEAS in consultation with the EU Military Staff (EUMS) in the case of military operations, and with the Civilian Planning and Conduct Capability (CPCC) for civilian missions.

The CMC is submitted by the High Representative to the PSC and then to the Council which can approve it and hence formally establish an operation. The Council would at this stage also appoint an Operation Commander (or Head of Mission for civilian missions) who will lead the operational phase of mission planning – which entails the production of the Concept of Operations (CONOPS) and Operational Plan (OPLAN). The Operation/Mission Commander also runs the force generation process that aims at obtaining, from the member states, the assets required to deploy the operation.

At the operational level, planning is run differently in the military and civilian domains. In the military domain and in the case of ‘major’ operations, planning is conducted externally through two possible mechanisms. The first is the EU’s option to resort to NATO planning assets as per the terms of the 2003 EU-NATO Berlin Plus agreement (only operation Althea in Bosnia corresponds to this option today). The second option is to resort to one of the five national headquarters (from France, Germany, Greece, Italy and the United Kingdom) earmarked for EU autonomous operations. A third option, never implemented to date, is to draw on the EU Operations Centre. The smaller non-executive military operations (training operations) are commanded from in-theatre and have a Brussels supporting element without the need for activating an operational headquarters.

Civilian missions are planned by CMPD and then by the Civilian Planning and Conduct Capability which also runs the missions. The Director of CPCC is formally Head of all operations, but each civilian mission has a Head of Mission in situ. The reporting system is also slightly different. In military operations, the Operation Commander reports directly to the EU Military Committee (EUMC) at regular intervals, and may be invited to EUMC and/or PSC meetings, as appropriate. In contrast, in civilian missions, the Civilian Operations Commander (Director of CPCC) reports through the HR to the Council as well as the PSC.

Member states are associated at various stages of the establishment and conduct of an operation and play a key role in shaping their mandate. The PSC, the EU Military Committee (for military operations) and the Committee for the Civilian Aspects of Crisis Management – CIVCOM (for civilian missions), are all composed of representatives of member states. They exercise tight control of all planning documents, and formally endorse most of them. All operations and missions are furthermore placed under the political control and strategic direction of the PSC. Other EU entities such as EU Delegations in the field, the European Commission, or the Athena Mechanism (dealing with the common costs of military operations), are also involved in the process respective of their own areas of expertise.

Alongside the above-described normal planning procedure, there exists at least two other ways to create a CSDP operation. One is via a ‘fast track’ procedure: this limits the number of planning stages so as to speed up the process in an emergency situation; the second one is defined by article 44 TEU. It allows a group of member states to be entrusted by the Council to conduct an operation on behalf of the EU while still remaining outside of the EU planning and conduct structure. In any case, the EU operation would still be formally created by the Council acting unanimously.

A CSDP operation is established through two Council decisions that in sequence establish the operation, and launch it. The first decision is adopted at an early stage of the planning on the basis of the CMC to legally form the operation and start the operational planning; the second one is adopted upon the recommendation of the Head of the operation when all planning documents are in order; it formally launches the operation. That decision provides information about the mandate of the operation, its Head and designated Operation Headquarters (for military operations), political control and strategic direction, participation of third states, financial arrangements, and duration. Mandates are usually of a one- or two-year duration, and are renewable.

Mandates are regularly assessed through ‘strategic reviews’ that may lead to their modification or termination. An operation is terminated by a decision of the Council either at the expiration of its set mandate or at any other moment if the Council so decides. [TT]

## Measuring impact

The impact of CSDP operations is open to debate. Methodologically, measuring the impact of any crisis management activity is difficult and entails an element of subjectivity. Overall, when assessed on the basis of their mandates, CSDP operations have by and large delivered in an efficient manner. Military operations have implemented their mandate more or less in accordance with set objectives. They have all arguably contributed to the security and stability of the areas where they were deployed. The anti-piracy Operation *Atalanta* and EUFOR RCA are cases in point, with mandates that have tangibly and positively impacted the local environments. The two training missions in Somalia and Mali have indeed delivered on their training mandates and contributed to the reorganisation of Somali and Malian armed forces, despite it being impossible to equip them (although this may soon become a possibility under a new regulation that, if adopted, will allow the EU to equip military forces of third countries with non-lethal military equipment, in particular when a CSDP operation trains those forces). The fact that the long-term impact of training missions is probably less evident is a different question that is not directly related to mission performance.



In the civilian sphere, whenever political and security conditions have permitted, mandates have been implemented efficiently, and CSDP missions have filled gaps in areas where other actors are less well-equipped. Capacity-building missions with a reform agenda are the ones facing the most difficult task of changing individual and institutional behaviours, yet they are part of broader and longer-term stabilisation efforts. Kosovo is a case in point: despite the ongoing challenges, what EULEX has delivered tangible results in almost ten years in a place with significant political, administrative and societal problems.

In more general terms, given the scope of CSDP mandates and the magnitude of security needs in most countries where missions are deployed, the assessment of their performance can hardly be made at the macro level, i.e. their impact on the host country's or region's peace and security. This is all the more true as, in most cases, CSDP operations have remained 'sub-strategic' in the sense that they have not taken the form of large-scale operations nor have they been drivers of major changes in the recipient state(s) or region(s). Operations in the Balkans or in the Gulf of Aden have come close to 'strategic' activities as they are about the stability of areas of vital importance for the EU and have entailed a certain level of engagement over time. However, most CSDP operations are too small or short-term to mark a 'strategic' involvement by the EU. And while it is understood that the EU's external action must fall within an overall strategy, CSDP operations are at best one element of that strategy, not *the* strategy in itself.

All these limits notwithstanding, CSDP operations and missions have nonetheless allowed for the development of EU expertise in a number of key areas such as security sector reform, the rule of law, military and civilian training, maritime security and border management. These activities are central to crisis management and are likely to become even more prominent in the coming years. Through operations in Niger, Mali, Somalia and the Gulf of Aden, the Democratic Republic of the Congo (DRC) and Kosovo, the EU has acquired know-how that defines its comparative advantages in the broader landscape of crisis management actors.

In addition, the diversity of political, economic and security instruments has enabled the EU to respond in a multi-faceted manner to situations where other crisis management actors are less well-positioned. The emerging 'comprehensive approach' creates the potential for a multi-layered response that has already been observed in the Balkans, the Horn of Africa and in the Sahel. There is a theoretical match between the multidimensionality of crises and the multidimensionality of EU instruments that *de facto* makes the EU a potentially prominent crisis management actor.

## Assessing relevance

Finally, the extent to which CSDP operations are and have adapted to evolving security needs has been debated from the outset, especially since the 11 September 2001 attacks challenged the pertinence of CSDP in the face of terrorism. More recently, the challenges generated by Russia's

behaviour and the related ‘hybrid threats’, the mutation of terrorism and major flows of irregular migration have raised the question of the EU’s policy response and the place of CSDP within it.

Against this backdrop, several CSDP operations have been created, or adapted, to respond to new security needs. Operation EUNAVFOR Med Sophia in the South Mediterranean, mandated to disrupt the networks of migrant smugglers and train the Libyan Coast Guard, is a case in point. Similarly, the mandate of EUCAP Sahel Niger – which was already about capacity building in counter-terrorism – has been modified to include tasks pertaining to migration.

These evolutions take place at the heart of the internal-external security nexus, which indicates that the divide between what falls within EU ‘domestic’ affairs and what falls within ‘foreign policy’ is increasingly blurred, and therefore also require better coordination with EU entities operating primarily inside the EU. As a consequence, CSDP operations are increasingly interacting with Justice and Home Affairs agencies – FRONTEX in particular, but also EUROPOL and EUROJUST – in the management of current threats. Yet the fight against terrorism also shows the limits of the EU’s relevance. France’s invocation of article 42.7 of the Lisbon Treaty following the November 2015 Paris attacks did not ultimately lead to any CSDP engagement. Similarly, the EU response to the Russian annexation of Crimea in 2014 led to economic sanctions but not to CSDP action, as NATO proved to be the preferred option in terms of strategic deterrence.

In the years ahead, the extent to which CSDP operations will manage to demonstrate their added value in this increasingly connected, contested and complex world will determine their role and centrality in the broader crisis management field and, therefore, also their relevance to the security of European citizens.

### **Box III.2. EU-UN relations**

The EU has sought to develop its relations with the UN in the security domain since it started to develop CSDP 20 years ago. This was welcomed by the UN at a time when its complex peace operations were facing operational difficulties and the idea of a global/regional partnership on peace and security was being developed.

In 2003, the EU and the UN signed a Joint Declaration on Crisis Management that defined their relationship both at HQ level and in the field. A Steering Committee, bringing together representatives of the two organisations twice a year to discuss issues of common interest, was also established. Together with regular meetings between the UN Security Council and the EU PSC as well as desk-to-desk communication, the Steering Committee operates as the main instrument of dialogue and policy coordination between the two institutions.

Inter-institutional cooperation has also become common practice in the field, where the two organisations often operate simultaneously and share the burden of security governance in accordance with their respective comparative advantages. From the DRC in 2003 and 2006 – with EU operations Artemis and EUFOR RDC acting alongside the UN mission – to the Central African Republic (CAR) in 2014, the EU has run operations in direct support of existing or forthcoming UN peace operations. In 2008, the EU also took over the UN civilian operation in Kosovo with what has become the largest EU civilian mission ever (EULEX Kosovo). More recently, in Mali, as well as in the CAR (after the withdrawal of EUFOR RCA) the EU has focused on capacity-building and training (with respectively EUTM and EUCAP Sahel Mali; and EUMAM and EUTM RCA) while the larger UN operations undertake the broader stabilisation efforts.

Cooperation between the two institutions has been formalised through successive Action Plans. In 2012 the EU issued its own ‘Action Plan on CSDP support to UN peacekeeping’ that defined scenarios of EU-UN cooperation and laid down recommendations for a mutually beneficial partnership. This then led to a ‘UN-EU Strategic Partnership on Peacekeeping and Crisis Management’ covering the period 2015-2018.

The EU-UN relationship is now solidly institutionalised and has allowed for field cooperation wherever the two actors have been deployed simultaneously. It has however also suffered from the weak presence of EU member states in UN operations and their general reluctance to commit niche capabilities that the UN is lacking and has requested. As of 2013, some European states have deployed troops to the UN operation in Mali in what has been presented as a ‘European return’ to UN peacekeeping. Yet this was managed by individual states rather than by the EU itself. At a more political level, divergences between the two institutions on certain aspects of crisis management and their respective prerogatives have at times also generated tensions.

In 2016, the EU Global Strategy reasserted the EU commitment towards the UN Charter and policies. It states that the EU will ‘strive for a strong UN as the bedrock of the multilateral rules-based order’. In the crisis management domain, the Strategy also states that CSDP could ‘assist further and complement UN peacekeeping through bridging, stabilisation or other operations’. [TT]

## The NATO dimension

The EU and NATO were both founded in the aftermath of World War II to secure peace and prosperity in Europe. However, the two bodies have led very separate existences. For decades, the EU and NATO never met officially as organisations despite both having headquarters located in Brussels just a few kilometres apart. The first formal EU-NATO bilateral meeting took place only in May 2001. Changing global realities, the end of the Cold War, EU enlargement and NATO expansion have since opened up the possibility and indeed the necessity for closer EU-NATO cooperation. Since the enlargement of the EU and NATO in 2004, the accession of Bulgaria and Romania to the EU in 2007 and of Croatia in 2013, both organisations have 22 member states in common. With increasingly overlapping membership and sometimes competing ambitions in the security field, closer cooperation between the two organisations is crucial.

In January 2001, an exchange of letters between the then Swedish EU Presidency and NATO's Secretary General formalised the start of direct relations between the EU and NATO. Since then, much progress has been made, and today the relationship is governed by a comprehensive framework and the so-called Berlin Plus agreement. This landmark agreement was concluded by the EU's former High Representative/Secretary General Javier Solana and NATO Secretary General Lord Robertson on 17 March 2003. The framework built on a process initially launched by the Alliance at its Berlin Conference in 1996 – in the context of the development of a European Security and Defence Identity (ESDI) centred upon the Western European Union (WEU) and based on the so-called CJTF (Combined Joint Task Forces) concept of 'separable but not separate' capabilities and assets – and further developed at NATO's Washington Summit in 1999 and the European Council meeting in Nice in December 2000. Under this general framework, EU and NATO officials meet on a regular basis to discuss issues of common interest. Canada, Iceland, Norway, Turkey and the US – which are members of NATO but not of the EU – participate in all EU-NATO meetings. Austria, Finland, Ireland, Malta and Sweden, which are members of the EU and of NATO's Partnership for Peace (PfP) programme but not of NATO proper, also participate in such meetings. EU member Cyprus, however, is neither a member of NATO's PfP nor does it have a security agreement with NATO on the exchange of classified documents, and it is therefore not allowed to participate in official EU-NATO meetings. Nevertheless, informal meetings including Cyprus do occasionally occur.

Bilateral meetings take place at different levels including foreign ministers, ambassadors, military representatives and defence advisors. Moreover, there are regular staff contacts between NATO's International Staff and International Military Staff, and the European Union's Council Secretariat and Military Staff as well as the European Defence Agency (EDA). Permanent military liaison arrangements have also been established to facilitate cooperation at the operational level. A permanent NATO Liaison Team has been stationed at the EU Military Staff in Brussels since November 2005, while an EU Cell was set up at NATO's Supreme Headquarters Allied Powers Europe (SHAPE) in Mons, Belgium, in March 2006.

### Box III.3. 'Berlin Plus'

As part of the general framework for cooperation adopted on 17 March 2003, the so-called 'Berlin Plus' arrangement provides the basis for EU-NATO cooperation in crisis management by allowing the EU to have access to NATO's assets and capabilities for EU-led operations, including command arrangements and assistance in operational planning. The Berlin Plus arrangement makes it possible for NATO to support EU-led operations in which NATO as a whole is not engaged. These agreements cover three main elements: EU access to NATO planning, NATO European command options and the use of NATO assets and capabilities.

Under the Berlin Plus arrangement, the EU has guaranteed access to NATO planning. This may involve a NATO contribution even to the preliminary work carried out by the EU Military Staff on the definition of military options before an operation is decided upon. In addition, should the operation take place with use of NATO assets and capabilities, NATO will provide the operational planning required. The EU may also request a NATO European command option at SHAPE for an EU-led military operation. The primary NATO candidate for the role of EU Operation Commander is the Deputy Supreme Allied Commander Europe (D-SACEUR), who is by tradition a European. The remaining command elements necessary for an EU force (such as the EU Force Commander and EU Force Headquarters deployed in theatre or the EU Component Commands) may be provided by either NATO or EU member states – notably France, Germany, Greece, Italy and the United Kingdom.

The EU may also request the use of NATO assets and capabilities. For this purpose, NATO has established a list that NATO could decide to make available to the EU should the EU need them. For any given operation, a specific EU-NATO agreement is drawn up to provide the conditions for use of NATO assets and capabilities as well as terms for a possible recall of assets due to unforeseen circumstances, such as a NATO Article 5 contingency in which a NATO member was attacked.

Yet it is increasingly clear that the Berlin Plus arrangement is no longer an adequate instrument to regulate EU-NATO relations. In fact, the EU has only used the Berlin Plus option twice – in Operation *Concordia* in the former Yugoslav Republic of Macedonia (FYROM) (2001-2003) and in Operation *Althea* in Bosnia and Herzegovina (since 2004) – and, in both cases, primarily as a mechanism to hand over an existing allied operation to the Union rather than to plan and conduct one from scratch. [JJA]

Such operational cooperation has indeed been particularly rich in the Western Balkans, including Kosovo, where both NATO and the EU have been simultaneously active since 2008, one with a military peacekeeping force (KFOR) and the other with a civilian mission (EULEX). They also played a role on the ground in Afghanistan, respectively through the International Security Assistance Force (ISAF, from 2003) and a civilian training mission (EUPOL). Naval cooperation has also taken place off the coast of Somalia, in the fight against piracy, and in the Mediterranean Sea, in the fight against human traffickers. And a joint NATO-EU Capability Group compares practices also in the realm of defence procurement, acquisition and research.

Discussions on improving the strategic partnership between the EU and NATO have been going on for many years, with an important impulse given by NATO's Declaration on Alliance Security at the Strasbourg-Kehl summit of 2009, when France formally re-joined the Alliance's military structures that it had left in 1966. In the declaration, NATO leaders acknowledged the importance of stronger and more capable European defence, welcomed the EU's efforts to consolidate its capacities and its potential to confront common challenges, and also asserted their determination to make the NATO-EU relationship a true strategic association, stating that the efforts of the two organisations must reinforce and complement each other.

The new security challenges in Eastern Europe following Russia's annexation of Crimea in the spring of 2014 have brought fresh urgency to the EU-NATO relationship. In a joint declaration by the President of the European Council, the President of the European Commission, and the Secretary General of NATO on 8 July 2016, the leaders of the EU and NATO stated that they believed the time had come to give new substance to the EU-NATO strategic partnership. The leaders said that the two organisations had to step up their efforts to find new ways of working together with a new level of ambition.

It will remain difficult to fundamentally change EU-NATO relations as long as the ongoing dispute between Turkey and Cyprus has not been resolved. UN-led negotiations towards a settlement have showed some progress lately but other sources of tensions in and around Turkey could still affect their outcome. Nevertheless, there is now clearly a joint determination in the leadership of both organisations to improve the bilateral strategic and operational partnership, to achieve closer cooperation and greater efficiency, and to avoid unnecessary duplication. To add substance to that, the implementation of a coordinated 'comprehensive approach' to crisis management – throughout all stages of the conflict cycle – as well as cyberattacks and 'hybrid' threats are now high on the agenda, as they all require the effective application of both military and civilian means.

## III.2 CIVILIAN CAPABILITIES AND CIVIL PROTECTION

### The civilian dimension

The EU Common Security and Defence Policy (CSDP) has developed through two parallel processes – military and civilian – that aim at the same goal but are run separately and differ significantly in some of their key characteristics. The process of revitalising CSDP that started with the European Council in December 2013 and that led to the EU Global Strategy (EUGS) which was published in June 2016 has tended to focus on the military aspects of policy. In the current security environment, civilian CSDP nevertheless remains an essential instrument in the EU toolbox, and even one of strategic importance if properly designed, used, and communicated.

Twenty-one civilian missions have been carried out since 2003 – ten of which are still ongoing as of October 2016, with a total of approximately 2,600 staff deployed. With the exception of the mission in Georgia (EUMM Georgia), mandated to monitor a contested boundary line, EU civilian missions are about capacity-building and strengthening the rule of law of third states that go through a phase of acute instability.

Existing missions support host states in the fields of security sector reform and good governance (practically all missions), the fight against organised crime, counter-terrorism and border management (EULEX Kosovo, EUPOL Afghanistan, EUCAP Sahel Niger, EUBAM Rafah), anti-piracy and maritime capacity (EUCAP Nestor Somalia), and the management of irregular migration (EUCAP Sahel Niger, EUCAP Sahel Mali). This is done through monitoring, mentoring, and advising (MMA), as well as training and in some cases the provision of equipment. EULEX Kosovo is the only mission with executive powers, and also the largest in terms of personnel. On average, CSDP civilian missions are relatively small in size, totalling approximately 120 EU and local staff.

CSDP civilian missions are political instruments under member states' control that are relatively cheap and theoretically flexible. Their intergovernmental nature also serves their credibility *vis-à-vis* local interlocutors as civilian missions are extensions of member states' policies.

The fast-changing security environment poses a series of challenges to civilian crisis management. What should be the level of ambition for civilian CSDP, and how should it evolve? If tomorrow's security challenges are mainly about endemic terrorism and radicalisation processes, transnational organised crime and persistent flows of irregular migrants to Europe, what kind of structures, capabilities, resources and political oversight mechanisms will be required in the next 10 or 15 years?

The current level of civilian CSDP deployment is at 2,600 personnel in ten different locations, spread across Europe, Africa, the Middle East and Central Asia. How likely is it that these numbers will suffice to meet the future challenges, and what is a realistic quantitative objective? Will the EU deploy more people in smaller groups, so as to be reactive and focused, or shall it also contemplate larger missions to maximise impact? More generally, should CSDP at large be more about responding with a sense of urgency to the immediate manifestations of an ongoing crisis, or should it also include addressing its root causes or lasting consequences? In practice, civilian CSDP has largely been used to partly deal with some structural issues (SSR provides a fitting example). Yet such long-term activities have little to do with crisis management proper, which is what CSDP is fundamentally supposed to be about. If CSDP is to embrace all types of responses, then the question arises of what this implies in terms of overall coherence as well as of missions, capabilities, and coordination with other actors.

Moreover, how well suited are CSDP missions to address terrorism, irregular migration, 'hybrid' threats or cybercrime which, by nature, challenge traditional security actors? The internal-external nexus calls for a more self-centred EU approach: CSDP missions would have to be more clearly tailored to tackle issues that have a direct impact on the EU's own security. This is not entirely new as most CSDP missions in the Western Balkans did make the connection between the security of the Union and the immediately surrounding environment. More recently, the adaptation of the mandate of EUCAP Sahel Niger to include migration-related tasks, or ongoing thinking about the role of CSDP in response to migration, provide clear examples of this evolution. If the link between external CSDP missions and internal security is to become more central, then the way missions are being planned and manned needs to be revisited, in particular in connection with Justice and Home Affairs (JHA) agencies or national ministries and the type of expertise that comes with them.

Most importantly, a more EU-centric security agenda is likely to reduce local buy-in as it may diverge from the host country's own threat perception. In Africa, in particular, CSDP missions too heavily focused on containing migration would not necessarily be perceived as the most appropriate or urgent response to local needs. Furthermore, counter-terrorism could attract most attention at the expense of other equally destabilising factors that are of secondary importance for the EU. The challenge is therefore to strike the right balance between serving the EU's own security agenda and meeting the needs of the third countries concerned.



### Box III.4. The EU and civil protection

A parallel yet complementary dimension of the EU civilian approach to crisis management is related to civil protection. First launched and developed as a primarily internal set of instruments and mechanisms, it has subsequently come to embrace also the Union's neighbouring and surrounding regions, while its specifically humanitarian aspects have a truly global scope. Two major environmental incidents dating back to the late 1970s – the dioxin cloud released at a chemical plant in Italy's Seveso (1976) and the Amoco Cadiz oil spill off the French coastline (1978) – prompted the idea that the EC/EU could provide expert assistance and dedicated resources to member states in the event of natural or technological disasters. Following a Council resolution on improving mutual aid between member states in such contingencies, a Community action programme adopted in 1997 established the Union's competence in this field in order to contribute to the protection of persons, environment and property.

A series of natural and man-made emergencies throughout the 2000s – from 9/11 to the 2004 Asian tsunami – focused the EU on boosting its coordination and response capacity. In October 2001 the Council established the Civil Protection Mechanism (CPM), with the Monitoring and Information Centre (MIC) as one of its main tools. In parallel, the EU strengthened its ability to address trans-border threats to people's health or security through specific bodies such as the European Food Safety Agency and the European Centre for Disease Prevention and Control. In 2005, in order to ensure a better coordinated and effective management of multi-sectoral crises, the Commission set up a European rapid alert system (ARGUS). The following year, the Council put in place the EU Emergency and Crisis Coordination Arrangements (CCA) as a way to address the strategic and political dimensions of crisis management. And the so-called 'solidarity clause' eventually enshrined in the Lisbon Treaty [art.222 TFEU], which draws upon the language of a Council declaration released after the 2004 terrorist attack in Madrid, now imposes a legal obligation on the EU and the member states to act jointly if a member state is the object of a terrorist attack or the victim of a natural or man-made disaster. Rules and procedures for its implementation were agreed in July 2014.

The 2013 review of the CPM and its related financial instrument led to the establishment of the European Emergency Response Capacity, a voluntary pool of different types of means and know-how. Moreover, the Emergency Response Coordination Centre (ERCC, the former MIC) now provides a 24/7 capacity to monitor and coordinate action and operates as the central point of contact in case art.222 is activated. For their part, the EU Integrated Political Crisis Response arrangements (IPCR, successor to the CCA) aim to ensure a timely, coherent and effective political response, while a Council-owned Web Platform can be used during crises as

well as on a day-to-day basis to help develop relations between stakeholders. Since 2015, under the CPM, the member states have provided considerable in-kind assistance and technical expertise to Greece (but also Western Balkans countries) in relation to the migrant crisis, while the Commission also mobilised its emergency fund to support Greece and, in October, the Luxembourg Presidency of the Council triggered the IPCR arrangements in information-sharing mode. The latest tool in the EU kit is the March 2016 Council regulation that allows emergency humanitarian support within the EU territory (including food, shelter, water, and medicine) in urgent and exceptional circumstances with severe humanitarian consequences.

Lately, however, the deteriorating security environment in the Union's immediate and extended vicinity prompted the creation of the EEAS Crisis Response System (CRS). The CRS ranges from prevention and preparedness to response and recovery, with a view to building a comprehensive crisis response and management capability. One of its key elements is the so-called Crisis Platform that brings together different EEAS and Commission services (from ECHO, DEVCO, FPI etc) and provides them with political and/or strategic guidance – while worldwide monitoring and current situation awareness is permanently assured by the EU Situation Room, which acts as an information hub for all relevant stakeholders. For its part, the Commission's DG ECHO provides relief assistance through two instruments, which until 2010 were administered separately: humanitarian aid and civil protection. These provide assistance to disaster victims around the world, and support and coordinate the civil protection systems of EU member states.

Finally, following inter-service consultation, in 2016 the EU adopted an operational protocol for addressing and countering 'hybrid' threats – the so-called EU 'playbook'. A newly created EU Hybrid Fusion Cell (somewhat matching the one established by NATO) is the designated focal point for intelligence collection and analysis. If response is called for, existing procedures apply for respective crisis arrangements – including IPCR, ARGUS and CRM. [PP]

## Civilian ends and means

In this context, the May 2015 Foreign Affairs Council noted the 'significant [EU] engagement in civilian CSDP missions and the broad range of tasks that they are increasingly called upon to fulfil' before calling for 'revisiting the priority areas which were endorsed by the European Council in Feira' in 2000 (which were police, the rule of law, civil administration and civil protection). Police and rule of law are still prominent in CSDP missions, but the other two – civil administration and civil protection – have never been central. In reality, this kind of work already started some years ago within the framework of the 2012 Civilian Capability Development Plan (CCDP) as well as within missions. This led in 2015 to the identification of 'generic civilian CSDP tasks'

on the basis of which a 'Requirements List' of the capabilities needed is being elaborated, to be then compared with what is currently available in order to identify possible shortfalls.

However, the level of attention that civilian CSDP attracts has remained rather low and only very few member states have developed a genuine interest in and expertise on the topic. The deployment of civilian missions has often been difficult and slow, principally as a result of shortfalls in human resources and also of the EU structure itself (mission support, logistics). Human resources constitute the bulk of civilian capabilities, and these come mainly from the member states. At this level, the wide distribution of staff involved in civilian missions among various ministries (Defence, Interior, and Justice) complicates the coordination and centralisation of human resources management. Issues pertaining to the availability of experts, the benefits of serving in civilian missions for career advancement, and the safety of the various postings have often impacted negatively on recruitment. Most importantly, member states have proven reluctant to relinquish control over the missions and their own personnel, thus limiting the number of contracted personnel in CSDP missions (in stark contrast with Commission practices). At issue is also the quality of the expertise available and how to develop and sustain it in capitals, in Brussels, within missions and in EU Delegations: the efforts made in this respect by the European Security and Defence College (ESDC) over the last ten years have helped both in terms of forging wide civilian expertise and setting standards, as well as fostering civil-military relations.

### **III.3 DEFENCE CAPABILITIES AND INDUSTRY**

Defence capabilities are a vital component of the CSDP because military operations are difficult, if not impossible, to conduct without them. Yet as of today, the EU does not directly own military capabilities. Member states are still responsible for developing, producing, and/or procuring and maintaining capabilities for national operations, coalitions of the willing and/or international organisations such as the EU, NATO and the UN as well as ensuring their operational readiness. It is important to bear in mind that military capability development is a voluntary, bottom-up process that presumes a great deal of transparency and political will on the part of the member states. While it is to be expected that member states still largely develop military capabilities on the basis of their own defence, this makes it challenging to develop a European-wide consensus on what capabilities should be developed and/or procured, and, perhaps more crucially, to what operational end.

### Box III.5. Military capability development

A number of important steps towards defence capability generation have been taken at the EU level since the launch of ESDP/CSDP. At the European Council summits in Cologne (1999) and Helsinki (1999), member states acknowledged the need for the EU to act autonomously – especially after Europe's shortcomings during the Yugoslav crisis. In particular, at the Helsinki Council, member states adopted the 'Helsinki Headline Goal', which detailed a number of quantitative capability targets to be met by 2003. Chief among the targets was the EU's ambition to be able to deploy up to 60,000 service personnel within 60 days for up to a year, who would be responsible for carrying out what were known as the 'Petersberg Tasks': crisis management, peacekeeping and peace-making, disarmament, etc. To assist the member states with these projections, a European Capability Action Plan (2001) was developed to not only reaffirm the Helsinki Council conclusions, but to put in place a plan that encouraged (albeit on a voluntary basis) EU member states to meet capability shortfalls.

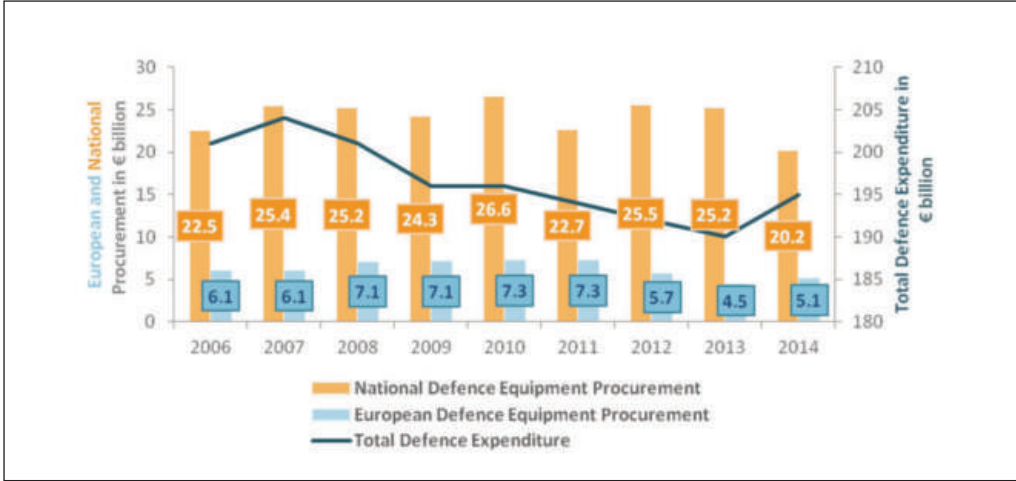
Following the successful completion of the Helsinki Headline Goal, the June 2004 European Council in Brussels set a new 'Headline Goal 2010'. Following the absence of any meaningful reference to defence capabilities in the 2003 European Security Strategy, the Headline Goal served as the main policy vehicle through which to set quantitative targets and to stress the importance of interoperability between EU member states' armed forces. In the same year, all EU member states except Denmark established a specific intergovernmental agency for defence capability called the European Defence Agency (EDA). The EDA would be seen as a useful institution through which to steer the Capability Development Mechanism (CDM), which had been outlined in 2003, and to launch capability programmes. The CDM served as the quantitative backbone to the EU's capability development efforts by not only listing gaps in a 'Requirement Catalogue', but also detailing existing capabilities in a 'Force Catalogue', and the steps taken to fill existing gaps in a 'Progress Catalogue'.

After 2004, the EDA played a more important role in capability development and in 2008 the Agency released a Capability Development Plan (CDP). This plan not only provided for a more detailed listing of priority capability areas (mine countermeasures, helicopters, medical support, network enabled capability, etc.), but it sought to scope out potential opportunities for pooling and sharing among the EU member states. In order to give such efforts a legal basis, the Lisbon Treaty introduced innovations such as Permanent Structured Cooperation (PESCO). As a distinct protocol in the treaty, PESCO allows like-minded member states to pursue defence cooperation through binding commitments on a voluntary basis. However, to date, PESCO has not been utilised by any of the EU member states.

There has been mixed success on defence capability development since 2003. While the EU did successfully meet the objectives of the Helsinki Headline Goal, stimulating capability cooperation has been much more challenging. The conditions for military capability development vary greatly but usually include Europe's largest military and industrial actors. The norm is for smaller groupings of member states and industrial actors to develop capabilities. For example, in the 1980s Germany, Italy, Spain, and the UK decided to jointly develop the *Eurofighter* jet and Belgium, France, Germany, Luxembourg, Spain, and Turkey supported the development of the Airbus A400M strategic airlift plane. In the 2000s, France and Italy jointly developed the FREMM multipurpose naval frigate. More recently, the governments of Germany, France, and Italy announced that they would jointly develop a remotely-piloted aircraft system – the so-called 'Eurodrone' – by 2025, although France and the UK are investing in the development of an unmanned aerial combat system as well. While these individual programmes have done much to fill critical capability gaps, there is still the risk that efforts are fragmented and lacking an overarching rationale.

Progress through the EU has also been slow at times because capability development occurs on a voluntary basis and national procurement expenditure is still overwhelmingly focused on national programmes (see Figure III.1 below). Nevertheless, some important steps have been taken which do embody genuine cooperation between EU member states. For example, in 2011 20 participating countries established the European Air Transport Fleet (ETAF) based in Eindhoven, under the auspices of the EDA. The ETAF not only serves as a single operational command for numerous air fleets in Europe, but it boosts interoperability through operational training exercises and the harmonisation of European regulations and techniques related to airlift. Additionally, the EDA is working on capability programmes in areas such as air-to-air refuelling, remotely piloted aircraft systems, government satellite communication (GovSatCom) and cyber defence.

**FIGURE III.1: EUROPEAN DEFENCE EQUIPMENT EXPENDITURE (2006-2014)\***



Source: European Defence Agency, 2016

Note: \*Nominal rates. All figures represent expenditure in the 27 participating member states of the EDA – i.e. all EU member states except Denmark.

The EDA is not alone in developing defence-relevant technologies and capabilities. Through its own financial resources and research programmes, the European Commission is developing important technologies that could greatly improve the effectiveness of the CSDP, especially in the space domain. For example, although the *Galileo* satellite navigation system programme is principally designed for civilian purposes, its proposed public regulated service will assist with security issues such as crisis management and border control. The Commission has also helped develop *Copernicus* (providing the EU with earth monitoring capabilities), which can play a crucial role in crisis management by providing the EU Satellite Centre in Torrejón, Spain, with data and imagery. The Commission’s work in the domain of space assets will be of increasing relevance between 2017 and 2025 given that military and GovSatCom assets will need to be renewed. The European Commission is also launching a Preparatory Action on Defence Research in 2017 which could see the creation of a fully-fledged European Defence Research Programme and greater influence over defence research and capability development.

### The industrial dimension

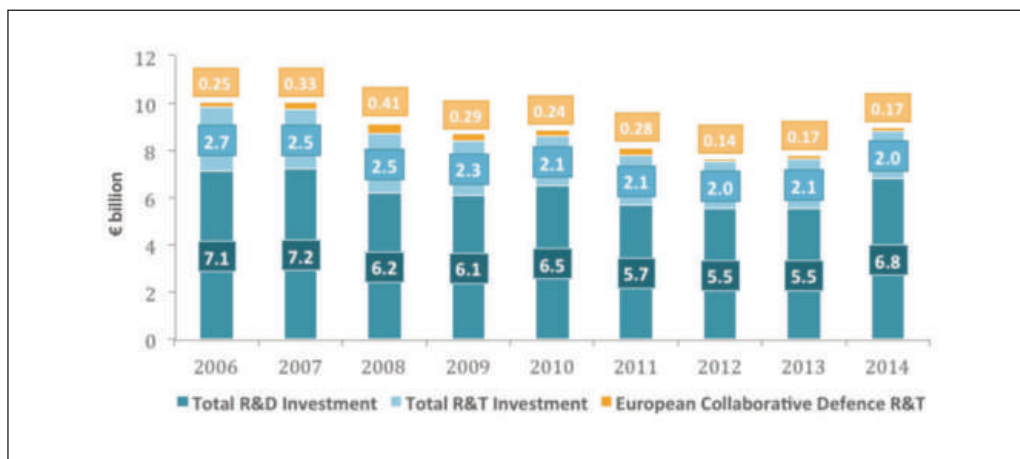
The acquisition of defence capabilities can be costly without industrial capacity and an efficient defence market, and in the absence of cost effective and efficient capabilities, operations are strained. To this end, the European Defence Technological and Industrial Base (EDTIB) refers to Europe’s industrial capacity to develop, produce and maintain key defence capabilities. Yet the defence sector in Europe is notoriously fragmented, which has led to rising procurement costs and a duplication of capabilities. Additionally, Europe’s defence market is concentrated in France,

Germany, Italy, Spain, Sweden and the UK, which collectively account for 87% of total European defence production. Nevertheless, it is estimated that in 2014, the European defence sector directly employed 500,000 people and indirectly employed 1.4 million people while generating a turnover of €100 billion per year.

While individual EU member states continue to develop their own defence capabilities, a number of factors make it difficult for them to maintain a purely national DTIB. The globalisation of defence supply chains, rising costs for vital technologies and cooperation under the CSDP imply that while the defence industry is increasingly global in nature, EU member states can and do frame defence-industrial cooperation at the EU-level. Not only is closer European cooperation on defence-industrial matters seen as a way to potentially reduce costs, but it is also a way to improve the security of supply of defence equipment for Europe’s armed forces. Despite the apparent benefits to European cooperation, however, collaborative efforts remain the exception rather than the rule in areas such as defence equipment procurement [see Figure III.1] and defence Research & Development and Research & Technology [see Figure III.2].

Therefore, while the EDTIB broadly refers to Europe’s defence sector it covers more or less directly Europe’s investment in defence capabilities and R&D, the security of supply of defence equipment, pan-European collaborative capability development programmes, the health of the defence-industrial skills base and the international competitiveness of Europe’s defence-related firms. As the European Defence Agency’s 2007 ‘EDTIB Strategy’ makes clear, there is a need for Europe to maintain a defence sector that can meet the operational needs of armed forces, develop the best technologies and ensure the competitiveness of European firms. Given its emphasis on ensuring security of supply and the operational effectiveness of European armed forces, the EDTIB has emerged as a critical component of the CSDP.

**FIGURE III.2: EUROPEAN R&D AND R&T INVESTMENT (2006-2014)\***



EU legislation plays a key role in shaping the European defence market. Two EU Directives – collectively called the ‘defence package’ – aim to simultaneously ensure that defence procurement is transparent and non-discriminatory (2009/81/EC or the ‘defence procurement directive’) and that intra-EU transfers of defence equipment are unencumbered by trade barriers (2009/43/EC or the ‘defence transfers directive’). Taken together, the two directives aim to liberalise the European defence market while also improving security of supply for the member states. Yet in those cases where defence procurement or transfers touch on highly sensitive information (e.g. the development of nuclear submarines), EU member states can seek a derogation from EU law on the basis of their ‘essential security interests’ under Article 346 TFEU. It should be noted, however, that the European Court of Justice has made it clear that member states can only invoke Article 346 for security rather than economic reasons (i.e. to safeguard key technologies or sensitive information rather than to protect jobs).

Beyond legislation, however, financial resources are increasingly used to support niche technology development and defence-relevant SMEs. SMEs can apply for funding under the European Structural and Investment Funds (ESIFs) as a way to encourage labour re-skilling and leverage regional and central government support to help the defence sector. ESIFs amount to €454 billion from 2014-2020. Despite restrictions on the use of EU funds to produce defence capabilities, dual-use firms can secure funding under the Horizon 2020 research programme (worth €79.4 billion from 2014-2020) for commercial technology development with a defence application. Furthermore, a Preparatory Action on Defence Research will be launched in 2017 with an initial allocation of €25 million. This is the first time the EU will directly fund defence research. Should the Preparatory Action prove successful, the next step would be to develop a European Defence Research Programme under the EU’s next Multiannual Financial Framework (arguably 2021-2027).

Despite this range of EU legislation and financial support, the EDTIB is a contested concept. For example, how can one define ‘Europe’ when many European defence firms maintain global supply chains and when a number of foreign firms – mainly from the United States – have Europe-based subsidiaries? There are a number of tensions at the heart of the EDTIB concept. What is, for example, the right balance between internally liberalising the European defence market and protecting European industry from international competition? Should the EDTIB lead to a preference to buy European defence technologies and equipment despite the fact that many states buy ‘off-the-shelf’ equipment from non-EU suppliers? What is the right balance between supporting the competitiveness of larger national defence markets in Europe and nurturing defence production in small and medium-sized national markets? One of the fundamental challenges facing the EDTIB is how to instil a notion of a pan-European market and security of supply in a domain where national sovereignty has traditionally prevailed.



## Military ends and means

One of the key challenges facing EU defence policy is how military capability needs can respond to the latest technology trends. Capability development cannot occur in a vacuum, especially given that defence R&D efforts and development programmes can take decades to translate into tangible defence assets. Full spectrum capabilities in the air, land and naval domains will continue to be important for the EU, although the technologies that can improve the effectiveness of these systems will increasingly require concerted European cooperation. The technology revolutions currently underway in biosciences, nanotechnologies, robotics and advanced manufacturing will impact on why and how European governments and armed forces develop defence capabilities. In this respect, a range of commercially available technologies and dual-use goods are likely to be an increasingly important part of the EU's defence capability development efforts. At a time when defence expenditure is still in relative decline across the EU, and in the face of a multitude of security challenges, maintaining and developing defence capabilities continues to be a critical element of the CSDP.

In this respect, many of the political questions that were raised at the inception of the CSDP continue to be relevant. Central among these questions are what the EU's level of ambition for defence should be and what level of autonomy is required. Yet answering these questions has not become any easier with time. Europe's political and strategic landscape has been altered by Russia's actions in Ukraine and elsewhere, and by instability in the Southern neighbourhood. Thus, any calculation of the EU's future defence capability needs will be coloured by the broader strategic environment facing Europe. Competing national and industrial interests will always conspire to make an identification of common needs challenging. Nevertheless, a range of interesting policy developments on the horizon such as the Preparatory Action on Defence Research and the implementation of the EU Global Strategy can ensure the continued relevance of EU defence capability development initiatives.

## III.4 NON-PROLIFERATION AND DUAL-USE

A number of additional EU external policies straddle between civilian and military applications as well as different EU (and non-EU) institutions, bodies and jurisdictions.

### The WMD dimension

On 12 December 2003, the European Council adopted its first ever European Security Strategy (ESS). Drafted essentially by Javier Solana and his team, the strategy highlighted a set of five major security challenges for which the EU had to prepare, namely: terrorism, regional conflicts, state failure, organised crime and the proliferation of weapons of mass destruction (WMD). The

strategy further referred to WMD proliferation as potentially the greatest threat to EU security – with an evident allusion to the concerns about existing capabilities in Iraq and, to a lesser extent, Libya. Reflecting this assessment, the European Council, also on 12 December, adopted the first ever EU *Strategy against Proliferation of Weapons of Mass Destruction* (Non-proliferation Strategy).

These non-proliferation efforts were (and still are) founded on three principles:

- strengthening effective multilateralism: implementation of the strategy draws on existing international agreements, including the Nuclear Non-Proliferation Treaty, the Chemical Weapons Convention, the Biological and Toxin Weapons Convention, the Missile Technology Control Regime and UN Security Council (UNSC) Resolution 1540, which requires states to take legislative steps against the proliferation of nuclear, chemical and biological weapons and their delivery systems. The EU also provides technical and financial support to the organisations safeguarding these agreements and actively campaigns for the broader adoption of the conventions.
- promoting international and regional stability: the EU seeks to address the drivers that underlie ambitions to acquire WMD, often rooted in perceptions of insecurity. As such, the EU invests heavily in diplomatic solutions, conflict mediation and regional arms control mechanisms.
- fostering international cooperation: this represents a crucial component for success, enhancing transparency, facilitating confidence-building and collaboration on proliferation risks emanating from administrative or institutional weaknesses.

In order to monitor the new strategy's implementation, HR Javier Solana appointed an *ad hoc* Personal Representative, the Italian EU official Annalisa Giannella. In 2008, in parallel with the ESS review process, the Council endorsed New Lines for Action to combat the proliferation of WMD. The framework aimed to coordinate efforts within the EU on the issues of intercepting proliferation flows and financing, punitive action against proliferation, prevention of illicit transfers of goods or knowledge, international capacity-building to improve export controls and raising awareness in scientific and academic circles. By then, the main sources of international concern were Iran and North Korea.

As a follow-up, and with a view to co-opting the policy research community, in July 2010 the European Council established a European network among four independent think tanks – the Paris-based Foundation for Strategic Research (FRS), the Frankfurt-based Peace and Conflict Research Institute (HSFK), the London-based International Institute for Strategic Studies (IISS) and the Stockholm International Peace Research Institute (SIPRI) – to assist in the implementation of the Non-proliferation Strategy. The EU Non-proliferation Consortium took up its work, in close coordination with the HR/VP, in 2011. Through cycles of international conferences and

consultations, the consortium gathers expertise on the challenges related to the spread of biological, chemical, nuclear, radiological but also conventional weapons. Deducing best practices for export and arms control, including measures to prevent terrorist actors from gaining access to WMD, the research network aims to operationalise these insights for policymakers.

In 2013, the EU further reinforced its non-proliferation agenda by creating a dedicated position within the newly created European External Action Service for a Principal Adviser and Special Envoy for Non-proliferation and Disarmament, given to the Polish diplomat Jacek Bylica.

### **Box III.6. The nuclear deal with Iran**

Addressing the issue of a possible military dimension of Iran's nuclear programme has been the single-largest non-proliferation case for the EU to date. Through its efforts, the EU has played a seminal role in building the diplomatic platform that eventually facilitated the nuclear deal signed by the E3/EU+3 and Iran on 14 July 2015.

The foreign ministers of France, Germany and the UK (the so-called E3) initiated negotiations with Iran after the National Council of Resistance on Iran, the political branch of the Mujahideen-e Khalq (designated as a terrorist organisation by the EU until 2009), revealed secret nuclear facilities close to Natanz and Arak at a press conference in August 2002. In response to mounting international pressure and faced with a deadline by the International Atomic Energy Agency (IAEA) to suspend uranium enrichment and allow access for inspectors to verify full disclosure of its nuclear activities, Iran – then under the presidency of Mohammad Khatami – reached a preliminary deal with the three foreign ministers in October 2003 (Tehran Statement). Yet, an IAEA report in November found Iran – a signatory to the Non-proliferation Treaty since the Shah – in repeated and protracted violation of its safeguards agreement.

Two further attempts to resolve differences, the Brussels Agreement of February 2004 and the Paris Agreement of November 2004, broke down after initial consensus on the suspension of enrichment and restraint of the IAEA Board of Governors in referring Iran to the UNSC. In November of the same year, the EU's High Representative for Common Foreign and Security Policy, Javier Solana, joined the talks as official spokesperson for the E3.

Notiations with the E3, however, came to a sudden halt in August 2005, when Iran began operating its uranium conversion plant in Esfahan, and right after the election of Mahmoud Ahmadinejad as president of the Islamic Republic. Following determinations by the IAEA Board of Governors that Iran had failed to abide by its safeguards agreement and with the agency considering itself unable to verify the peaceful nature of Iran's nuclear activities, the Board in February 2006 referred Iran's case to the UNSC.

Adjusting to this turn in events, the group of negotiating parties was expanded to include the remaining permanent UNSC members China, Russia and the United States, who had broken off diplomatic relations with Tehran in 1980. This constellation has become known as E3/EU+3 or P5+1. Under this arrangement, HR Solana retained his coordinating role for the E3/EU+3 in the talks with Iran about safeguards to assure the international community about the peaceful nature of its current and future nuclear ambitions. Complementing these negotiations, the IAEA investigated the possibility of a past military dimension and monitored Iran's compliance with the interim arrangements emerging from the talks conducted by the E3/EU+3.

The EU has repeatedly adopted restrictive measures in response to Iran's continued enrichment activities, both unilaterally and in conjunction with resolutions passed by the UNSC. Most notably, a 2012 EU sanctions package prohibited member states from importing Iranian oil and from offering indemnity insurances to tankers transporting Iranian oil. Moreover, it excluded most Iranian banks from the Brussels-based financial transaction network SWIFT. Given Europe's virtual monopoly in the provision of protection and indemnity insurances of oil shipments and Iran's dependence on access to SWIFT to settle international payments, these measures had a lasting negative impact on Iran's trade balance and economy overall.

Over the course of 2012, the new HR (and VP) Catherine Ashton and her Iranian counterpart Saeed Jalili, Secretary of the Supreme National Security Council, prepared the platform for renewed negotiations, which led to the resumption of talks between the E3/EU+3 and Iran in February 2013. These developments were surely helped by the election of Hassan Rouhani as president of Iran in August 2013. Rouhani, who himself had served as Iran's first chief negotiator for the nuclear issue, was elected on the promise to engage in earnest negotiations in order to have the international sanctions lifted.

Several rounds of candid discussions, chaired by Ashton, culminated in an interim agreement in November 2013. This Joint Plan of Action was signed by Iran's Foreign Minister Javad Zarif and EU High Representative Catherine Ashton, in her capacity as leader of the E3/EU+3 negotiators. Under the plan, Iran agreed to blend down its stockpile of highly-enriched uranium and allowed for extended IAEA monitoring in return for limited sanctions relief and a moratorium on further nuclear-related sanctions.

Following several IAEA reports attesting Iran's good standing, in April 2015 Iran and the E3/EU+3 reached an understanding about the general framework for an eventual agreement, which was announced in a joint statement by the new EU High Representative Federica Mogherini and Iranian Foreign Minister Javad Zarif. This final deal, the Joint Comprehensive Plan of Action (JCPOA), materialised on 14 July 2015, requiring Iran, among other things, to eliminate its holdings of highly-enriched uranium, reduce its stockpile of low-enriched uranium, and seal the core of its heavy water reactor in Arak. Upon IAEA verification of Iran's compliance, Minister Zarif and High Representative Mogherini declared 16 January 2016 the implementation day of the JCPOA.

Since then, nuclear-related sanctions have been lifted, in particular EU sanctions prohibiting the provision of indemnity insurance for Iran's crude oil exports and exclusion of Iranian financial institutions from the SWIFT framework. The JCPOA, however, contains 'snapback' provisions that allow the EU to re-impose economic and financial sanctions, should Iran be found to be in non-compliance with its JCPOA obligations and attempts at dispute resolutions fail.

In December 2015 the IAEA closed the investigation into the possible military dimension of Iran's nuclear programme. The agency's four quarterly agency reports published since implementation day have verified Iran's compliance with its commitments under the JCPOA. As member and coordinator of the Joint Commission, established under the JCPOA to address issues of implementation, the EU continues to be involved in the execution phase. [JB]

## The cyber dimension

The EU and its member states are increasingly targets of cyber attacks – for both political and economic reasons. It is known that in the third quarter of 2016, *Turla* and *Sofacy* malware actors have actively targeted EU institutions and bodies as well as their peer organisations in the member states. The nature of the attacks is also evolving – from traditional information gathering to targeted disclosure or media and public opinion manipulation. Increasingly, the proliferation of offensive cyber capabilities among criminals, 'hacktivists' and state-affiliated groups poses a threat to Europe's energy, health and financial sectors. Given the dual nature of cyberspace – as an environment supporting social and economic development, on the one hand, and a potential domain of conflict, on the other – the international discussion about governance of and security in cyberspace (including the proliferation of cyber weapons) is evolving rapidly, often resulting in tensions between different groups of actors.

From the outset, the critical civilian function of network and information systems as a backbone for the development of the digital economy provided impetus to the discussion about cybersecurity and cybercrime in the European Union. The Tampere Summit in October 1999, devoted to Justice and Home Affairs cooperation among EU member states, concluded that efforts to agree on common definitions and sanctions should also address high-tech crime. A substantial amount of work in that direction was conducted in the framework of the Council of Europe cybercrime convention negotiations and relevant G8 activities, including a 24-hour information network for combating high-tech crime. At the European Council summit in Feira, in June 2000, member states adopted a comprehensive eEurope Action Plan that called for actions to enhance network security and the establishment of a coordinated and coherent approach to cybercrime in order to ensure that Europe can reap the benefits of the digital technologies. In 2001, under the eEurope 2002 initiative, the Commission presented a communication focused on the need for a comprehensive policy aimed at creating a safer information society by improving the security of information infrastructures and combating computer-related crime, in accordance with the commitment to respect fundamental human rights. Already in 2001 – long before the ‘pillar’ structure was formally abolished by the Lisbon Treaty – the Council recognised that information and network security called for a comprehensive cross-pillar approach when developing policies and working on appropriate coordination. Throughout the 2000s, the main focus of the Council’s activities has remained on strengthening the EU’s legal and institutional framework to improve network and information security as well as the fight against cybercrime. This has included the adoption of the Council Framework Decision on attacks against information systems – later replaced by Directive 2013/40/EU – which contains provisions on illegal access to information systems and illegal system and data interference as well as criminal penalties associated with these acts.

In order to strengthen the EU capacity to fight cybercrime, the Justice and Home Affairs Council of June 2016 adopted Conclusions on improving criminal justice in cyberspace with the aim to deny criminals a safe haven in cyberspace. Furthermore, the Network and Information Security (NIS) Directive – the first comprehensive piece of EU cybersecurity legislation – was adopted in December 2015, following over two years of negotiations between the European Parliament and the Council. Several market measures related to cybersecurity – including a certification framework and an EU labelling scheme for ICT security products – are part of the Commission Communication on strengthening Europe’s cyber resilience system presented in July 2016. The same month, the Commission and cybersecurity market players signed a cyber Public-Private Partnership (cPPP) agreement which foresees the investment of €450 million in projects under the Horizon2020 programme. It is expected that cPPP will trigger €1.8 billion of investment by 2020.

The EU’s comprehensive approach to the cyber domain combining both civilian and military dimensions with the aim to ensure an open, safe and secure cyberspace was provided for in the EU Cybersecurity Strategy of 2013. In addition to building cyber resilience and cooperation in

the fight against cybercrime, the Strategy brought to the fore new initiatives in cyber defence, investment and research in the cyber domain, and international cooperation on cyber issues. Subsequently, cyber issues have been successfully mainstreamed into EU ‘foreign policy’, in particular through cyber dialogues with key partners, the promotion of cyber norms, the commitment to application of international law in cyberspace, and capacity-building initiatives online. In January 2015, the Council adopted Conclusions on Cyber Diplomacy which offer broad political guidelines on the EU’s role in contributing to international security and stability in cyberspace. The EU is also one of the main actors with regard to cyber capacity-building in third countries – under the Instrument contributing to Stability and Peace (IcSP), the European Neighbourhood Instrument (ENI) and the Instrument for Pre-accession Assistance (IPA) – with a total allocation of €21.5 million between 2014 and 2017.

Recognising that the cyber domain has become a critical asset for military and security-related activities, in November 2014 the Council adopted the Cyber Defence Policy Framework. The Framework aims *inter alia* at reinforcing the resilience of CSDP structures, operations and missions and at developing cyber defence capabilities of member states. Consequently, cyber *defence* has been fully integrated into the Capability Development Plan by the EDA. In order to prevent cross-border proliferation of cyber-weapons, the Wassenaar Arrangements were amended in 2013 to begin controlling cybersecurity tools. The new rules require restrictions on exports for ‘technology’, ‘software’, and ‘systems’ that develop or operate ‘intrusion software’. These items were added to the Wassenaar Arrangements’ control list of ‘dual-use’ technologies. The European Commission Directorate General for Trade is responsible for the EU dual-use export control regime. In order to ensure that certain surveillance technologies are not misused for severe human rights violations, in September 2016 the Commission proposed amendments modernising and strengthening controls on exports of dual-use items by introducing a new ‘human security’ dimension. The European External Action Service ensures a constant monitoring of the debates in the UN Group of Governmental Experts (UN GGE) established by the UN General Assembly and reporting to the First Committee on Disarmament and International Security. The 2015 consensus report presented by the UN GGE recommends that states should seek to prevent the proliferation of malicious ICT tools and techniques.

## The space dimension

Space technologies and services provide important support to EU action in multiple fields, including those related to security and foreign affairs. From earth observation to telecommunications, space assets are important tools for crisis management, disaster response, border control and coastal surveillance.

Following World War II, the two superpowers were the first to develop space assets, but European states were not far behind. The UK and Italy had satellites in space (launched by American rockets) by 1962 and 1964, respectively, while in 1965 France became the first country other than the US or USSR to successfully launch its own satellite. Due to the astronomical costs, European states were also quick to work together on space projects. In 1964, they formed the European Launcher Development Organisation (ELDO) and the European Space Research Organisation (ESRO), leading to the launch of the first ‘European’ satellite in 1968. ELDO and ESRO were merged to form the Paris-based European Space Agency (ESA) in 1975.

Today, as in many other fields, the complex governance of European space activities involves a diverse mix of actors controlling a range of capabilities. At the national level, member states with significant space programmes have developed civilian, military and ‘dual-use’ assets, often around large national space agencies. European countries with fewer resources rely significantly on partnerships through ESA to pursue space activities and develop their space industry.

**TABLE III.3: SPACE SPENDING (2013)**

| Country/<br>Agency | Budget<br>(€ billion) | Country/<br>Agency | Budget<br>(€ billion) |
|--------------------|-----------------------|--------------------|-----------------------|
| USA                | 29.6                  | Germany            | 1.3                   |
| China              | 4.6                   | Italy              | 0.9                   |
| ESA                | 4.3                   | India              | 0.9                   |
| Russia             | 4.0                   | Canada             | 0.4                   |
| Japan              | 2.7                   | UK                 | 0.3                   |
| France             | 2.0                   | Spain              | 0.2                   |

Sources: OECD and ESA. Budgets of ESA members include ESA contributions

ESA is the largest European space actor with a budget exceeding all national European space budgets. It is an intergovernmental agency, separate from the EU, and has played a central role in developing and managing many cooperative European space programmes. While ESA has not historically been involved in security and defence matters, it has increasingly pursued cooperative projects related to security, including with the European Defence Agency (EDA).

Although European space cooperation is long established, the EU itself has mostly evolved as a major space actor only since the turn of the millennium. The EU has earmarked more than €12 billion to space activities for the period 2014-2020. EU space activities involve multiple institutions and agencies, led by the European Commission, which owns and manages the Galileo and Copernicus programmes, the EEAS, the EU Satellite Centre, the EDA, and the European GNSS Agency. With different member states, funding arrangements and strategic goals, cooperation between the



EU and ESA has not always been smooth, but the EU is the largest funder of ESA and cooperation has continued on many issues. The ESA/EU Framework Agreement was renewed in 2016.

The EEAS has also grown as a space actor, including by working with the EU Satellite Centre (Sat-Cen) and the Commission to integrate the use of space assets into CSDP, and by creating and leading multilateral discussions on an International Code of Conduct for Outer Space. Although the Code of Conduct has encountered significant resistance from Russia and others, the ideas contained within it on responsible behaviour in outer space, and on transparency and confidence-building measures, continue to be discussed at the UN and in other venues. Given the secrecy and security-focused dynamics of the space race during the twentieth century, multilateral cooperation on space issues is not well developed. The EEAS and member states – including through their delegations to the UN – work in partnership to change this situation and to foster international space cooperation, especially as the numbers of both space actors and space threats continue to grow.

A few key programmes form the heart of European space activities. The most celebrated European cooperation programme is the intergovernmental launcher programme, run by ESA, which provides Europe with autonomous access to space. The successful completion of the Ariane-6 and Vega-C programmes will sustain European autonomy beyond the next decade.

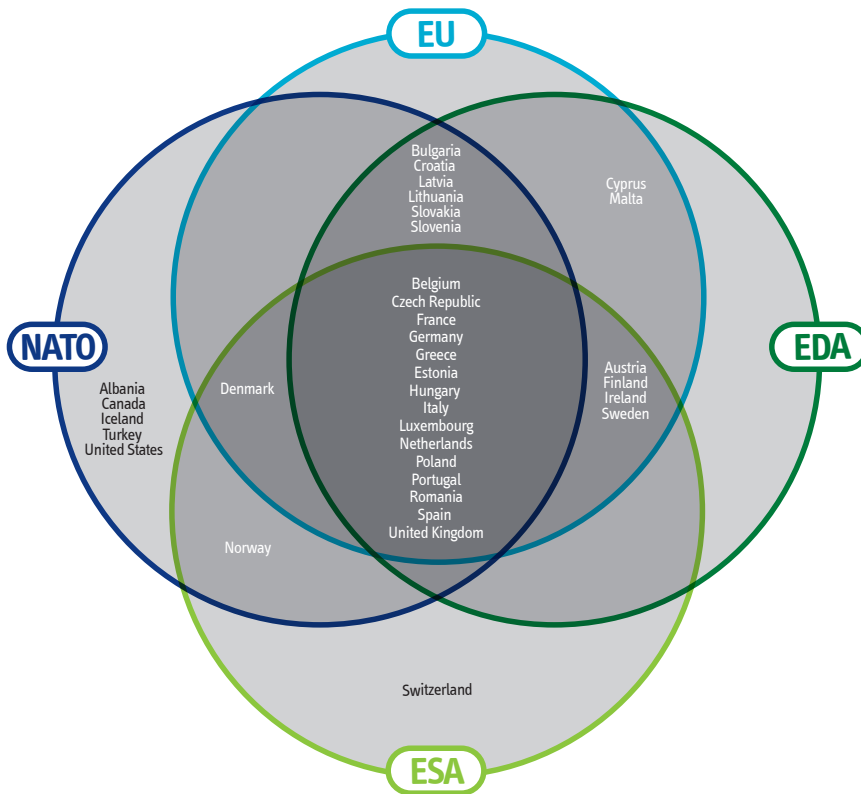
*Galileo* is the world's only civilian global satellite navigation and positioning system. When fully operational around 2020, it will provide an alternative to the American GPS, Russian GLONASS, and Chinese Beidou. European and American militaries increasingly see Galileo, notably its security enhanced PRS service, as an important alternative to GPS, with each system contributing to a shared overall resilience. The final Galileo infrastructure will include 30 satellites, plus a series of telemetry stations, uplink stations, control centres and security monitoring facilities.

*Copernicus* is the EU's earth observation programme, developed via cooperation between the EU, ESA and member states. It builds on existing capabilities, gathering information from the EU Sentinel satellites and data from satellites operated by member states, ESA, EUMETSAT, commercial companies, or third countries to facilitate EU work in a range of domestic, foreign and security areas. In the security field, Copernicus has three main areas of support: for border surveillance, maritime surveillance and support to external action.

In 2014, the EU agreed to establish a Space Surveillance and Tracking (SST) Support Framework to support the networking and operation of member state SST assets and provide services to all EU countries and institutions. The support framework uses a unique cooperation model that allows member states with SST assets to join, with the EU funding, but leaving open the option for other states should they have assets to contribute. SST can involve identifying and tracking man-made objects in orbit, monitoring comets and asteroids, and monitoring space weather.

The European Commission, ESA, and the EDA have also been cooperating since 2013 on early work towards a secure, shared government satellite communications system (GovSatCom). While a few European governments (notably their militaries) have their own protected communications satellite systems, others purchase bandwidth from the commercial sector, but commercial services do not always have the encryption or bandwidth needed by European governments.

**FIGURE III.3: NATO, EU, EDA AND ESA MEMBERSHIPS**



These European programmes, plus a range of national and bilateral cooperation programmes, are used by security actors, both civilian and military, for conducting operations at home and abroad. Rather than being an optional high-tech plaything, they are now seen as essential for effective action by member state militaries and for the pursuit of CSDP operations. Space programmes have been fruitful areas for cooperation, and could be an important field for foster-

ing closer defence cooperation. However, data protection concerns remain a major challenge for space programme cooperation. Factors such as cost-sharing and the division of industrial benefits may in the end be more easily resolvable than challenges related to data protection, national secrecy and security.

While most spending on space by the US and USSR/Russia was (and continues to be) primarily driven by military concerns, European space activities have had more diverse drivers, with only a tenth of new space investments coming from militaries. While security and defence concerns have been important for some member state programmes, other priorities such as industrial competitiveness and technological innovation have been just as important, both at national and European levels. In late 2016, the European Commission released a new space strategy for Europe with four pillars:

- Maximising the benefits of space for society and the economy
- Fostering a competitive and innovative space sector
- Reinforcing Europe's autonomy in accessing and using space in a secure and safe environment
- Strengthening Europe's role as a global actor and promoting international cooperation.

The last two pillars are especially important for considerations of European foreign and security policies. Space has become increasingly congested, both in terms of the number of satellites and space actors, but also in terms of accumulated satellites and debris. The protection of critical space assets from threats and hazards, from solar flares to cyber attacks to debris clouds, has led to increased focus on system resilience and protection. The need to enhance the resilience of EU space assets has thus been recognised in the 2016 EU Global Strategy, the 2016 Space Strategy, the 2016 Joint Framework on Countering Hybrid Threats and the 2016 European Defence Action Plan. While EU assets are all civilian-controlled, the potential threats to space assets are commonly recognised by all space actors, creating new opportunities for cooperation between governments and between civil and military actors in the years ahead.

### III.5 MIGRATION AND HOME AFFAIRS

European governments label migration as a matter of ‘home affairs’. Yet migration is by definition international – it is about people moving between countries – and the management of borders and migration is increasingly a task of foreign policy. The EU can only really restrict migration if it cooperates with neighbouring and source countries, since the migrants it turns away at the border have to be sent somewhere else. Indeed, even when accepting people onto its territory, the EU must cooperate internationally, as countries of origin across Africa and Asia are concerned about everything from ‘brain drain’ (the loss of skilled workers) to seeing their citizens acquire more than one nationality. These matters of visa policy and citizenship reform are indeed thorny – but it is even trickier to deal with people who are stateless or refugees.

It is precisely these trickier aspects of migration that have recently plunged the EU into one of the most severe crises in its history. Approximately 1.3 million migrants crossed its borders in 2015 and made applications for asylum. In the months since then, the 28 member states have been engaged in a policy of ‘firefighting’, setting up border controls in the nearby former Yugoslav Republic of Macedonia (FYROM), or concluding a new expulsions arrangement between Greece and Turkey. NGOs and analysts have called for the bloc to end this *ad-hoc* response and finally develop a common approach to migration and refugees with a properly sustainable international dimension. Yet as late as mid-2014, the EU was actually claiming to have put in place a Common European Asylum and Immigration Policy – a border and visa system with an extensive international dimension.

To understand the EU’s migration-related foreign policy and its current difficulties, one needs to appreciate the political logic which has driven this policy field’s development over the past three decades. The EU as such does not have a typical migration policy: the bloc is less concerned with classic goals such as attracting workers to its labour markets or giving refugees safe haven than with sustaining its Schengen Area. European migration policy is primarily about managing the security implications of this large border-free space. The EU has repeatedly had to adapt this set-up to geopolitical shifts beyond its borders. The Union’s response to the latest of these shifts – which has seen an unprecedented wave of migration towards Europe and resulted in chaos across its neighbourhood – is still very much a work in progress.

#### **Not a foreign policy - an external dimension**

Calls for the EU to develop a common migration policy are not new: EU members have clear common interests in this field, not least thanks to a shared common labour force which comprises around 330 million Europeans – and has become more deeply integrated since the launch of the euro. EU citizens tend to exhibit low levels of mobility, and the 28 member states cannot meet their employment needs from this pool of workers. The EU’s working age population is also

shrinking by about 0.4% every year, putting it at a disadvantage *vis-à-vis* youthful economies such as India, Nigeria or the Philippines. So there is a clear need for the EU to attract workers from outside. Furthermore those EU citizens who do move countries are often looking to leave the EU itself, searching for opportunities overseas in North America or Southeast Asia. They expect the EU to develop a policy to create these opportunities. In short, even before 2015 and the unexpected arrival of thousands of young working-age migrants on the shores of Greece and Italy, the EU needed a strong common policy in the field of migration and asylum.

In reality, the EU does already have a common approach to migration and asylum, albeit an unusual one. While the goal of most Western migration policies is to regulate access to the labour market and to offer international protection to refugees, EU migration policy is unique – it is about controlling access to Schengen, a 26-member border-free space. The EU still refers to migration control as a ‘flanking measure’ for the protection of Schengen, and the international side of this work as the ‘external dimension of Schengen’. Schengen is not a labour market (although it does make commuters’ lives easier), nor was it actually designed for the free movement of persons (although it does facilitate the movement of tourists and other citizens across borders). Rather, Schengen was conceived as a means to boost the free movement of goods: its member states lifted border controls to speed up freight delivery times. As a result, EU migration policy is largely limited to blocking the unforeseen opportunities this border-free area gives irregular migrants.

The Schengen Area thus gives EU states a strong rationale to cooperate on migration control– but at the same time it is a very narrow and partial rationale. For example: EU members do not cooperate on migration in order to manage a shared economy, but rather to offset the loss of national borders between their individual labour markets. They thus remain careful not to share with each other competencies over their labour markets, retaining the right to decide on the numbers of migrants they each welcome [art.79.5 TFEU]. Although they do cooperate on classic matters such as immigrant integration [art.79.4 TFEU], this is not for the usual reason of boosting labour market participation, but because they are aware that marginalised migrants would otherwise be free to criss-cross the Schengen Area committing criminal or terrorist acts. And, while they do coordinate on the rights they give to refugees to work, their motivation is not to boost their shared labour market and reduce welfare costs; rather, it is to harmonise national differences and thereby prevent asylum-seekers ‘shopping’ across Schengen for the best reception conditions.

Clearly, then, there is a difference between these limited and rather defensive Schengen-related activities and a fully-fledged migration policy. The EU has acknowledged this as a weakness and has been trying to give its migration activities a more rounded and ‘strategic’ profile, allowing the EU to respond better to common labour market and humanitarian challenges. But this is hampered by another legacy of Schengen’s development – the continued existence of policy ‘silos’ in the EU decision-making process. Interior ministries are at the heart of this challenge. Back in the

1980s, they were put in charge of Schengen, and they retain strong control over its development. It is the Justice and Home Affairs Council which dominates decision-making in Brussels, and its members continue to put internal security concerns to the fore. Achieving a properly rounded EU migration policy would involve linking interior ministries better to the various arms of the EU's political apparatus – not just the Council and Commission's economic and social arms but also to the EEAS and DG DEVCO.

And yet, there is a danger that, in bringing EU migration cooperation into line with international norms, something would be lost. In many ways, the EU's policies actually amount to rather *more* than a classic migration policy. EU officials have expanded their Schengen Area southwards and eastwards, transforming neighbouring areas, allowing people from countries like Serbia easy access to the passport-free travel area, and even spawning new free movement zones in Latin America and Africa. They are world leaders when it comes to lightening border controls without compromising security – one of the great challenges of globalisation. Moreover, they have created immigration schemes which bear the unmistakable trademarks of Schengen: these schemes open the door to highly-skilled workers and executives moving between branches of multinational firms, to students and to seasonal workers [art.79.1 TFEU] – in other words, to the kind of intensely mobile people associated with the Schengen Area rather than classic 'once-in-a-lifetime' migrant workers.

### Schengen's external dimension

The external dimension of Schengen has changed considerably over the years, in tune with the EU's external environment. The EU has repeatedly had to adapt the Schengen Area to geopolitical shifts, and this has been the main task of its international migration policy. The first phase of adaptation was concerned with the 'reunification of Europe' following the fall of the Berlin Wall and the Iron Curtain. It ran most intensely from the mid-1990s (when the Schengen Project first became a reality) until the mid-2000s, and it guided the EU's work in nearby countries, first in accession states like Poland and Hungary and then in the Western Balkans, Ukraine and Georgia. Following the fall of barriers between Eastern and Western Europe, EU policymakers worked hard to prevent the Schengen Area from creating a new wall between its wealthy member states and their eastern (and southern) neighbours. Their goal was to improve the governance of migration and borders abroad and, thereby, remain open to travellers and businesspeople from these countries. This goal clearly remains relevant, and this layer of policy is the most developed.

### Box III.7. Bridging East and West: migration measures

- The enlargement of the Schengen Area to cover the Central European member states who joined in 2004. EU members Bulgaria, Croatia, Cyprus and Romania remain outside the border-free zone, and are obliged to join when they meet the conditions.
- The development of a distinctive European model of border management – ‘Integrated Border Management’ – in which national authorities cooperate with international bodies and counterparts to increase the flow of legitimate goods and passengers.
- Spread of the EU’s justice and home affairs acquis to accession candidates through Chapter 24 of the accession agreement and through the Stabilisation and Accession Programme towards the Western Balkans.
- The decision to place Frontex, the EU’s borders agency, in Warsaw – a response to fears that most irregular migration would now come across the EU’s eastern border. Frontex’s focus has been on improving border relations with eastern neighbours rather than closing the border.
- The spread of ‘local border traffic agreements’, the bilateral agreements between eastern EU members and neighbouring Belarus, Moldova and Ukraine according to a set EU formula. These agreements allow people living in border regions to cross into the EU.
- Creation of the Budapest Process in 1993, an intergovernmental framework for managing irregular migration through Central and Eastern Europe and, following EU enlargement, expanding to Central Asia and then the whole ‘Silk Route’ into China, Afghanistan and Pakistan.
- The Commission-led border mission at the border between Ukraine and Moldova, EUBAM, which has boosted border controls around the breakaway region of Transnistria and cracked down on smuggling networks funding the regime there.
- Common policy on standards for granting visas to third-country-nationals keen to enter the Schengen Area. A Schengen visa issued by one member state grants a traveller free movement throughout the entire Schengen Area for 90 days within a 180-day period.
- The full lifting of visa restrictions for all Western Balkan countries, except Kosovo, in return for their adoption of biometric passports. The process involved ‘visa roadmaps’, an extensive list of domestic reforms required by the EU in return for lifting visas.
- Rules on seasonal workers, most usually labourers from Eastern Europe involved in seasonal employment in agriculture. EU member states reward seasonal workers who have previously worked in the EU, and who dutifully left again. [RP]

In the early 2000s, the EU's migration policy tackled globalisation. Europe's economic and transport links had spread, leaving Schengen members exposed to irregular migration from ever further afield, and necessitating a crackdown on international airlines as well as efforts to restrict migration from distant countries like Afghanistan or Vietnam. But there was a positive strand to this work: after the World Bank discovered that the remittances by migrants worldwide eclipsed the volume of official overseas development aid, the EU began exploring how human mobility can improve development outcomes. By opening itself to short-term migration, the Union would not just secure for itself a flexible short-term labour force but could also boost the economic and political development of countries of origin. This was about harnessing the benefits of mobility for developmental purposes, with states like Cap Verde, Georgia and Moldova benefiting from 'brain gain' and governance reform. It was an agenda which appealed not just to the EU's foreign and development ministries but also to interior ministries, which warmed to the idea of temporary migration.

### **Box III.8. The EU goes global: migration measures**

- Agreement of 'EU mobility partnerships' with, among others, Georgia and Moldova. These agreements are bundles of commitments in which participating EU member states offer access to their labour markets and technical support, while third countries agree to implement obligatory reforms.
- Adoption by the Commission of a Global Approach to Migration and Mobility, a guiding set of principles for the EU's international cooperation on migration, promoting short-term mobility to the benefit of sending countries and migrants themselves.
- Rules on brain drain, including the application of the Professional Qualifications Directive to foreign diplomas to prevent 'brain waste' of non-recognition of skills. Closer cooperation with foreign qualifications authorities.
- Creation of bilateral and regional dialogues on migration, as well as common agendas on migration and mobility. The latter, most recently signed with Ethiopia, India and Nigeria aim to open the door to greater international mobility, while also facilitating the expulsion of illegal migrants from the EU.
- The routine inclusion of migration provisions in the EU's wide-ranging agreements with major international partners, containing a readmission obligation, but also topics for dialogue including on the coordination of social security rights for migrant citizens.
- Establishment of a High Level Working Group on migration, with the task of monitoring the situation in a selection of key migrant-producing countries such as Iraq and creating Action Plans for a joint EU response.

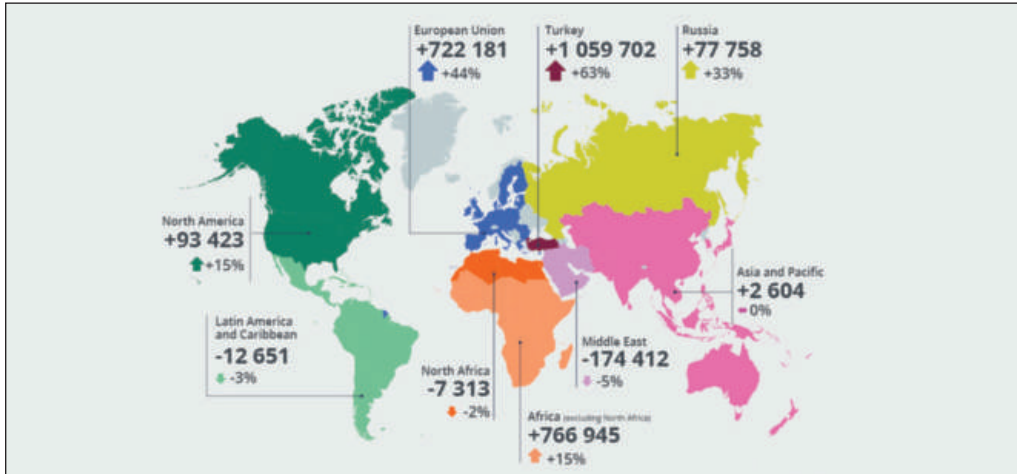


- The agreement of a system of carrier sanctions: penalties imposed by EU governments on airlines which bring travellers to Europe without the proper paperwork. This is part of a system in which migration control is effectively ‘privatised’ by the EU, and outsourced to businesses.
- Common standards for expelling illegal immigrants, with a preference for helping migrants return home voluntarily, and a set of return agreements with third countries which undertake to accept back not only their citizens but also foreigners who have crossed their territory to reach the EU.
- Efforts to leverage the EU’s trade and aid weight, for example in the old Cotonou Agreement with African and Caribbean States. Article 13 obliges the EU and ACP states to regular dialogue on migration.
- The inclusion of provisions on the movement of labour and service providers in the EU’s new generation of trade agreements with other regions of the world, notably the Transatlantic Trade and Investment Partnership (TTIP), is an effort to open new migration opportunities for EU citizens. [RP]

Recently, the EU’s policy of using the global economy to its advantage has come to an abrupt halt. The geopolitical fallout from the 2007 financial crisis began to materialise in the shape of the migration flows coming to Europe from Africa and Asia and governments talking about an ‘Arab Winter’. A 2014 spike in the numbers of ‘false’ asylum-seekers from Western Balkan states was a harbinger of things to come: Albania, Kosovo and Serbia had seen their economies hit hard by the financial downturn, and young workers were seeking short-term work in the EU. In 2015, it was the turn of refugees from Syria and the Middle East who abruptly shifted their path to Turkey and the Aegean Sea. The Central Mediterranean route through Libya saw strong flows of economic migrants from Eritrea, Ethiopia and Mali. Meanwhile, the EU’s eastern and southern neighbours found themselves destabilised by large numbers of displaced persons [see Figure III.4].

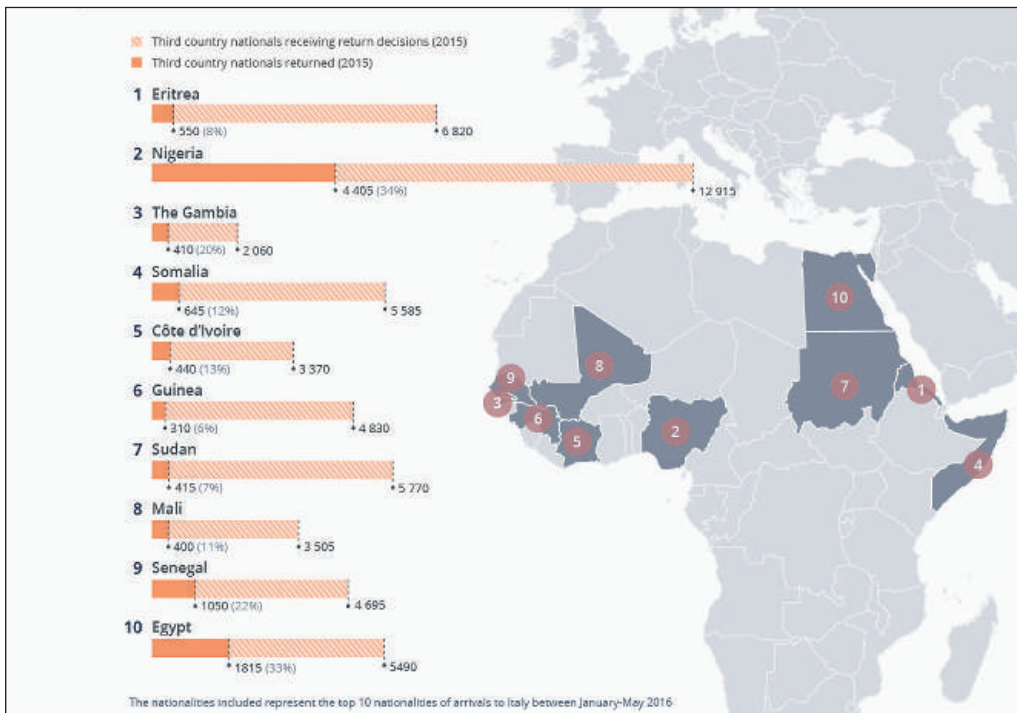
What resulted was a series of *ad-hoc* moves by the EU to stem the flow, including high-profile measures such as an agreement with Turkey to return migrants from the Greek islands, the secondment of border guards to FYROM, a naval mission in the Central Mediterranean designed to fight people-smugglers, and a renewed attempt to cooperate with African states on migration. To most observers, this seemed to be a patchwork response, but a certain pattern is apparent. Take the recent reform of Frontex, whose powers of international action have grown: whereas Frontex’s work was previously focused on the EU’s border and near abroad, it can now organise chains of returns operations, back along the routes into the EU; it has the power to send personnel to any border which the EU shares with a third country, presumably meaning not just in the Balkans or Ukraine, but also more distant states with which it shares an air border. And it will also be able to cooperate more with the EU’s CSDP missions across Africa and Asia, as well as with international organisations like the African Union.

**FIGURE III.4:** REFUGEES AND ASYLUM SEEKERS IN 2015 – CHANGE BY REGION FROM 2014 TO 2015



Source: Council of the European Union, © European Union, 2016

**FIGURE III.5:** MIGRATION FLOWS: EU MEMBER STATES' RETURNS OF THIRD COUNTRY NATIONALS IN 2015



Source: Council of the European Union, © European Union, 2016

The Frontex reform signals a reversal of the familiar pattern of the EU's migration relations. Until now, EU migration policy had focused on spreading its norms outwards, radiating a series of 'concentric circles': it cultivated the nearby circle of EU enlargement candidates, then an eastern and southern 'neighbourhood', and then global cooperation with bodies like the G20. The EU aimed to bolster governance reforms and then open opportunities for mobility. The recent migration flows have sparked a rethink. The EU is now focusing on a scattering of far-off problem zones like the Horn of Africa, defusing conflicts there and then managing the resulting flows of disorderly migration into the EU. This focus on trouble spots and inflows overturns the old policy of concentric circles. Indeed, during the crisis, the EU recognised that it was of little use to exert pressure on states closest to it, such as Serbia or Turkey. It needed to resolve problems in countries of origin and conclude returns agreements with them [see Figure III.5]. Without this, a beggar-thy-neighbour logic emerged, with nearby states offering to hold back the flow of people – for a price.

#### **Box III.9. The Schengen crisis: migration measures**

- The conclusion of 11 'migration compacts' with major countries of origin. These compacts focus primarily on a partnership approach, designed to help sending countries reform and provide jobs for their citizens. But there is also a component of 'negative conditionality'.
- Establishment of CSDP missions to deal with problems of migration. Across the Sahel, CSDP missions are boosting their focus on people-smuggling and trying to build borders. Currently, the focus is on the regionalisation of these missions, linking them up across borders.
- Creation of a Trust Fund for Africa, comprising an initial sum of €500 million curated by DG DEVCO, and matched by member states. Subsequent proposals foresee a sum of around €30 billion, to be matched by member states.
- Boosting of Regional Development and Protection Programmes (RDPP). Conceived back in 2005 as a means to provide refugees with a safety close to home, the RDPP format in areas such as the Horn of Africa was boosted, and given more of a development edge.
- New migration cooperation formats along routes into the EU, including cross-border packages of measures under the Khartoum Process (dealing with migration out of East Africa, through Sudan and Egypt) and the Balkan Route (stretching back to Jordan and Lebanon).

- The establishment of a CSDP mission in Libya to help manage borders there. The original mission, set up in 2014, was downscaled and moved to Tunisia. But a new naval mission was then created, with the intention of moving on-shore to help re-establish Libya's coastguard.
- Close cooperation between Frontex and NATO in its Aegean Sea mission. Closer cooperation with the OSCE on the management of borders, including through a 'triple EU presidency' of the organisation throughout 2016.
- Efforts to improve early-warning mechanisms within the EU migration and asylum toolbox. An existing early warning system established by the European Asylum Support Office to flag up migration administrative backlogs within the EU is complemented by tools to signal problems outside the EU.
- Application of the EU's Civil Protection Mechanism in the Western Balkans. The CPM helps states deal with humanitarian crises. Serbia was encouraged by the EU to trigger the mechanism during the migration crisis. It received tents and other materials.
- Empowerment of Frontex, the EU's border management agency, to send border teams to borders shared with third countries. This is designed to make it easier to send personnel to the former Yugoslav Republic of Macedonia (FYROM) or Ukraine, as it has done in the past. [RP]

### Recent evolution and prospects

Until now, the strongest cooperation within the EU on the external dimension of migration was between a triumvirate of players consisting of national interior ministries, the Commission's DG Migration and Home Affairs (HOME), whose personnel have a strong understanding of the EU's border and migration *acquis*, and DG NEAR, which has served to spread that *acquis* to the EU's neighbouring regions. However, in the course of the crisis, far-flung sending countries came into focus, and cooperation between a new set of actors was key. A new 'project team' was created at College level bringing together the Commissioners for home affairs and enlargement with their colleagues for humanitarian aid and development, as well as the HR/VP. DG HOME also beefed up its own international department, and hosted frequent intra-Commission meetings, as well as regularly briefing the heads of EU missions abroad.

The EEAS had a relatively muted role in the external dimension of migration when it was first established, but this has changed quickly. In 2014, the former Director General of DG HOME, Stefano Manservigi, moved to head the cabinet of the HR/VP, signalling a greater awareness of

migration matters in the EU's diplomatic corps. Soon, migration experts began to appear in the EEAS's regional units. And when the idea of migration 'compacts' was launched in the spring of 2016, it fell to the Deputy Secretary General of the EEAS to flesh out the notion. This format was rolled out to a set of key migration source countries, where the EU was keen to increase its leverage. The idea was to create 'mobility partnerships' or bundles of incentives, but also to introduce an element of 'negative conditionality'. The EEAS has also had a key role to play in managing the growing overlap between international crime, terrorism and migration. And, by boosting its capabilities in the field of crisis prevention, the EEAS will help tackle the root causes of migration.

The European Council has stepped in too. Until now, the heads of state and government had tried to exercise a strategic role in the field of migration, setting multiannual strategic guidelines which amounted to little more than a checklist of measures which they hoped interior ministers would adopt. That changed in the heat of the migration crisis. Dealing with sending states required a major effort for member state diplomacy coordinated at a high level. African states, in particular, were keen to put the issue of labour market access for their nationals on the table. This remains a largely national competence within the EU, decided on by heads of state and government. The overall negotiating process was thus rather intergovernmental, resulting in the grand bargain between the EU and Africa at the Valletta summit in October 2015. Member states sent representatives to prepare the ground, and the President of the European Council appointed the former Secretary General of the EEAS, Pierre Vimont, to guide the process.

As we have seen, Frontex has boosted its cooperation with the EU's CSDP apparatus. Frontex is encouraged to second personnel to CSDP missions, something which could be genuinely useful in the EU mission in Niger, which is meant to break smuggling networks. Frontex is also involved in helping to train Libya's coastguard, a role which will grow as soon as the EU naval mission moves on land. Frontex has deployed to Turkey its first liaison officer – a German diplomatic official – who will also have a role in pulling together the member states' existing network of immigration liaison officers, collecting information, and possibly also pressuring Turkish officials to act. It has recently decided to follow this up in Niger and Serbia. Under its new regulation, Frontex will be able to draw up more robust agreements with foreign agencies, with the EU negotiating them.

**Box III.10. Mobility and crime: counter-terrorism measures**

- Increased coordination of internal and external CT policies, through the boosting of the EU Counter-Terrorism Coordinator, created in 2004, and the deployment of a network of CT experts to the EU Delegations of key countries in 2015.
- Creation of the EU Intelligence Analysis Centre (INTCEN) out of the pre-existing SITCEN in 2011. Part of the EEAS, this centre monitors events both inside and outside the Union to provide intelligence analysis, early warning and situational awareness.
- Increased operational cooperation and information-sharing with CT experts of third countries, in particular through EU agencies Europol and Eurojust including through the Secure Information Exchange Network Application (SIENA).
- In Europol, the Focus Point Travellers and the Europol Information System (EIS) allow the exchange of information on foreign terrorist fighters, and the EU-US Terrorist Finance Tracking Programme (TFTP) on SWIFT information.
- Strengthened cooperation on CT and countering violent extremism (CVE) with regional and international organisations (including UN agencies, Council of Europe, OSCE, League of Arab States, African Union, and the Organisation for Islamic Cooperation).
- Inclusion of CT goals in a number of CSDP missions, such as EUTM Mali, EUCAP Sahel Niger, EULEX Kosovo, and EU AVSEC South Sudan, providing support to military forces, or through a more multidimensional approach.
- Emerging focus on tackling the root causes of terrorism in countries most affected by terrorist attacks. The EU focuses on strengthening communities' resilience against violent extremism by providing education and employment opportunities, improving social cohesion and promoting the inclusion of marginalised communities. Major programmes include the Strengthening Resilience to Violence and Extremism (STRIVE) programmes in the Horn of Africa and in Pakistan, and the 2015 project aimed at Countering Radicalisation and Violent Extremism in the Sahel-Maghreb Region.
- Renewed focus on transport security, with the Passenger Name Record (PNR) Agreements with the US, Canada and Australia, the US-EU Container Security Initiative Agreement and the 2015 Civil Aviation Security (CASE) project, a capacity-building programme in Africa and the Arabian Peninsula.
- Establishment of an Arab StratCom Task Force with a view to counter ISIL's radicalisation propaganda. A Syria Strategic Communications Advisory Team (SSCAT) and Radicalisation Awareness Network (RAN) act as advisory bodies to EU member states. [AP]

More broadly, the EU has established networks of information-sharing and -gathering officials across a range of third countries. Besides Frontex, the EU’s existing Immigration Liaison Officers network is being revamped. The European Asylum Support Office, based in Malta, has begun to adapt its early-warning system for administrative backlogs inside the EU into a system to anticipate inflows from outside the EU. This has involved forging links to a network of journalists operating across the MENA region and capable of providing reliable information from Northern Syria or Southern Libya. Europol, too, has become more active in the external sphere of migration management, looking into migrant smuggling networks. Yet the question remains whether all these actions will take on a more strategic character, and help the EU develop a fully-fledged migration policy.

**TABLE III.4: THE EXTERNAL DIMENSION OF EUROPEAN BORDER AND COAST GUARD (EBCG) ACTIONS**

| <b>Treaty on the Functioning of the European Union</b>   |  |
|--|--|
| <b>Art. 77(2)(b) and (d)</b>   | The European Parliament and Council may adopt measures concerning the checks to which persons crossing external borders are subject, and any measure necessary for the gradual establishment of an integrated management system for external borders.  |
| <b>Art. 79(2)(c) and (3)</b>   | The European Parliament and Council may adopt measures in the area of irregular immigration and unauthorised residence, including concluding readmission agreements with third countries.  |
| <b>Protocol (No 23)</b>  | Protocol (23) to the TFEU ensures that the provisions in Article 77(2)(b) do not undermine member states’ competence to negotiate or conclude agreements with third countries with regard to the crossing of external borders.   |
| <b>Regulation (EU) 2016/1624 on the European Border and Coast Guard<br/>Entered into force on 6 October 2016</b> |  |
| <b>Art. 5</b>  | <p>Shared responsibility</p> <ul style="list-style-type: none"> <li>· The EBCG shall reinforce and coordinate the actions of member states in the implementation of measures related to the management of external borders and return</li> <li>· Nevertheless, the EBCG is responsible where the necessary corrective measures based on the vulnerability assessment are not taken or in the event of disproportionate migratory pressure</li> </ul> |

|                       |   |
|-----------------------|---|
| <p><b>Art. 14</b></p> | <p>Joint operations or rapid border interventions</p> <ul style="list-style-type: none"> <li>· Upon request of member states</li> <li>· To face upcoming challenges, including present or future threats at the external borders resulting from irregular immigration or cross-border crime, or when faced with a situation of specific and disproportionate pressures</li> <li>· As part of a multipurpose operation which may involve the rescue of persons in distress at sea or other coast guard functions, the fight against migrant smuggling or trafficking in human beings, drug trafficking control operations, and migration management including identification, registration, debriefing and return</li> </ul>       |
| <p><b>Art. 27</b></p> | <p>Return operations</p> <ul style="list-style-type: none"> <li>· The Agency shall provide the necessary assistance (operational reinforcement, including technical equipment) and ensure the coordination or the organisation of return operations (including mixed return operations between two third-countries)</li> </ul>  |
| <p><b>Art. 51</b></p> | <p>Cooperation with EU institutions and international organisations</p> <ul style="list-style-type: none"> <li>· On matters covered by the EBCG Regulation, and in particular with the objectives of preventing and combating irregular immigration and cross-border crime including the facilitation of irregular immigration, trafficking in human beings and terrorism</li> </ul>  |
| <p><b>Art. 53</b></p> | <p>Cooperation with third countries</p> <ul style="list-style-type: none"> <li>· Facilitate and encourage operational cooperation between member states and third countries with a view to promote European border management and return standards</li> <li>· Invitation of observers from third countries to participate in its activities at the external borders, return operations, return interventions and training</li> <li>· Participation in the implementation of international agreements concluded by the EU with third countries regarding matters covered by this Regulation</li> <li>· Launch and finance technical assistance projects in third countries regarding matters covered by this Regulation</li> </ul> |
| <p><b>Art. 54</b></p> | <p>Deploy liaison officers in third countries</p> <ul style="list-style-type: none"> <li>· The Agency may deploy experts of its own staff as liaison officers in third countries and receive liaison officers posted by those third countries</li> <li>· They shall form part of the local or regional cooperation networks of immigration liaison officers and security experts of the EU and of the member states, including the immigration liaison officers network</li> <li>· Priority for deployment of liaison officers shall be given to those third countries which constitute a country of origin or transit regarding irregular immigration.<br/>[AP]</li> </ul>   |

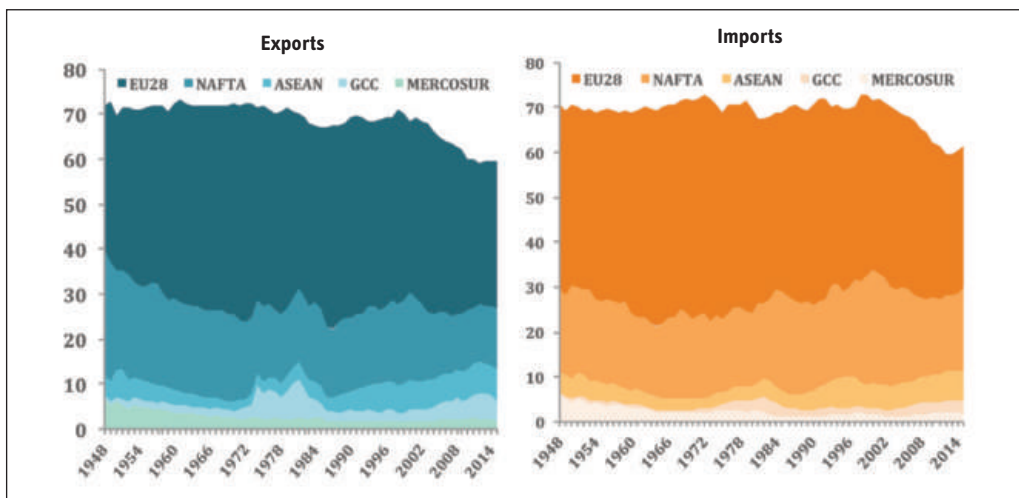


### III.6 TRADE AND DEVELOPMENT

Trade is one of the few policy areas that have been truly centralised at the EU level. As the main *raison d'être* for the establishment of the European Coal and Steel Community in 1951, trade has been a primary driver of regional economic integration and, consequently, of the EU's economic role in the world. Following the 1957 Treaty of Rome (establishing the European Economic Community, EEC) and since the 1992 Maastricht Treaty (establishing the EU proper), the European trading bloc has shifted from a customs union to a single market – one that allows the free movement of goods, capital, services, and people (the so-called 'four freedoms'). With deepening levels of integration engendered by the free flow of factors of production, the need to fully harmonise trade legislation and regulations across the EC/EU became inescapable.

Today, trade policy is the exclusive remit of the EU and has become a fundamental component of the EU 'foreign policy', particularly since the 2007 Lisbon Treaty. Under the auspices of the European Commission, EU trade policy seeks to regulate and promote commercial exchanges within the EU. In addition, the Commission negotiates bilateral and multilateral trade agreements on behalf of its member states, representing their interests in securing and expanding market access for their industries, services and investments abroad. Following the launch of the European Single Market in 1993, the successive waves of enlargement that brought the total number of member states to 28, and the introduction of the single currency, the EU is today the largest trading bloc in the world – in terms of both volume and value [see Figure III.6].

**FIGURE III.6: GLOBAL SHARE OF MERCHANDISE TRADE (%)**



Source: UNCTAD, 2016

### Box III.11. The EU trade policy record

The EU's trade policy – also known as the Common Commercial Policy (CCP) – traces its origins to the 1957 Treaty of Rome, when member states of the EEC first agreed to transfer trade competences to a supranational level, as established under Article 113. The creation of the CCP was based on three principles: a common external tariff, common trade agreements with third countries, and the uniform application of trade instruments across the EEC. Due to the need for a single EEC position on external tariffs, member states essentially delegated their sovereign powers to the European Commission and decided collectively on proposed measures via the Council. In 1968, internal tariffs were partially removed and a Common External Tariff (CET) was adopted. With the effective establishment of a customs union, the EEC now had greater collective market power than that of its individual member states. This allowed the EEC to gain leverage in major trade rounds under the General Agreement on Tariffs and Trade (GATT), notably in pushing for a reduction in US tariffs. Throughout the 1970s, the liberalisation of merchandise trade with the industrialised and developing world was the overriding priority, and tariffs remained the main instruments for commercial regulation.

During this time, the EEC began to shape trade relations with third countries via trade preference agreements. The Lomé Convention of 1975, for example, eliminated duties and restrictions on most products for 70 African, Caribbean and Pacific (ACP) countries – with the notable exception of agricultural products, which fall under the Common Agricultural Policy (CAP). This was the EEC's first major agreement on non-reciprocal trade preferences under the generalised system of preferences (GSP) granting developing countries market access. In the two decades following the Treaty of Rome, negotiations in the major GATT rounds remained focused on the reduction of tariff barriers. This started to change in the 1990s with the emergence of trade in services and a new range of trade-related regulatory measures, from technical and scientific standards to intellectual property rights and environmental regulation. Throughout the 1980s, consensus increased over the growth-enhancing effects of regional liberalisation, and the Commission under Jacques Delors pushed for the creation of the internal market. The Single European Act was signed in 1986, laying the foundation for the establishment of the single market in 1993. During the first decade of the single market, intra-EU trade grew by 250% while extra-EU trade grew by 200%.

The European Commission is tasked with the implementation of trade policy via the Directorate General for Trade. It is responsible for proposing new trade initiatives to the Council and European Parliament, as well as for implementing them if and when they are approved. Given the fact that the EU is a member (in its own right) of the World Trade Organisation (WTO), the Union's

executive body is the sole representative of member states in conducting bilateral and multilateral negotiations. But although the Commission has the right of initiative in legislative matters, it must seek and obtain a mandate from the Council and the Parliament. Whenever the Commission negotiates trade agreements with third countries, it has to act in consultation with the so-called ‘Article 133 Committee’, which meets on a weekly basis and is composed of the 28 member states. Ultimately, it is the Council which decides to agree or reject a negotiated trade agreement.

Following the entry into force of the Nice Treaty, in 2003, the EU broadened its trade competences on so-called ‘new trade issues’ (i.e. trade in services and intellectual property rights) – enabling international agreements to be concluded by qualified majority voting (QMV) and without ratification by member states. Subsequently, the Lisbon Treaty granted the EU a single legal personality and framed EU trade policy as an integral component of the Union’s external action *vis-à-vis* third countries. This meant that trade policy objectives had to be in line, for example, with those of the CFSP, notably in the respect for democratic governance and human rights. As such, trade policy has become somewhat ‘politicised’ – in the sense that it is no longer limited to pursuing liberalisation within the international trading system, but is now also as a tool to promote ‘foreign policy’ objectives.

The Lisbon Treaty also strengthened the role of the Parliament by making it a co-legislator on trade policy together with the Council as a means to provide greater democratic accountability and scrutiny. The Commission now has to report regularly to a special EP Committee on the status of trade negotiations, and trade agreements can only be adopted following the consent of both the Parliament and the Council. As a result, the Parliament can now block trade agreements. This is of particular interest in the wake of rising civil society opposition, in particular to transatlantic trade liberalisation.

## The EU as a trading bloc

Representing almost one fifth of global trade volume, the EU is second only to China and the US in its share of global exports and imports of merchandised goods, respectively. It is, however, the first importer and exporter of commercial services [see Figure III.7] as well as the leading global investor and recipient of Foreign Direct Investment (FDI). Yet despite its sizeable integration into the global economy, in 2015 63.2% of total EU trade was still intra-EU [see Figure III.8]. With a population of around half a billion and an average GDP per capita of about €35,000, the EU’s internal market is a consumer and investment powerhouse. As the top trading partner for 80 countries, the EU’s commercial weight has allowed it to promote a rules-based international trading system through the WTO. It has also enabled the EU to use trade as a ‘foreign policy’ instrument, especially via embargoes and other trade-related restrictive measures. This has been showcased with the measures taken against Iran over its nuclear programme or against Russia in the wake of the Ukrainian crisis.

FIGURE III.7: VALUE OF EXPORTS/IMPORTS (2014)

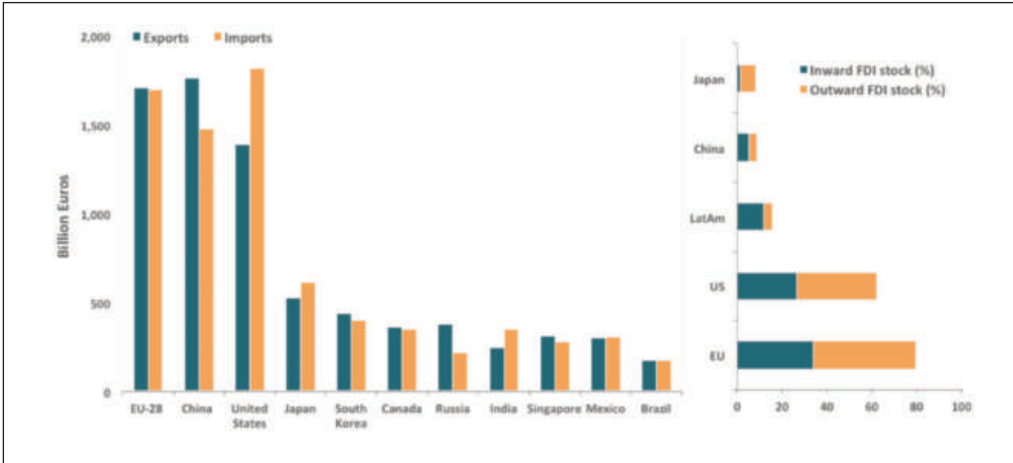
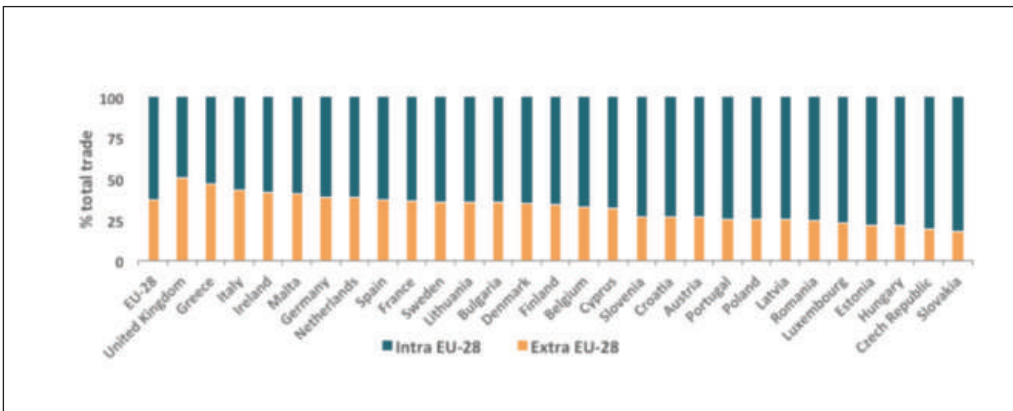


FIGURE III.8: INTRA AND EXTRA-EU TRADE (2015)

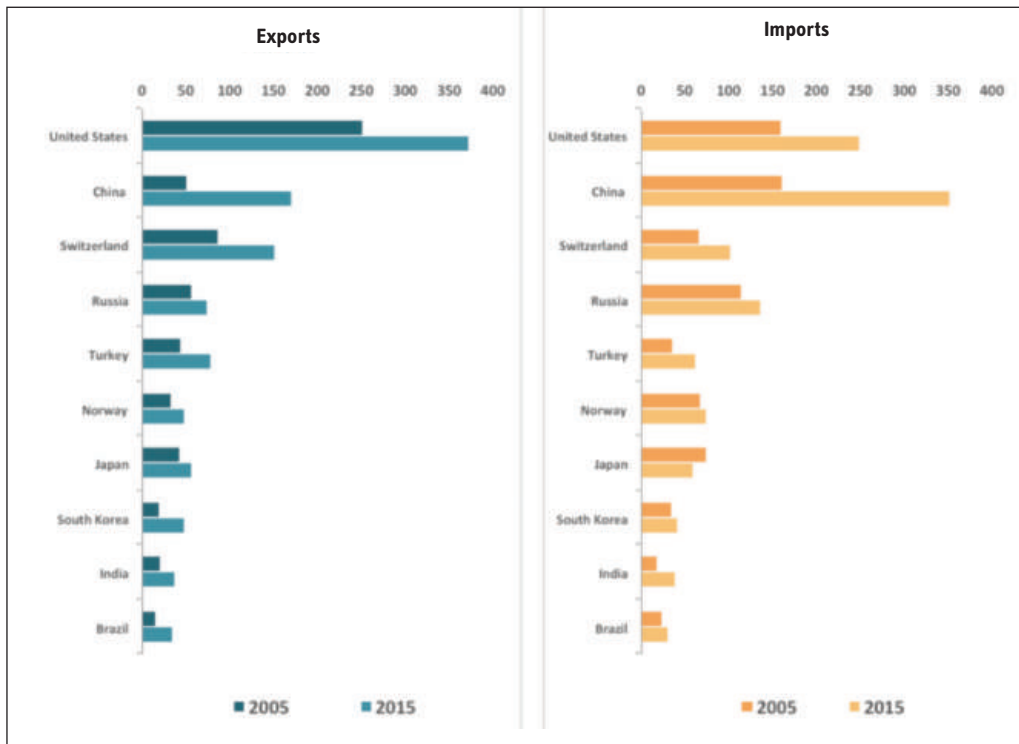


Source: Eurostat, UNCTAD

Although it is evident that the EU has benefited from the progressive lowering of tariffs in the international trading system, ongoing and persistent stalemates in multilateral trade negotiations (starting with the Doha Round) and the slow reform of outdated decision-making procedures within the WTO have prompted the EU to adopt new strategies. With the need for EU trade policy to be more adaptive to a changing global environment with growing competition, the need to strike bilateral trade deals with major partners has become a priority [see Figure III.9]. As a result, the EU has been more focused on bilateral free trade negotiations with top trading partners, as evidenced

by the landmark 2010 Free Trade Agreement (FTA) with South Korea, the Comprehensive Economic and Trade Agreement (CETA) with Canada, and the still to be finalised FTA with Japan or the Bilateral Investment Agreement (BIT) with China. The EU has also attempted to consolidate its role as the leading trade partner with the developing world, particularly with emerging economies like Brazil or India but also with ACP countries. Notably, the EU has been pushing to strike Economic Partnership Agreements (EPAs) with regional trade blocs in Africa like the Economic Community of West African States (ECOWAS) and the East African Community (EAC) – with mixed results so far.

**FIGURE III.9: EXTRA EU-28 TRADE BY MAIN TRADING PARTNERS**



Source: Eurostat

### Recent evolution and prospects

With global trade having more than tripled since the mid-twentieth century, commercial exchanges have expanded well beyond merchandised goods. Advances in information and communication technologies combined with the rise of global value chains have transformed the international trading system, notably by making it easier for companies to outsource and delocalise certain services or production processes. With the expansion of trade in commercial services and

the rise in non-tariff barriers, the EU is thus adjusting to a new generation of trade agreements that are more wide-ranging and include new dimensions such as intellectual property rights, the respect for social norms and cultural values, and the protection of the environment.

With the launch of the 2000 Lisbon Strategy, the EU sought to turn itself into the world's most competitive and dynamic economy within a decade. Trade was re-conceptualised as an essential engine for economic growth and the EU became a strong advocate for the adoption of the so-called 'Singapore issues' (public procurement, competition policy, labour standards and investment protection) at the WTO. This was a move to consolidate the rules-based international trading system premised on trade between partners respecting certain standards, notably in discouraging 'dumping' practices. But with difficulties in keeping such issues on the WTO agenda, the EU joined the global bandwagon of striking bilateral FTAs.

It kick-started agreements with growing trade blocs like the Association of Southeast Asian Nations (ASEAN), the Gulf Cooperation Council (GCC) and Mercosur. At the same time, in connection with the launch of the European Neighbourhood Policy, the EU started negotiations for Deep and Comprehensive Free Trade Agreements (DCFTAs) with its eastern neighbours. This was part and parcel of the EU's recognition of the growing systemic importance of developing economies, as proved by their rising shares of globally traded goods.

Following the 2008 global financial crisis, the 'Europe 2020' strategy provided a sobering assessment of the failure to meet the objectives of the 2000 Lisbon Strategy. The EU's trade balance was entrenched in negative territory and highlighted the need to stimulate exports. These have only recently surpassed imports, arguably as a result of new FTAs and a recent uptick in economic growth.

With the launch of a new EU trade strategy, in 2015, the Commission has put forward the idea that trade cannot be enacted without consideration for core EU values. Whether it is human rights, sustainable development or environmental regulation, Commissioner Malmström has often stressed the need for trade policy to be more socially responsible – in light also of growing public opposition against trade liberalisation.

With trade constituting close to a third of EU GDP and a source of employment for more than 30 million EU citizens, the EU's ability to diversify and expand FTAs with third countries remains a strategic priority. This is particularly pertinent in view of the fact that approximately 90% of global economic growth in the next decade will be generated outside the EU.

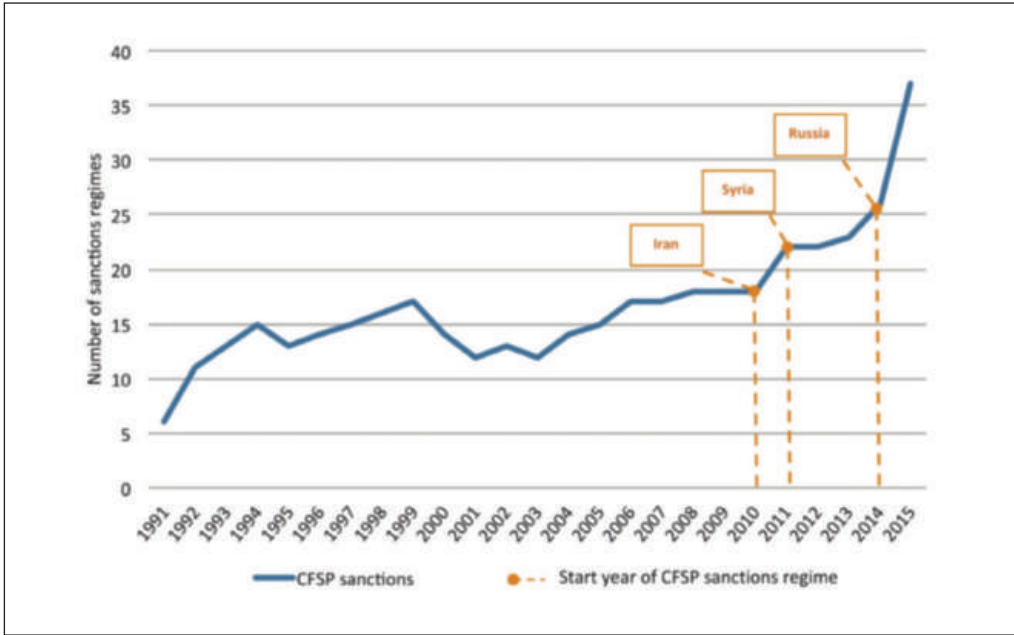
### Box III.12. EU sanctions

Sanctions – or, more precisely, ‘restrictive measures’ – have increasingly become important ‘foreign policy’ tools. Although they were used also before the Maastricht Treaty (for example, against South Africa in the late 1980s), the past two decades have seen a spectacular increase in their number and scope [see Figure III.10], including a gradual shift from ‘comprehensive’ sanctions (e.g. large-scale trade or oil embargoes) to a system of ‘smart’ sanctions (e.g. asset freezes or travel bans). Targets of EU sanctions have thus been not only states (as in the recent case of Syria) but also individuals and non-state entities, e.g. terrorist organisations, President Robert Mugabe and his associates, or several companies connected with the military junta in Burma/Myanmar. Additionally, the contexts in which sanctions are utilised have been diverse, ranging from the protection of human rights (Belarus and Uzbekistan), to crisis management (Afghanistan and Russia), from non-proliferation (Libya and Iran) to counter-terrorism (al-Qaeda and Daesh). They have also served different political purposes, despite the widespread belief that they are only meant to exercise coercion with a view to forcing the target to change or reverse its behaviour.

While the original Rome Treaty already implied that member states could coordinate their trade policies to produce the effects of economic sanctions, it was only with the Maastricht Treaty that the EU started to impose political sanctions. Such restrictive measures are now one of the possible tools that can be employed to pursue CFSP-related goals, although the Council can impose sanctions also when mandated by the UN Security Council and according to the Cotonou Agreement with APC countries. The key documents to consider in this context are the ‘Basic Principles’ adopted in June 2004 by the Political and Security Committee (PSC), the related ‘Guidelines’ (first approved in 2003 and regularly updated ever since), and the EU ‘Best Practices’ adopted in 2008, which contain the relevant information on how to identify the designated individuals or entities, the administrative modalities for freezing assets and banning products, including the procedure on how to grant exceptions and exemptions to the measures.

The Council Secretariat, the European Commission and the EEAS all have a role in sanction design and decision-making. This fragmentation may slow down implementation in critical contingencies that require swift action – the speed at which restrictive measures against Russia were adopted in 2013 was an exception – as does the inevitable need for internal compromises over the extent and nature of collective EU sanctions. However, as the world’s largest trading entity, a major global investor and the largest global aid donor, the EU enjoys significant leverage *vis-à-vis* sanctioned targets. The overall impact of such restrictive measures depends on the depth of mutual economic interdependence as well as on the evolving political context in which they are adopted – or lifted.

**FIGURE III.10: EVOLUTION OF CFSP SANCTIONS REGIMES**



Source: A.W. de Vries, C. Portela & B. Guijarro-Usobiaga, 'Improving the effectiveness of sanctions: a checklist for the EU', CEPS Special Report, no.95, 2014; European External Service

### The international development dimension

Together with its member states, the EU is the world's largest aid donor, providing more than half of the world's total international development assistance. European cooperation on international development has moved ever closer since the establishment of the EuropeAid external cooperation office in 2001. This office merged with the DG for Development and Relations with ACP States, eventually becoming the Directorate-General for International Cooperation and Development (DEVCO) in 2015. DEVCO is responsible for defining development policy and implementing development aid within the framework of the EU's external action as defined by the European External Action Service (EEAS). The EEAS is tasked with ensuring coherence between development and other areas of external action, working with the Commission to develop multi-annual strategies and programmes to define where EU development assistance will be distributed.

In addition to the EEAS, DEVCO works closely with the DGs for trade, enlargement, humanitarian aid & civil protection (ECHO), and others on thematic issues such as climate change or migration.



Within developing countries, the EU and its member states work with a range of NGOs, civil society organisations, private sector actors, partner governments, and international institutions such as the UN and the World Bank. In order to improve coherence and coordination – key goals of every aid policy – the EU institutions work closely with EU member state governments (each of which has their own development assistance programme) and parliaments, as well as with international partners, notably through the Development Assistance Committee (DAC) of the OECD. Programme and project work by the EU and its member states is often coordinated within partner countries by the respective EU delegation.

**TABLE III.5: AID DISTRIBUTION BY EU AND MEMBER STATES, 2013**

| Region                          | € Billion | Share  |
|---------------------------------|-----------|--------|
| <b>Africa, south of Sahara</b>  | 4.6       | 33.5%  |
| <b>Europe</b>                   | 2.5       | 18.1%  |
| <b>Asia, south and central</b>  | 1.3       | 9.7%   |
| <b>Asia and Middle East</b>     | 1.2       | 8.6%   |
| <b>Americas</b>                 | 0.9       | 6.6%   |
| <b>Africa, north of Sahara</b>  | 0.7       | 5.1%   |
| <b>Oceania</b>                  | 0.2       | 1.7%   |
| <b>Not regionally specified</b> | 2.3       | 16.6%  |
| <b>Total</b>                    | 13.7      | 100.0% |

Source: European Parliament, ‘€56.5 billion: how the EU and member states are fighting poverty world-wide’, 8 January 2105

While the pursuit of poverty reduction in developing countries was recently enshrined in the Treaty of Lisbon, the EU and its predecessors have long been active in providing international aid. Cooperation on development assistance stretches all the way back to 1957 and the creation of the intergovernmental European Development Fund (EDF). The EDF was created under the 1957 Rome Treaty and is financed by member state contributions rather than from the EU budget. It is the primary EU aid instrument for African, Caribbean and Pacific (ACP) countries and overseas countries and territories. The 11th EDF (for 2014-20) was created by an intergovernmental agreement in 2013 and entered into force in 2015 following member state ratification.

Today, the EDF remains the largest aid funding envelope, but has been joined by a series of other instruments that are funded by the main EU budget rather than by intergovernmental agreement like the EDF. The most important of these is the Development Cooperation Instrument (DCI), which distributes the bulk of EU-budgeted aid through geographic programmes, thematic programmes, and a unique Pan-African Programme.

While the EDF and the DCI target a wide group of countries around the world, two other instruments are focused closer to home. The European Neighbourhood and Partnership Instrument (ENPI) supports the European Neighbourhood Policy, the EU's key foreign policy towards 16 neighbours to its immediate east and south. As these countries are not as afflicted by extreme poverty as some other regions, the priorities of the aid are also somewhat different. In addition to helping economic development, they are focused more on helping democratic transitions, promoting human rights, moving towards a market economy and, increasingly, policies of common interest such as terrorism, migration, and conflict resolution. The Instrument for Pre-accession Assistance, as the name suggests, targets an even smaller group of countries, with the goal of helping them prepare for potentially joining the EU in the future.

Aid from the various instruments is distributed and used in multiple formats, depending on the partner country and region. The EU both uses grants to support development projects and organisations, and provides budget and sector support to partner governments that meet the criteria. The shape of development projects and grants varies considerably from country to country, as each situation involves a matching of European development priorities with the national priorities of the partner country.

**TABLE III.6: EXTERNAL FINANCING INSTRUMENTS**

| Instrument  | Funds available 2014-20<br>(€ billion) |
|---|--|
| European Development Fund                         | 30.5                                   |
| Development Cooperation Instrument                | 19.7                                   |
| European Neighbourhood and Partnership Instrument | 15.4                                   |
| Instrument for Pre-accession Assistance           | 11.7                                   |
| Instrument contributing to Stability and Peace    | 2.3                                    |
| European Instrument for Democracy & Human Rights  | 1.3                                    |
| Partnership Instrument                            | 0.96                                   |
| Instrument for Nuclear Safety Cooperation         | 0.23                                   |
| Instrument for Greenland                          | 0.21                                   |

Source: European Commission, 'External action financing instruments', Updated 9 December 2016

Although a central focus on poverty reduction has not changed, the priorities of EU aid policy have shifted over the years. At the turn of the century, European Community development action was defined by the 2000 Development Policy Statement, which laid out the principles and areas of focus for common development policy. The turn of the century also marked the kick-off of the UN Millennium Development Goals, which turned out to be a surprisingly effective tool for encouraging reform and cooperation on development action, not just at the European level, but globally. In the subsequent years, development cooperation at a global level has taken place in parallel with deeper cooperation within Europe. For example, the EU – along with more than a hundred other organisations and countries – signed the Paris Declaration on Aid Effectiveness (2005) to improve aid coordination, harmonisation and transparency, with a particular focus on ensuring partner country ownership of aid programmes. These international agreements have become more important as more and more countries (such as China) shift from being aid recipients to being donors with their own goals for their aid and foreign policy.

Further iterations of an overall EU development strategy were issued in 2005 (the Consensus on Development) and in 2011 (the Agenda for Change). As parts of the developing world have successfully moved out of poverty in recent years (especially in East Asia), these newer policy documents have focused more on differentiation between types of developing countries and targeting resources where they can have the greatest impact – in the poorest regions and countries. Additional emphasis has also been placed on a broader spectrum of development objectives, beyond poverty reduction. The Agenda for Change, still the reference policy document for shaping EU development plans in 2016, focuses on two main areas for EU aid:

- Human rights, democracy and other key elements of good governance
- Inclusive and sustainable growth for human development

It also emphasises the importance of understanding the connections between development and security, calling for intensification of an EU joined-up approach to security and poverty. Potential risks of various sorts – from natural disasters to civil unrest to extreme climate change impacts – have also become increasingly mainstreamed into EU development action. This need to understand and act upon the connections between development, governance and security has been an increasingly important theme in recent years, including through a communication on an EU Approach to Resilience and in the 2016 EU Global Strategy.

Most recently, EU development policy has begun to reflect a better understanding of the connections between development, security, environmental protection and other key fields. This understanding was highlighted most recently in the 2016 joint paper from the HR/VP and the Commission on a ‘Proposal for a new European Consensus on Development’. This trend can also be witnessed internationally; with the passing of Agenda 2030 and the adoption of the Sustainable

Development Goals (SDGs) by the UN, every country and region is now expected to look more holistically at the interconnections among many policy areas that impact on and are impacted by development, from environment to security – at both domestic and international levels.

The complexity of the EU development world thus seems unlikely to diminish in the years ahead as the EU works to further integrate a range of important issues – from the SDGs to disaster risk reduction to climate change adaptation – into its development policy and action.

### **III.7 ENERGY AND ENVIRONMENT**

Energy policy and environmental policy in the EU have become increasingly intertwined. This is demonstrated by the way in which the EU developed its 2030 climate and energy goals as well as the shape of the 2015 ‘Framework strategy for a resilient energy Union with a forward-looking climate change policy’ (in short, the Energy Union). But the evolution of the EU as an international actor has unfolded very differently in the two fields.

#### **Energy and foreign policy**

Cooperation on energy issues has been central to the European project since its earliest days. The 1951 European Coal and Steel Community facilitated cooperation on coal production, while the 1957 European Atomic Energy Community (Euratom) was created to address nuclear issues. But while European energy cooperation has long been established, it did not rapidly lead to deep policy integration among the member states, which retain the power to define their own energy priorities and to shape relations with energy suppliers.

Starting in the 1990s, the European Commission has been able to play a larger role in shaping European energy decisions by using its competences, notably those related to competition. Starting with the headline goal of building a liberalised internal energy market as part of the wider common market project, the Commission has increasingly issued papers and policies regarding energy since the 1990s, with a particular focus on three main goals: competitiveness, sustainability, and security. External relations have always been relevant for the pursuit of all three of these goals, which remain at the centre of energy policy for the Union as well as for the member states.

With the coming into force of the Lisbon Treaty, the Commission gained new competences in both energy policy and external representation, placing it on firmer footing in shaping external energy policy. DG ENER in the European Commission continues to take a leadership role in defining European energy policy, including international energy relations, but the European External Action Service (EEAS) is playing an increasingly bigger role, facilitating the work of the Commission as well as developing its own role via the creation of an Energy Diplomacy Action Plan.

The EU institutions work with member states when pursuing energy cooperation abroad, with energy often forming an important element of bilateral cooperation with strategic partners and other states. The EU has also sought to influence the energy policies of the countries in its neighbouring regions. To the east, this has led to the creation of the Energy Community, through which the EU supports the development of transparent, well-regulated energy markets in the countries to its east and southeast. The relative success of the Energy Community may be observed by the high level of engagement and buy-in from partner countries such as Serbia and Ukraine. By contrast, efforts at fostering multilateral energy cooperation in the Mediterranean have been less successful.

Of the three broad goals of EU energy policy (competitiveness, sustainability and energy security), it is energy security which has the most obvious connections with external policies, particularly given the EU's dependence on energy imports. Energy security is important to ensure not only the availability of supplies at reasonable prices, but also that no foreign state exercises undue influence over wider policymaking. Energy security worries gained increasing traction after Russia cut off gas supplies in the winter of 2006. This influenced the eventual development of the 2009 Third Energy Package, unveiled the same year that Russian gas was cut for a second time. This package enforced the 'unbundling' of integrated companies that could previously exercise excessive control over the production, transport or distribution of energy products. This led to limits being placed on the amount of gas that can be supplied through some pipelines (such as Nordstream) and played a role in the cancellation of Gazprom's giant South Stream project. Despite this, it is not uncommon for member states to pursue their own energy deals – including with Russia – regardless of the views of other member states.

The Energy Union, announced in 2015, is the latest step in consolidating energy policy at the EU level. It has five main themes:

- Security, solidarity and trust
- A fully integrated energy market
- Energy efficiency
- Climate action – decarbonising the economy
- Research, innovation and competitiveness

The Energy Union framework now forms the basis for pursuing key energy policies, such as the updated security of gas supply regulation, and a new Liquefied Natural Gas (LNG) import and storage strategy. It remains to be seen how well the Energy Union will succeed in helping build shared approaches to energy decision-making across and beyond Europe.

## Environment and foreign policy

The EU's first Environmental Action Programme (EAP) was put in place in 1973, and developed partially in response to worries that a patchwork of environmental laws across the continent could become an obstacle to market integration. The first Commission Directorate General for the environment was set up in 1981, while the environment became an official policy area through the 1993 Maastricht Treaty. The European Environment Agency began its work in 1994. Under the Lisbon Treaty, environment policy is a shared competence: the European Commission has exclusive competence for proposing and enforcing environmental policy but member states can set their national protection levels to a higher standard if desired. The seventh Environmental Action Plan (EAP) entered into force in 2014, and one of its cross-cutting policy objectives is to help the EU address international environmental and climate challenges more effectively.

The EU has begun to be recognised as an important global environmental actor, with its role evolving from one of facilitating European cooperation on relatively niche problems to one of taking the lead on global challenges such as climate change. The EU is a full contracting party to many multilateral environmental agreements [see Table III.7] and has been an active participant in many environmental negotiations, including those that take place under UN auspices, where the EU often only has observer status. This global role has evolved as an extension of the EU's role in intra-European environmental issues. In addition to the environmental competence expressly assigned through the treaties, the EU has been able to exercise 'implied' or parallel powers, which permit it to act externally in fields where it has explicit powers to act inside Europe. As environmental policy is a shared competence, international work is pursued cooperatively with both the EU and the member states actively involved.

While not without problems, there is a strong custom of EU/member state cooperation on this issue. The particular model of cooperation may vary according to the type of international agreement being negotiated (i.e. legally binding or not), the length of the negotiating process (if lasting beyond the length of one six-month Council presidency), and how much the subject matter touches on other issues of either shared or exclusive member state competence (notably energy). The COP21 climate negotiations in Paris were a successful example of how this cooperation can work in practice, with the Commission's DGs (ENV and CLIMA), the EEAS and the member states working in tandem – facilitated in this case by the forging of common European climate goals in advance of the international negotiations.

The Environment Council is the locus of internal EU policy coordination ahead of international negotiations, while continued coordination activities often take place during the negotiations, with all members of the negotiating team – whether from the Commission or member states – often included. Once international agreements have been reached, they must be ratified by the Council, the European Parliament and individual member states. One unique initiative that has

been facilitating common work among EU and member state diplomats is the Green Diplomacy Network. The network facilitates information gathering and cooperation on environmental issues, both among delegations abroad and among European capitals back home.

Within the EU institutions, the Environment and Climate DGs continue to set the priorities for environmental action both in Europe and abroad, while the EEAS has been expanding its role to support shared efforts. Leading up to the COP21 climate conference in Paris, for example, the EEAS developed a Climate Diplomacy Action Plan to coordinate and implement common European messaging in support of the negotiations. As of late 2016, efforts are underway to better integrate energy diplomacy and climate diplomacy efforts, given the increasing linkages between the two fields for domestic policy.

**TABLE III.7: SELECTED MULTILATERAL ENVIRONMENTAL AGREEMENTS TO WHICH THE EU IS A CONTRACTING PARTY OR SIGNATORY**

| Title   | Date of EU signature |
|---|----------------------|
| Convention on Long-range Transboundary Air Pollution (CLRTAP)   | 14/11/1979           |
| Protocol to the Convention for the Protection of the Ozone Layer on Substances that deplete the Ozone Layer (MONTREAL Protocol), as amended | 16/09/1987           |
| Framework Convention on Climate Change (UNFCCC)   | 13/06/1992           |
| Convention on Biological Diversity (UN) (CBD)   | 13/06/1992           |
| Protocol to the UN Framework Convention on Climate Change (The Kyoto Protocol)  | 29/04/1998           |
| Protocol to the Convention on long-range Transboundary air pollution on Persistent Organic Pollutants (POPs)                                | 24/06/1998           |
| Protocol on Biosafety to the Biodiversity Convention (The Cartagena Protocol)   | 26/05/2000           |
| Convention on Persistent Organic Pollutants (The POP Stockholm Convention)  | 23/05/2001           |
| Minamata Convention on Mercury  | 10/10/2013           |
| Paris Agreement on Climate Change   | 22/04/2016           |

Source: Modified from European Commission, 'Multilateral Environmental Agreements to which the EU is a Contracting Party or a Signatory', [http://ec.europa.eu/environment/international\\_issues/pdf/agreements\\_en.pdf](http://ec.europa.eu/environment/international_issues/pdf/agreements_en.pdf)





# IV. The geographical reach

## IV.1 SOUTH-EASTERN EUROPE

The Western Balkans – the ‘geo-political’ term, first adopted in 1998, covering Albania and the countries on the territory of the former Yugoslavia minus Slovenia – presented the EU with the biggest political-security challenge it had ever faced in its immediate neighbourhood following the dissolution of Yugoslavia. In many ways the region acted as a catalyst for the EU’s political union in general, and specifically for its fledgling Common Foreign and Security Policy (CFSP) and later European Security and Defence Policy (ESDP, now CSDP). The first CFSP debates, declarations and *démarches* were mostly about the conflicts in the region, and the first ESDP missions and operations were indeed deployed in the Western Balkans after those conflicts abated [see Chapter III].

On the eve of the ‘big bang’ EU enlargement, the Thessaloniki Declaration of June 2003 declared “unequivocal support to the European perspective of the Western Balkan countries”. Since then, Croatia joined the Union in 2013 while the other countries, although overall making slow progress towards membership, face diverse challenges, which means that accession is a longer-term process that constitutes just one aspect of their relations with the EU. With the prospect of membership pushed beyond 2019, the EU’s agenda in the region is now shaped also by support for stability, cooperation on counterterrorism and the fight against Islamic radicalism.

### The dissolution of Yugoslavia

While the Iron Curtain fell and the first wave of democratic elections swept through much of Central Europe at the beginning of the 1990s, Yugoslavia (a non-aligned country throughout the Cold War) faced increasing tensions between its republics, whose political elites – in some cases newly-elected in free and competitive polls – disagreed on the pace and direction of political and economic reforms, on relations between the constituent parts of the federal state, and on the future statehood itself. In the early 1990s the European Community’s relations with Yugoslavia were based on a Cooperation Agreement dating back to 1980. In the early summer of 1991 a crumbling Yugoslavia on the brink of civil war became the subject of intense political consultations and diplomatic actions. Jacques Poos, the foreign minister of Luxembourg then holding the rotating Presidency of the Council, famously claimed that ‘the hour of Europe’ had come.

The ensuing decade witnessed three (civil) wars in the region, one international (humanitarian) military intervention, the falling apart of the federal state, the emergence of an alarming refugee

crisis and the economic devastation of the region. Albania, although spared the civil wars, similarly suffered severe economic repercussions and mass migration and faced near-collapse in spring 1997. Overwhelmed by the magnitude of the Yugoslav crisis, the EU initially lacked a coherent objective and strategy as well as the legal framework and institutional capacity to develop and implement one. Throughout the first half of the 1990s the EU and its member states acted primarily through the Conference for Security and Cooperation in Europe (CSCE, later renamed OSCE) and the UN, including in Albania. However, the EU also developed new diplomatic instruments (such as the diplomatic troika, a peace conference and an observer mission) and engaged in its first debate on the use of military means since the 1950s.

The ongoing civil war in Bosnia and Herzegovina as well as the eventual peace brought about by US and NATO engagement and the 1995 Dayton Agreement led the Europeans to reflect upon their legal and institutional set-up and overall policy towards the Western Balkans. The Dayton Agreement presented a framework within which the EU specified its own goals regarding post-conflict reconstruction. The Treaty on European Union (TEU) – in its successive Maastricht, Amsterdam and Nice versions – provided the possibility of harnessing the respect of diplomatic positions through the use of economic instruments (conditionality) and defining the scope of common action through the incorporation of the so-called ‘Petersberg tasks’ (originally formulated in 1992 in the WEU context). Common diplomatic efforts were increasingly channeled through ever closer links with the High Representative for Bosnia and Herzegovina, a post created at Dayton and traditionally held by a senior European representative. They were also presented through the (co)organisation of donor conferences and strengthened by the prospect for the countries of the region to enter contractual relations with the EU conditioned upon regional cooperation and good neighbourly relations. While the EU (*inter alia* through the Commission’s presence in Sarajevo) took over the role of main coordinator of international financial support for post-conflict reconstruction, it provided the lion’s share of humanitarian support for Bosnia and Herzegovina already before the end of the hostilities and embarked on the reconstruction of the city of Mostar as early as 1995, with its first ever CFSP Common Action.

Towards the end of the 1990s and in the early 2000s, the EU had established itself – within the region as well as the international community – as the main provider of humanitarian and economic assistance and major political force in the region. It played a key role in resolving the 2001 crisis in FYROM, which led to the signature of the Ohrid Agreement. Right after the Kosovo war it initiated the Stability Pact for South Eastern Europe, replaced in 2008 by the Regional Cooperation Council (RCC), and then launched the Stabilisation and Accession Process (SAP), with the objective of promoting closer contractual relations between some of the Western Balkans countries and the Union. The September 2000 elections in the Federal Republic of Yugoslavia, hitherto excluded from the SAP, provided new impetus and made it possible to extend the SAP to all the countries in the region: in November 2000, at a

summit in Zagreb, the EU acknowledged them as potential candidates for EU membership, and the commitment was eventually formalised in Thessaloniki a couple of years later.

## Recent evolution and prospects

The countries of the Western Balkans have continued their path towards EU accession first through the conclusion of Stabilisation and Association Agreements, then within the framework of the EU's enlargement policy proper. They are receiving pre-accession assistance to meet the membership criteria through the (latest) Instrument for Pre-Accession II [see Table IV.1]. A visa-free travel regime is in place for all Balkan countries with the exception of Kosovo, whose independence – declared in 2008 – is not recognised by five EU member states (Cyprus, Greece, Romania, Slovakia and Spain). Upon his election as President of the European Commission in 2014, however, Jean Claude Juncker announced that no future enlargement was to be expected during the term of his Commission.

**TABLE IV.1: CURRENT STATUS OF THE WESTERN BALKAN COUNTRIES**

| Countries and status |                        | Latest developments (autumn 2016)   |
|----------------------|------------------------|---|
| Members              | Croatia                | Joined the EU on 01/07/2013 (with candidate status confirmed as of 01/06/2004).   |
| Candidate Countries  | Albania                | Granted candidate status on 27/06/2014  |
|                      | FYROM                  | Granted candidate status on 16/12/2005; Commission recommended opening accession negotiations first on 01/10/2009; currently Commission's recommendation to open accession negotiations is conditioned by the implementation of the Pržino Agreement of 01/07/2015. |
|                      | Montenegro             | Granted candidate status on 17/12/2010; accession negotiations opened on 29/06/2012; 24 negotiating chapters have been opened (and two among them provisionally closed) by autumn 2016.   |
|                      | Serbia                 | Granted candidate status on 01/03/2012; first negotiating chapters opened on 14/12/2015; four chapters opened by autumn 2016.   |
| Potential Candidates | Bosnia and Herzegovina | Application to join the EU submitted on 15/2/2016; Council requested the Commission to present an opinion on 20/09/2016.  |
|                      | Kosovo                 | Stabilisation and Association Agreement entered into force on 01/04/2016.   |

The countries in the Western Balkans are at different stages in their accession path: with the exception of Croatia (who joined the Union in 2013), progress is still rather slow and not always straightforward. Yet enlargement is not the only policy framework for the EU's (and the member states') relations with the region. The Union facilitates the Belgrade-Pristina dialogue to implement the 2013 EU-brokered 'First agreement of principles governing the normalisation of relations' as well as other bilateral arrangements. It also continues its presence as a security provider through ongoing CSDP missions. In July 2015 Commissioner Hahn and a delegation of three MEPs mediated the 'Pržino deal' between the main political parties in FYROM, paving the way to the end of the worst political crisis in the country since 2001. In the wake of Juncker's announcement, the so-called Berlin Process was launched with a view to reinvigorating the integration process. Moreover, the Brdo-Brijuni Process is a regionally-owned platform for political dialogue on sensitive bilateral and regional issues, while the 'Western Balkans Six' format enables the governments from the region to agree on and promote joint initiatives, with the full cooperation of the European Commission.

The 2015 Enlargement Strategy of the European Commission stated that all Western Balkan countries 'face major challenges with respect to the rule of law' and listed efforts to improve the independence, efficiency and accountability of judicial systems, the capacity of public administrations, and the functioning of democratic institutions as necessary. The Strategy also acknowledged that most countries 'face significant challenges in terms of economic governance and competitiveness, with low levels of investment and high levels of unemployment'.

Meanwhile, the 2015 refugee crisis once again served as a reminder of the Western Balkans' role in Europe's stability and security. The migration crisis along the so-called 'Balkan route' – with hundreds of thousands of refugees and migrants passing through the territories of countries in the region – imposed severe strain on the affected societies and governments as well as on bilateral relations between some countries, while accounts of increased radicalisation and high numbers of 'foreign fighters' originating from the Western Balkans also prompted the EU to step up its approach towards the region. The EU pledged assistance and a series of high-level meetings in October 2015 resulted in a 17-point action plan agreed by the Commission and the countries concerned. For its part, the 2016 EU Global Strategy also states that the challenges of migration, energy security, terrorism and organised crime are shared between the EU and its southeastern neighbours and recognised the urgency of fostering 'political reform, rule of law, economic convergence and good neighbourly relations in the Western Balkans and Turkey, while coherently pursuing cooperation across different sectors'.

#### Box IV.1. The EU and the OSCE

Created in 1995 as a more institutionalised successor to the Conference on Security and Cooperation in Europe (CSCE) and the so-called ‘Helsinki Process’ launched in 1973 and based in Vienna, the OSCE is the world’s largest security-oriented intergovernmental organisation. Its 57 participating states stretch ‘from Vancouver to Vladivostok’ and encompass Europe (including all EU members and Russia), North America (the US and Canada), and northern and central Asia (the whole post-Soviet space). The Organisation now has a Secretariat, a Permanent Council, a Parliamentary Assembly and other decentralised bodies, and operates under the aegis of its rotating annual chair.

The work of the OSCE covers three main areas of interest to the EU: political and military issues, economic and environmental challenges, human rights and democracy (including elections observation). Unlike the EU, decisions in and by the OSCE are taken by consensus and have no legal implications, only political ones. The implementation of the OSCE commitments is supported and monitored by three autonomous bodies all based in EU member states: the Office for Democratic Institutions and Human Rights (ODIHR) in Warsaw, the High Commissioner on National Minorities (HCNM) in The Hague, and the Representative on Freedom of the Media (RFOM) in Vienna.

The EU countries account for roughly half of the OSCE members. More than two thirds of the OSCE budget and many extra-budgetary projects are also funded by the EU member states. The EU contributes in particular to OSCE support in developing human rights and democratic institutions as well as crisis management and post-conflict rehabilitation, especially in the Western Balkans.

Although participation of the EU as a single entity in the OSCE was not formalised until 2006, the European Commission was deeply involved in the preparatory stages of the 1975 Helsinki Final Act – which also served as a precedent for the future European Political Cooperation – and has since played a central role. The OSCE asked the President of the Commission to sign its key documents, including the Charter of Paris in 1990 and the Charter for European Security in 1999.

Working on complementary and sometimes overlapping agendas, the EU and the OSCE share a number of common interests. Over the last few years, they have strengthened coordination between CSDP missions and OSCE field operations, especially in Eastern Europe and the South Caucasus, and mutual consultation on conflict resolution in Moldova and Georgia. The Delegation of the EU to the International Organisations in Vienna, opened in 1979, serves as the main link between the two, coordinating their daily work (especially in non-decision making instances), identifying synergies and sitting alongside the country holding the EU rotating Presidency. *[JL]*

## Turkey between partnership and membership

The interdependence and partnership between Turkey and the EU was first acknowledged when Ankara applied for associate membership to the European Economic Community (EEC) in 1959 and signed the Association Agreement in 1963. Since then, both Turkey and the EC/EU have undergone several changes, including a series of *coups d'états* and an armed conflict with Cyprus for Turkey, and for the EU the enlargement process which made Turkey a direct neighbour in addition to being (since 1952) a NATO ally. An important milestone was the Customs Union agreed in 1995, followed by the EU's recognition of Turkey as a fully-fledged candidate for eventual membership – on equal footing with other potential ones – in December 1999.

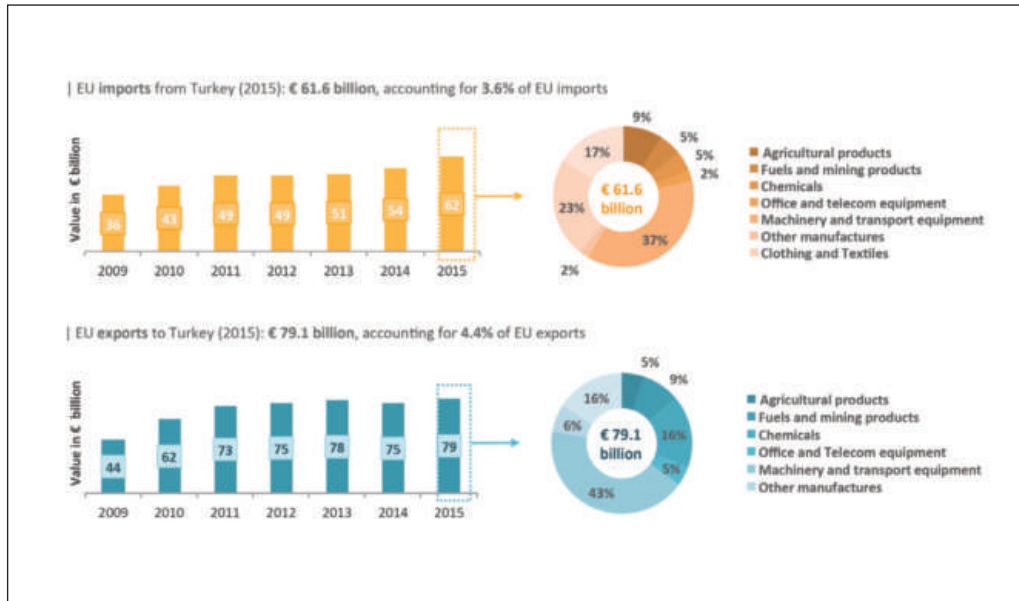
Turkey's relations with the EU reached a peak in the early 2000s following a string of internal reforms, such as the abolition of the death penalty, broadening minority rights and economic liberalisation. As a result, formal accession negotiations have been underway since October 2005: to date, out of the 35 chapters, only one has been provisionally closed (on science and research, in 2006) and fifteen more are under negotiation.

As a NATO member, Turkey is a key partner in securing the south-eastern flank of the alliance. And it was only after the consent of the newly elected government formed by the Justice and Development Party (AKP) in 2002 that NATO and the EU could sign the 'Berlin Plus' agreement that still regulates bilateral military cooperation [see Chapter III]. In this context, Turkey contributes to the military operations and civilian missions of the EU, including the ongoing EUFOR *Althea* operation in Bosnia and Herzegovina, EUPOL COPPS in Palestine and EULEX in Kosovo.

Trade relations between Turkey and the EU gained new traction following the 1995 Customs Union. The EU is Turkey's number one import and export partner, accounting for over half of the country's trade, while Turkey is the EU's sixth largest source of imports and fourth largest export market. These trade flows are primarily composed of machinery, transport equipment and materials, manufactured goods and chemical products.

Energy security represents yet another area for cooperation, and an energy dialogue with Turkey was initiated in 2015. Upon completion of the Southern Gas Corridor pipeline in 2019/2020, Turkey will serve as a key transit country bringing gas to the EU from the Caspian Sea Basin, Central Asia, the Middle East and the Eastern Mediterranean, with the potential to meet approximately 20% of Europe's gas needs.

**CHART IV.1: EU-TURKEY BILATERAL TRADE, 2009-2015**



Source: European Commission, ‘European Union, Trade in goods with Turkey’, November 2016

Last but certainly not least, following the massive influx of irregular migrants from the Middle East into the EU via the Aegean Sea that began in spring 2015, the EU and Turkey signed a Joint Action Plan in October 2015. On 24 November 2015, the EU subsequently committed to providing €3 billion for a newly established Facility for Refugees in Turkey, as well as to speeding up negotiations on visa liberalisation for Turkish citizens, while Turkey pledged to improve border security, information sharing, access to the labour market for refugees, and to bring its anti-terrorism legislation in line with EU demands. Building on the Joint Action Plan, a further-reaching ‘EU-Turkey Statement’ signed in March 2016 launched a scheme whereby the EU can return irregular migrants arriving in Greece via the Aegean Sea to Turkey and, for each Syrian citizen returned, one Syrian refugee in Turkey would be resettled to the EU.

## IV.2 EASTERN NEIGHBOURS AND RUSSIA

With the end of the Cold War, the EU faced the need to develop a new approach to Eastern Europe. While Central Europe and the Baltics soon went down the path of EU accession, the EU offered Russia and all other post-Soviet states (plus Mongolia) a lighter form of cooperation based on more or less similar Partnership and Cooperation Agreements (PCAs), that mostly dealt with trade issues. As the EU developed its own ‘foreign policy’ machinery and expanded eastwards, the question of a wider and deeper format for relations with the new Eastern neighbours and Russia climbed up the agenda.

### New neighbours - new policy

In 2004, the EU enlarged to include ten new countries (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia), extending to another two in 2007 (Bulgaria and Romania). Already in the run-up to its enlargement to the East, the EU faced the prospect of having new geographical neighbours – Belarus, Moldova and Ukraine – as well as a longer border with Russia. These new geographical realities required a new approach. In August 2002 Javier Solana, then High Representative for EU foreign policy and Chris Patten, Commissioner for External Relations, launched a substantial policy discussion on a ‘new neighbourhood policy’ with an emphasis on the need to avoid dividing lines in Europe that might result from the EU’s eastward enlargement by building ‘closer trade links and approximation and/or harmonisation of legislation and progressive extension of all relevant EU policies’.

The contours of the policy were outlined in a European Commission communication in March 2003 which declared that the ‘EU should aim to develop a zone of prosperity and a friendly neighbourhood – a “ring of friends” - with whom the EU enjoys close, peaceful and cooperative relations’. In return for concrete progress demonstrating shared values and effective implementation of political, economic and institutional reforms, including in aligning legislation with the *acquis*, the EU’s neighbourhood would benefit from the prospect of closer economic integration with the EU. To this end, Russia, the countries of the Western post-Soviet space and the Southern Mediterranean would be offered the prospect of a stake in the EU internal market and further integration and liberalisation to promote the free movement of persons, goods, services and capital (four freedoms). Such an approach was clearly inspired by the enlargement process, though without a promise to expand further East.

While the policy was initially supposed to be focused on Belarus, Moldova and Ukraine, it quickly acquired a much wider scope. By 2004, the policy initiative turned into a comprehensive European Neighbourhood Policy (ENP) targeting the EU’s Eastern neighbours – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine, as well as the EU’s southern ones (Algeria, Egypt, Israel,



Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria and Tunisia). Russia was supposed to be included in the same policy framework, but it refused and preferred to develop its own bilateral set of relations with the EU [see below].

The ENP was built on several pillars. In the case of some new EU neighbours, an initial task was to build the most basic infrastructure for political contacts. Until the launch of ENP, the EU had only two diplomatic representations (EC Delegations) for six countries, namely Ukraine (also covering Belarus and Moldova) and Georgia (also covering Armenia and Azerbaijan). The hope was that such contacts could also boost EU support for democratisation and reforms throughout the region, especially when coupled with economic conditionality.

Economics was supposed to be the cornerstone of EU influence to instil reforms in the new neighbours. With this in mind, the EU offered its Eastern partners the prospect of creating Deep and Comprehensive Free Trade Areas (DCFTA). The 'deep and comprehensive' part meant that such a new trade regime should not be confined to tariff abolition only, but go much deeper into legislative and normative harmonisation than traditional free trade agreements. That was a key vehicle to export EU rules and standards.

Another key goal was to promote stability. The 2003 Communication clearly outlined the rationale and the ambition: 'the negative effects of conflict on economic and political development, especially where sustained over a long period, cannot be overestimated. These effects are not only domestic – so long as conflicts persist there is a danger of spill over. Conflict and political division in the Mediterranean (Western Sahara, Palestine) over the past half century has seriously retarded the development of the region. Unrecognised statelets such as Transnistria are a magnet for organised crime and can de-stabilise or throw off course the process of state-building, political consolidation and sustainable development'.

Over the years, this vision has been updated several times, with virtually annual communications, policy updates and periodic rebranding exercises. Besides frequent changes of label, the essence of the policy has remained largely the same: boost trade with the EU by facilitating access to the EU market in exchange for reforms and liberalisation.

Of all the policy upgrades, the launch of the Eastern Partnership (EaP) was the most significant. It was more a rebranding exercise than a new policy, as the ENP continued as before. But the idea was to emphasise a higher degree of differentiation in approaches to the South and the East. The EU approach to the South was branded 'Mediterranean Union' (2008), the Eastern leg 'Eastern Partnership' (2009). Yet the EU and its Eastern partners also agreed to hold regular summits at the level of Heads of State and Government every two years.

## Recent evolution and prospects

Since the inception of the ENP, the EU's relations with its Eastern neighbours have been transformed. On the political front, the EU has opened Delegations in each of the countries of the region and the number of high-level contacts – at all levels, from presidential to working groups – increased dramatically. The EU has also signed a new 'generation' of agreements – called Association Agreements – with Georgia, Moldova and Ukraine in 2014, which contained provisions for DCFTAs.

Trade dynamics have also changed substantially, as the EU has become the biggest trading partner for five out of six Eastern neighbours (bar Belarus). With the signature of the 2014 Association Agreements, the stage has been set for even tighter economic integration with the EU, as these countries committed to implementing most of the *acquis communautaire* as part of their trade arrangements. This process will certainly not be easy and or smooth, although it is likely to consolidate trade flows and trends that were already strong over the previous decade. As for the other states of the region, Armenia negotiated an EU Association Agreement but refused to sign it under Russian pressure, while Azerbaijan declared its disinterest in it.

Conflict resolution dynamics have been less positive. When the ENP was launched, there were four separatist conflicts in the region – Transnistria in Moldova, Abkhazia and South Ossetia in Georgia, and Nagorno-Karabakh in Azerbaijan. Nudging them towards some kind of resolution has been an explicit policy goal. To achieve that, the EU has become a conflict settlement mediator in Transnistria, appointed EU Special Representatives for Moldova and the South Caucasus, launched an EU Border Assistance Mission in Moldova and Ukraine (since 2005), an EU Monitoring Mission in Georgia (since 2008), and expressed a readiness to send peacekeepers to Nagorno-Karabakh should the two parties to the conflict request its intervention. These efforts have not helped solve the disputes where local and regional factors, including Russia's presence, outweighed whatever international mediation efforts could achieve. In fact, a war broke out between Georgia and Russia in 2008, and military hostilities in Nagorno-Karabakh escalated briefly in 2016 – not to mention the Ukrainian crisis of 2013-15 [see below].

## Relations with Russia

Due to Russia's size and 'geopolitical' weight – even throughout the 1990s when it was dealing with the aftermath of the collapse of the Soviet Union – EU-Russia relations have been more developed than with the other post-Soviet states. A Partnership and Cooperation Agreement (PCA) signed already in 1994 came into force in 1997 (for ten years) and has been renewed annually ever since. In 1999, the EU adopted a Common Strategy on Russia and started to hold regular biannual summits with Moscow (compared to annual ones with China or the US, for example) in the framework of the new 'Strategic Partnership' between the Union and the Russian Federation.

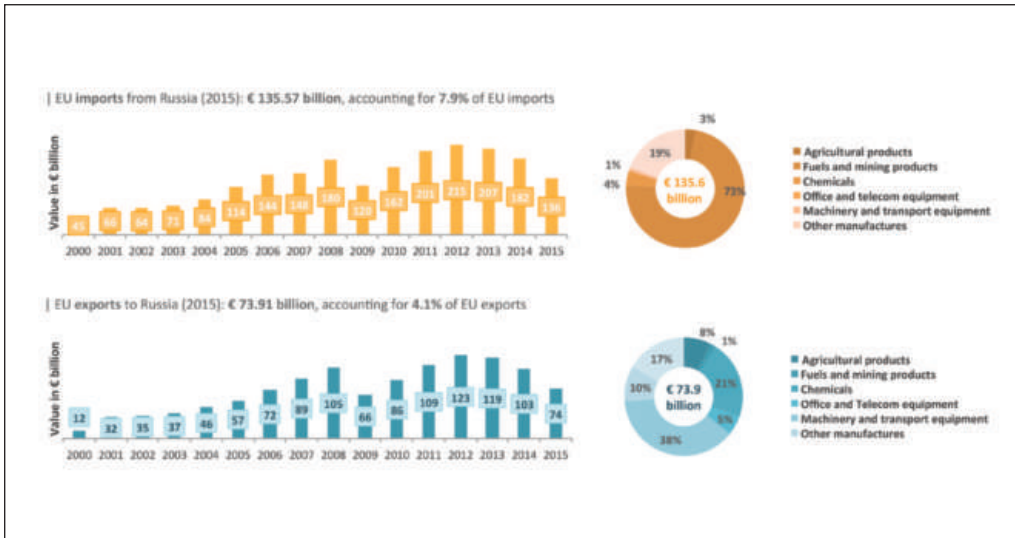
In early 2000, relations intensified due to resurgent economic growth in Russia and strong political partnerships between Moscow and several EU member states. In 2003, Russia refused to participate in the ENP, but Moscow and Brussels agreed in the same year to launch a dialogue on four common spaces: (i) economy, (ii) freedom, security and justice, (iii) external security, and (iv) research, education and culture. The four common spaces broadly reflected the outline of what was offered to other European neighbours. By 2005, the EU and Russia signed ‘roadmaps’ towards achieving the common economic space, whose ultimate ambition was to build an integrated market ‘from Lisbon to Vladivostok’, and by 2010 even agreed on the principle of a ‘partnership for modernisation’.

While bilateral trade volumes grew spectacularly between 2000 and 2012 (the EU is by far Russia’s biggest trading partner), diplomatic relations were occasionally rocked by political tensions, be it over authoritarian tendencies inside Russia and the conduct of the war in Chechnya, the ‘colour revolutions’ in Ukraine and Georgia, or Russian opposition to NATO expansion, making it difficult to reach agreement on a new framework for bilateral relations, a sort of ‘enhanced PCA’. Russia’s economic stagnation after 2012, the fall in oil prices and the subsequent sanctions imposed by the West (including the EU) over Ukraine have impacted negatively on trade and investment flows. Nevertheless, the EU has remained Russia’s first trading partner throughout this period, averaging around 50% of the country’s external trade, and Russia has been the EU’s third trading partner (after the US and China) for most of the last decade as well.

When Russia cut off gas supplies to Ukraine in mid-winter (twice, in 2006 and 2009), the EU suffered gas shortages. This raised questions about Russia’s reliability as a supplier, as well as its propensity to use energy as a tool for exercising political pressure. This prompted the EU to launch a series of measures to increase its internal energy security (development of new energy infrastructure, adoption of the ‘third energy package liberalisation’, and launching of legal cases against Gazprom for abuse of its dominant position in some markets). Although Russia and the EU continue trading in energy, this sector has been increasingly fraught with mutual suspicion and distrust.

People-to-people contacts have also increased substantially, whether through student exchanges or tourism. For the last decade, Russians have been by far the biggest recipients of Schengen visas in the world, with up to 40% of EU visas issued worldwide: their number of Schengen visas doubled (from 3 to 6 million) between 2009 and 2012. Russia was also the first country to receive a visa facilitation agreement in 2007 – soon followed by the EaP countries. In the sphere of education, between 2004 and 2014 the number of students from Russia participating in Erasmus exchange programmes was the second highest worldwide, with over 3,500 Russian students being awarded scholarships. This comes in addition to dozens of thousands of Russian students who come to Europe via other channels – from private education to bilateral exchanges with EU member states.

**CHART IV.2: EU-RUSSIA BILATERAL TRADE, 2000-2015**



Source: European Commission, ‘European Union, Trade in goods with Russia,’ June 2016.

On foreign and security policy the picture is much more mixed. There have been significant instances of cooperation between the EU and Russia, e.g. on persuading Iran to stop or contain its nuclear programme. From the early 2000s, however, political differences started to build up. Many of the EU’s and Russia’s common neighbours – especially Georgia, Moldova and Ukraine – came under increasing Russian pressure in the form of trade embargoes. But the situation degenerated when Russian policies started to acquire a stronger military dimension, escalating first into a war with Georgia in 2008 and then into a Russian-backed conflict in Ukraine in 2014-2015, including the annexation of Crimea.

Russia also had its own long list of grievances. NATO’s enlargement to the East, the development of anti-ballistic missile systems in Europe as well as the recognition of Kosovo’s independence by most EU member states have all been perceived negatively in Russia. Western military interventions in Kosovo, Afghanistan and Iraq as well as reactions to the Arab Spring (including NATO’s operation in Libya) and actions in Syria have all fuelled tensions. While these were not strictly speaking EU activities, they influenced the way Moscow perceived the Union and the whole process of European integration.

**Box IV.2. The crisis in and over Ukraine**

As the negotiations on the Association Agreements approached their end, Russian pressure increased, culminating in a series of diplomatic tensions in mid-2013. In 2012, Ukraine finalised its negotiations, with its signature planned for the Eastern Partnership summit in November 2013 in Vilnius. Armenia, Georgia and Moldova finalised talks on their Association Agreements in July 2013 as well. However, this galvanised Russia's opposition to the agreements. First Ukraine came under a *de facto* trade blockade from Moscow. Then Armenia announced that it would not sign the Association Agreement after all, whereas Georgia and Moldova – which had already been under various trade embargoes for almost a decade – resisted these pressures.

Ukraine's President Viktor Yanukovich, however, did not, announcing his intention to postpone the signature of the agreement just two weeks before the Vilnius summit. This triggered massive popular protests around Kiev's central Maidan Square, starting on 21 November 2013. The protest grew and finally erupted into violent clashes culminating in a bloody standoff with the security forces between 19-21 February 2014, which left 130 people dead and prompted Yanukovich to flee to Russia. As the revolution was unfolding, Russia launched its covert military takeover of the Crimean peninsula, eventually resulting in its annexation to Moscow; in the Donbass region, another conflict started to escalate, in part as a side effect of the Ukrainian civil strife and in part as a result of Russian military and intelligence meddling. In 2014-2015, large segments of Eastern Ukraine experienced a fully-fledged war with roughly 10,000 casualties.

The events in Ukraine led to a nearly complete breakdown of political relations between the EU and Russia. After the annexation of Crimea in March 2014, the EU introduced targeted sanctions – visa bans and asset freezes – against Russian (and Ukrainian) officials. As the situation in the Donbass deteriorated, EU restrictive measures against Russia also intensified, and when Malaysian Airlines flight MH017 – full of European passengers, including a majority of Dutch citizens – was shot down by a sophisticated anti-aircraft weapon in the skies above Eastern Ukraine (most likely by Russian-backed separatists and possibly with weapons supplied by Russia) the EU agreed wider economic sanctions against Moscow and basically froze bilateral relations.

At the same time, France, Germany, Russia and Ukraine negotiated a ceasefire in the Donbass region, the so-called 'Minsk Agreement'. Throughout 2015-2016, the EU conditioned the removal of the farthest reaching sanctions against Moscow to the implementation of the Minsk Agreement, while the 'lighter' measures introduced for Crimea would stay. Ever since, despite some progress, Minsk's implementation has been neither swift nor particularly successful.

As political relations with Russia worsened over Ukraine, diplomatic interaction continued beyond the Ukrainian context – e.g. over Iran or Syria – in line with the new principle of ‘selective engagement’ with Moscow agreed by the EU-28. At the same time, EU relations with the other Eastern neighbours have developed along distinct trajectories, with a clearer differentiation between those countries who have signed and are implementing the DCFTAs (but who are all affected by issues of territorial integrity: Georgia, Moldova and Ukraine) and those who have not, thus leading to a policy that is adapted to each of the partner’s needs and ambitions *vis-à-vis* the EU.

### IV.3 SOUTHERN NEIGHBOURS

Europe’s record of relations with its southern neighbours can be divided into roughly four historical phases, each of which closely mirrors the state of European ‘foreign policy’ itself. In the early days, collective contact with southern neighbours was focused on trade relations only. In the 1970s, as Europe moved into the era of common statements on foreign affairs, exchanges began to focus on issues such as war and conflict. By the time the EU began to conceptualise its relations with the rest of the world beyond mere statements, in the 1990s, it equally proposed a framework and indeed a concept for engagement with its southern neighbours. This trend was reinforced in the 2000s with the development of not only an EU strategy, but also a regional policy for the Mediterranean region.

#### Phase 1: trade, aid and migration

The first contacts between the European Economic Community (EEC) as a collective entity and its southern neighbours were economic in nature, as the EEC was initially born as an essentially economic actor, and its trade relations with North African countries were of particular importance. The EEC concluded five-year agreements with Algeria, Morocco and Tunisia as early as 1969. Although they were labelled Cooperation Agreements, their main focus was commerce: manufactured goods originating in these countries were exempted from duties (although they remained subject to quotas), and agricultural products were granted preferential tariffs. Goods imported from Europe to these countries were eligible for these preferential terms only when they did not compete with local production, thus taking into account the discrepancies between the two parties to the agreements in terms of their respective levels of economic development.

By 1972, the EEC developed the so-called Global Mediterranean Policy which was to constitute the framework under which agreements with seven Mediterranean countries plus Jordan (but excluding Albania and Libya) were to be henceforth negotiated. It applied to the first set of agreements concluded in 1976. This policy went further than trade and also included economic and financial aid for the North African countries involved.

At this time, aid was geared particularly at modernisation and development in the industrial and agricultural sectors. However, the agreements negotiated under this policy were more restrictive than their predecessors in order to protect European markets. Indeed, textiles (an important Moroccan and Tunisian export) as well as refined petroleum products (an important Algerian export) were no longer exempt from any duties, whereas preferential tariffs for agricultural products were applicable only during those seasons where European suppliers could not meet demand.

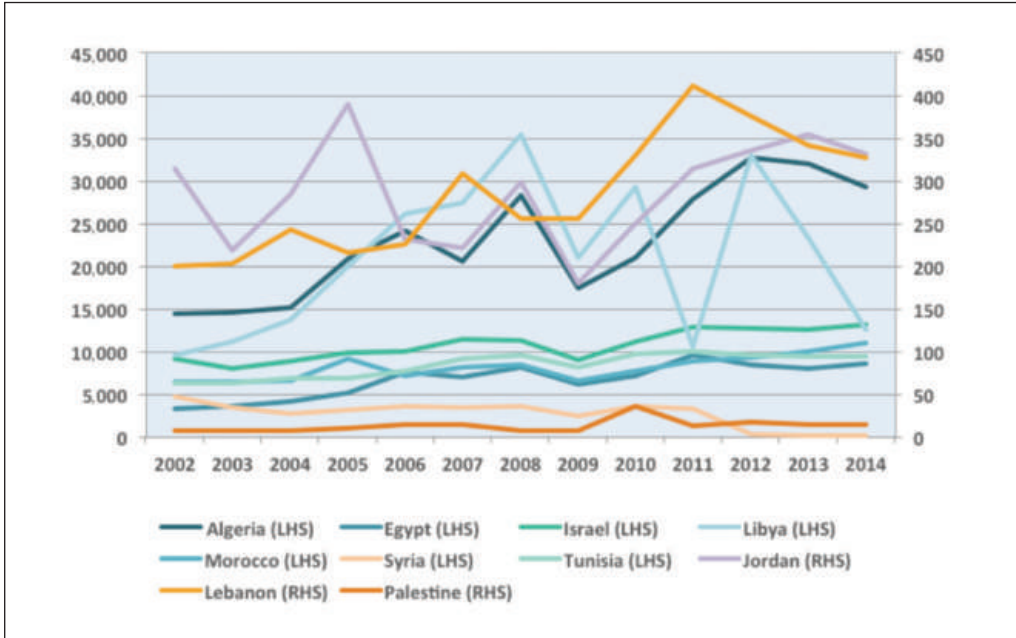
However, these agreements also included a social clause related to the living conditions of workers from North Africa. As European economies boomed in the 1960s, employers and politicians alike were keen to import migrant labour from North Africa. In France, the numbers of workers from the Maghreb had increased tenfold between 1946 and 1962, from 40,000 to 400,000. With the end of France's sovereignty over Algeria, this number increased to 1.5 million by 1981. Significant immigration from North Africa also occurred in Belgium (128,000 in 1981) the Netherlands (93,700) and Germany (63,000). But with European economies falling into recession following the Arab-Israeli war of 1973 and the accompanying oil embargo, the conditions of these workers worsened, and regular strikes and riots occurred. Although most European states put an end to more or less unchecked immigration in the mid-1970s, their North African populations continued to grow largely as a result of family reunification.

Since then, commercial relations between Europe and the Middle East and North Africa (MENA) have expanded and evolved considerably, but they are no longer the exclusive field of interaction. The EU is an important trading partner for its southern neighbours, on average making up 62% of their foreign trade. Since 1995, the volume of trade between the two sides has doubled and in some cases even tripled. More importantly, the model of a regional framework and related agreements – rather than a case-by-case approach – became the norm for European engagement with the South following the Global Mediterranean Policy.

## **Phase 2: wars, conflicts and statements**

Europe's southern neighbours descended further and further into turmoil in the years following their independence: Algeria and Morocco had clashed in the 1963 Sand War, Israel and its Arab neighbours had fought three wars over Palestine by 1973, Spain's withdrawal from Western Sahara in 1975 led to the still ongoing dispute over sovereignty, and governments were ousted in Egypt, Iraq, Libya and Syria by military coups. Terrorism, in the region as well as in Europe, targeted governments as much as it was funded by some; and, in 1975, Lebanon's 15-year long civil war broke out.

**FIGURE IV.1: COUNTRY EXPORTS TO THE EU, 2002-2014, (in € million)**



Source: European Commission, Market Access Database, ‘Trade flows in goods between EU and non-EU countries’

Meanwhile, in 1970 the EU launched the European Political Cooperation format: albeit modest in scope – and formally not part of the treaty – the framework nevertheless delivered several important milestones for relations between the EC and its southern neighbours. Almost all of these were in direct relation to ongoing crises and conflicts.

The first landmark moment was the war of 1973: out of solidarity towards the Arab states (Egypt and Syria) fighting Israel over territory seized in the war of 1967, the members of the Organisation of Arab Petroleum Exporting Countries imposed an embargo on those third states it saw as partial to Israel, namely Canada, Japan, the Netherlands, the United Kingdom and the United States. The decrease in oil production led to a quadrupling of the global oil price (from \$3 to \$12 per barrel) and consequently affected all oil-importing countries.

As a result, Europe launched the Euro-Arab dialogue as the first political forum for exchanges between the European Community and the League of Arab States. At the European end, the dialogue was to be managed by the Presidency of the Council. The dialogue in itself was a novelty and came to include the Palestine Liberation Organisation (PLO), until then shunned by other international actors. However, it soon became a hostage of international politics: as Egypt signed a separate peace treaty with Israel in 1979, it was expelled from the League of Arab States which in turn also requested the suspension of the Euro-Arab dialogue. Attempts to revive the format



in 1989, after Egypt returned to the ranks of the Arab League, were hampered by the Gulf crisis of 1990. As long as Arab states remained divided, the format of two multilateral entities engaging in dialogue remained stuck.

But the framework of political cooperation generated crucial European consensus elsewhere. In 1980, the Council issued the so-called Venice Declaration proposing what would later become the blueprint for Israeli-Palestinian peace. Calling for ‘a just solution’, the declaration went further than the refugee question which had, until then, dominated the conflict debate. It recognised Palestine’s right to self-determination while also recognising Israel’s right to exist, and called for the involvement of the PLO – then considered a terrorist organisation by both Israel and the United States – in the negotiations. The Venice Declaration also called for an end to Israeli settlements in the territories seized in 1967 – the West Bank and the Gaza Strip – and for an international status for Jerusalem. In taking this stance, Europe went further than any other international player at the time. Both Israel and the US vehemently rejected the declaration, but Europe had helped set the basics for what has since become the ‘known solution’ to the conflict: the two-state solution.

European consensus on Libya was also forged within the European Political Cooperation framework. Evidence had been mounting that Libya actively supported violent groups around the globe throughout the 1970s, which led to an American arms embargo in 1978. Europeans were initially hesitant to apply punitive measures but finally followed suit in 1986. Following the death of a British policewoman outside Libya’s embassy in London after a shooting in 1984, terrorist attacks at Rome and Vienna airports in 1985, and the bombing of a disco club in Berlin the following year, member states moved to impose diplomatic sanctions as well as an arms embargo against the regime. The following day, Libya launched two missiles targeting the Italian island of Lampedusa (nearly 300 km from Libya) in retaliation for American air strikes. Libya’s pariah status in the international community continued; the bombing of two airliners carrying European passengers – one over Lockerbie, Scotland in 1988, and the other over Niger in 1989 – killed nearly 130 people and reinforced the regime’s image as a violent supporter of terrorism. As a result, Libya was the only Mediterranean country to not become a member of the EU’s Barcelona Process launched in 1995.

### Phase 3: action, reaction and reform

Several international developments led to a change in the way Europe approached its southern neighbours in the early 1990s. The end of the Cold War and the civil war in Lebanon, the Oslo Accords between Israel and the Palestinians, as well as the unification of North and South Yemen gave way to hope that the wider region might at long last stabilise. In contrast to previous predominantly reactive approaches, the EU was now moving towards proactive engagement with its southern neighbours. It did this first with the Renovated Mediterranean Policy and, later, the so-called Barcelona Process.

The Renovated Mediterranean Policy, created in 1990, replaced the Global Mediterranean Policy and was more ambitious in its economic goals than its predecessor. It included not only provisions on more regional cooperation (as inter-Arab trade was and remains low) and environmental protection, but also the creation of small and medium-sized enterprises. For the first time, it also included a clause on human rights, enabling the European Parliament to freeze the budget of a financial protocol if it found serious human rights violations – which it did in 1992 for Morocco (ironically the one North African country to have applied for EC membership in 1989, although in vain), due to actions in Western Sahara and the treatment of political prisoners. Somewhat paradoxically, the diplomatic spat resulting from the freeze led to increased consultations and, finally, the idea to develop stronger and deeper ties with North African countries. In 1992, the proposal of a Euro-Maghreb partnership was launched at the Lisbon summit. Although it quickly lost momentum, its principles lived on in the Barcelona Process – officially called the Euro-Mediterranean Partnership – launched under Spain's Council Presidency in 1995. Its formal goals were to 'create an area of peace and stability based on respect for fundamental rights, to create an area of shared prosperity and to help improve mutual understanding among the peoples of the region'.

Moving on from largely economic cooperation and very limited political dialogue, Europe now launched a partnership framework that went further than any of its predecessors, in terms of both goals and participants. The EC/EU itself had grown, and so had the number of states from the MENA region involved. It now included 12 countries: Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Palestine, Syria, Tunisia and Turkey. Libya was excluded due to the sanctions, but the regime showed no interest in joining even after sanctions were lifted in 2003. Libya's leader, Muammar Gaddafi, called the process a peaceful re-conquest of Arab lands aimed at 'annexing a part of Africa to Europe', a replica of 'the map of the Roman Empire'.

The scope of the Barcelona Process was delineated in three 'baskets': (i) politics and security; (ii) economic and financial; and (iii) socio-cultural. A free trade zone in the Mediterranean was to be established by 2010 through extensive liberalisation; taxes on imports into Europe were to decrease gradually, whereas southern states retained the possibility to protect their industries from more competitive EU products for 12 years. Free movement of capital was also facilitated in order to encourage European investments in the southern states. The agreements also addressed the integration of immigrants in Europe as well as irregular migration, and institutionalised regular political dialogue between the two sides. They also laid out a general commitment to human rights.

Although principally a regional framework, the partnership primarily consisted of individually negotiated, bilateral Association Agreements. Although similar in design, these agreements were tailored to each state and its needs and priorities with regard to cooperation with the EU. These negotiations were often lengthy and at times fell victim to political circumstances: most Association Agreements signed with MENA countries came into effect only several years after the Barcelona Process was launched.

But while the EU was moving into a more structured and established exchange with its southern neighbours, regional instability returned. The breakdown of the Israeli-Palestinian negotiations in 2000, the resulting Second Intifada the same year, the terrorist attacks of September 11, 2001, and the invasion of Iraq in 2003 all upset the prospects for more regional integration. A planned Euro-Mediterranean Charter for Peace and Stability, which would have institutionalised platforms to tackle security issues, never came about amidst increasing political tensions.

### **Phase 4: template, turmoil and review**

In 2003 the EU produced not only the first European Security Strategy but also its first assessment of the Barcelona Process. Although the process had encountered significant difficulties, the key principle – that a prosperous and stable South (a ‘ring of friends’) was in Europe’s interest – was not questioned. As a result, the European Neighbourhood Policy (ENP) launched in 2004 was built on the same key elements of the Barcelona Process, although the new template came to encompass virtually all direct neighbours of the enlarged EU (bar Turkey and Russia). Its southern component included Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Syria and Tunisia. In 2007, the previous funding scheme for the region (MEDA) was also merged into the new ENP Instrument along with the TACIS programme for the East.

To stimulate progress, the EU offered full access to its markets if MENA neighbours enacted reforms with its support and assistance. Accordingly, the EU developed Action Plans based on existing Association Agreements with six partner states, detailing which reforms were to be undertaken and how. Not all states were included though: neither Algeria nor Syria concluded one. The plans contributed to further dialogue, advanced access to Europe’s market, and achieved some limited regional economic integration. For reform projects in line with the Action Plan, the EU provided financial assistance (€8.7 billion for the period 2007-2013).

It was also during this period that the EU launched electoral observation missions in the South as a contributing element in the democratisation process. Aimed at creating trust in the electoral process, such missions have been repeatedly deployed to Algeria, Egypt, Lebanon, Libya, Jordan, Palestine, and Tunisia since 2005.

Regional instability has at times worked for and at times against the goals set out in the various Action Plans. Syria’s withdrawal from Lebanon in 2005 certainly opened a window for reform as much as the uprisings in Tunisia, Egypt and Libya originally did in 2011. But changes in politics often entailed further economic and political instability that have ultimately worked against democratisation and prosperity. While the EU was quick to welcome the ‘Arab Spring’ events of 2011, it has struggled with political quagmires – such as the electoral victory of Hamas in Palestine in 2006 or the ousting of President Mohamed Morsi by the Egyptian military in 2013 – which presented it with tricky dilemmas and difficult choices. An initial recalibration on the ENP, in the wake

of the Arab Spring (May 2011), tried to highlight the need for a more responsive approach to the region taking into account each country's respective needs and deeds, but had limited impact on the events. More recently, the interplay between regional instability and conflict, Islamist radicalisation and irregular migration to Europe – spanning from Tunisia to Syria via Libya – has prompted a reconsideration of policy priorities and instruments, which culminated with the 2015 ENP review.

While the EU constantly reviews its framework of engagement with its neighbours, the guiding principles are nevertheless not being fundamentally questioned. In spite of criticism of the framework – too uniform and too 'softly-softly', as the European Court of Auditors described it – EU policies towards the South remain anchored on reform and dialogue, with the long-term objective of creating prosperity and stability. Questions about whether the EU could use more pressure and incentives, such as by proposing 'more for more' to states that are willing to engage in reform, is a tactical rather than strategic change within an existing policy, while the call for more responsive and realistic approaches is shifting the emphasis towards more tailored plans and types of partnership.

### **Box IV.3. The Union for the Mediterranean**

Initially floated by the newly elected French President Nicolas Sarkozy in May 2007, albeit in very broad terms and not necessarily linked either to the EU or the Barcelona Process, the 'Union for the Mediterranean' (UfM) was eventually launched at an inaugural summit in 2008. The official ceremony took place on 14 July on the occasion of the French National Day at the Champs Elysées in Paris (France was then holding the rotating EU Presidency) in the presence of all main leaders from North Africa and the Middle East – some of who would be ousted a couple of years later by the 'Arab Spring'.

Unlike the Barcelona Process, however, the UfM became a distinct body from the EU and a new framework for its engagement with the southern neighbours. It consists of 43 member states (the EU-28 and 15 countries from the wider Mediterranean basin), and its goal is the promotion of regional stability and prosperity. Officially based in Barcelona and led by a staff including both EU and MENA officials, it seeks to achieve this through regular meetings at the ministerial level as well as through projects in the region. These are mainly developmental in nature and include such 'soft' areas as sea and land links, renewable energy, environmental protection, civil protection and business cooperation. Just like other frameworks for cooperation in the region, however, the Union has been the victim of frictions among its member states, most notably the Arab-Israeli conflict, tensions between Cyprus, Greece and Turkey as well as between Algeria and Morocco.

## IV.4 SUB-SAHARAN AFRICA

Europe's geographic proximity to the African continent has driven the EU's increasingly close relations with its African counterparts. In combination with a historical legacy of interactions that have become more balanced and institutionalised over time, the links between citizens, governments and organisations across and beyond the Mediterranean have constantly deepened over the past decades – in multiple ways and to varying degrees.

The EU's own presence in Africa has also expanded, particularly after the entry into force of the Lisbon Treaty. With Africa confronting major economic challenges and security risks that have tangible knock-on effects on Europe, EU action in the continent has focused on financing development aid programmes while leading numerous crisis management and capacity-building initiatives. As a result, Africa is now both the main recipient of EU official development assistance (ODA) and the main regional theatre for CSDP missions and operations. The EU's 'footprint' in Africa is therefore extensive, in terms of EU-funded activities as well as EU personnel deployed.

### European tools, African needs

With the intensification of EU-Africa relations across many fields, numerous (and sometimes overlapping) political agreements, economic partnerships and multilateral frameworks for cooperation now govern the relationship between the EU, African governments, Regional Economic Communities (RECs) and the African Union (AU). This has led to positive outcomes by boosting trans-continental trade, facilitating transfers of technological know-how, promoting educational exchanges or steering convergent positions on global issues. For Europeans, the African continent's relative underdevelopment and volatile security remain a source of concern, particularly with regard to migratory flows and violent spill-over effects. For Africans, the EU's ongoing financial troubles, political uncertainties and unstable neighbours risk jeopardising the inflow of EU-sponsored human and financial capital, thus far crucially supportive of Africa's developmental endeavours.

Cooperation between the EU and its African partners has come a long way. Since Robert Schuman's celebrated declaration in 1950 – when he stressed that the development of the African continent constituted one of Europe's 'essential tasks' – Euro-African relations have become increasingly formalised. From the Yaoundé (1964-1975) and Lomé Conventions (1975-2000) to the Cotonou Partnership Agreement (CPA, 2000-2020), European and African governments have negotiated and gradually institutionalised a cross-cutting framework for cooperation. Following the launch of the Joint Africa-EU Strategy (JAES) in 2007, bilateral relations were taken to a new dimension by incorporating mutual cooperation under a bi-regional (EU-AU) strategic partnership. As new geopolitical players (such as Brazil, China and India) increase their presence and activities on the African continent, the JAES indicates a move beyond the donor-recipient relationship epitomised by the CPA.

But the reality is that EU action in Africa remains overwhelmingly rooted in development assistance. It is still guided by an institutional framework of (non-reciprocal) financial and operational assistance conditioned upon African partners' respect for human rights, democratic principles and rule of law. And although the AU and the RECs have started to take a more proactive role by acting as first responders to recent African crises, they have done so largely thanks to EU support. It is therefore still premature to talk of a genuine EU-AU strategic *partnership*, at least as long as cooperation remains mainly limited to EU financial support for African-led activities and primarily focused on peace and security issues. EU-Africa relations will, for the foreseeable future, continue to be determined by the matching of European tools with African needs. But just as Euro-African relations were dominated by colonisation for a long period, the JAES – along with the prospective 2020 post-Cotonou framework of cooperation – is poised to progressively transform EU-Africa relations. In the coming decades, the objective is indeed to promote a more balanced and mutually beneficial inter-regional partnership.

### From Berlin to Lomé

Relations between Europe and Africa are longstanding, dating back at least to the Berlin Conference of 1884/85 that marked the beginning of the 'scramble for Africa' by the main European powers. Until the mid-twentieth century, the relationship was largely determined by the colonial prerogatives of a handful of European powers. Interestingly, however, part of the colonial legacy has (arguably) also had positive effects by creating a path-dependency that has resulted in mutual gains, particularly between former colonial counterparts. The prevalence of Anglophone, Francophone and Lusophone spaces across Africa has shaped frameworks of cooperation based on linguistic, cultural and administrative affinities, especially after decolonisation started sweeping across Africa in the 1950s.

With the creation of the European Economic Community (EEC) in 1957, relations between European and (progressively independent) African governments became institutionalised. Trans-regional cooperation took hold in the mid-1960s with the successive Yaoundé Conventions that lasted until the mid-1970s. By that time, almost all of today's African states had gained full independence, and the signature of the Lomé Convention in 1975 set the stage for a new phase of cooperation, particularly in trade and development assistance. For the first time in history, African (as well as Caribbean and Pacific – henceforth ACP) countries were able to export their mineral and agricultural products to the EEC duty free. This was complemented with a system of (non-reciprocal) preferential access to the European market, with quotas imposed on products competing with EEC goods. With nascent African administrations struggling with high levels of poverty and infrastructure deficiencies, the EEC began providing aid and investment, mainly through the European Development Fund (EDF) and the European Investment Bank (EIB).

However, with the 1992 Maastricht Treaty establishing the European single market and the creation of the World Trade Organisation (WTO) in 1995, the tenets of the Lomé Convention were progressively coming into question. As it became clear that the preferential-trade clause violated WTO regulations, the newly born EU and the ACP countries had to work out an alternative framework of cooperation.

## From Cotonou to Lisbon

It was not until 2000 that the Cotonou Partnership Agreement (CPA) was brought into conformity with WTO rules. Long drawn-out negotiations and a temporary WTO waiver allowed ACP countries to continue enjoying their preferential access to the EU market on a non-reciprocal basis. But this set-up was no longer acceptable under the post-GATT global trade regime. Consequently, the CPA foresaw bringing EU-ACP relations in line with WTO rules by setting up development-oriented free trade agreements.

Labelled as Economic Partnership Agreements (EPAs), these guaranteed reciprocity, but liberalisation measures were asymmetrical and differentiated to correct for market pricing disparities – notably those reflected by productivity (or subsidy) differences between traded EU-ACP products. As the negotiation of EPAs with African governments has dragged on for more than a decade now (with only a handful of African governments having signed and ratified them), the CPA has remained a flagship framework for cooperation: its signatories committed to this comprehensive, multidimensional and legally-binding agreement on the basis of mutual obligations, notably with regard to the respect for human rights, democratic principles and the rule of law. Compliance with these principles added a new political dimension and constituted a breakthrough in the nature of the EU's institutional relations with African (and other ACP) countries, as lack of compliance became legally liable to sanction. By asserting that such elements are key for long-term development and essential for the sustainability of the CPA, signatories had a vested interest in protecting and promoting them.

All in all, the CPA has distinguished itself as the most comprehensive cooperation framework between the EU and African governments, allowing also the inclusion and involvement of civil society, private sector, and local administration actors. This has translated into an unprecedented number of development programmes, civic initiatives and security ventures between European and African partners. These have *inter alia* bolstered the volume of EU-Africa trade and the amount of ODA disbursed to the African continent. To this day, the EU is Africa's primary source of imports (34%) and Africa's leading export market (38%). In turn, EU collective ODA to Africa has increased threefold since the start of the Lomé Convention.

**Box IV.4. Article 96 of the Cotonou Partnership Agreement**

While relying on political dialogue as a monitoring mechanism, the CPA established a procedure that would penalise parties that did not comply with the aforementioned principles. Article 96 of the CPA sets out the procedure for a consultation process to determine measures against non-compliant members. The EU, for example, has applied Article 96 fifteen times since 2000, particularly in response to violent government overthrows, escalation of violence or human rights violations. Past cases include Zimbabwe (2002), the Central African Republic (2003), Guinea-Bissau (2004, 2011), Togo (2004) and Madagascar (2010).

Measures adopted under Article 96 range from the suspension of aid payments through government structures to targeted sanctioning of individuals. The latest case has involved Burundi, for which a consultation process was launched on 26 October 2015 and closed on 8 December 2015. Swift action was taken, with the EU suspending direct financial support to the Burundian administration but maintaining its humanitarian assistance to the population. Such action is not only an indication of the EU's growing sensitivity to human security, but one that seeks to conflate sanctioning strategies and humanitarian considerations.

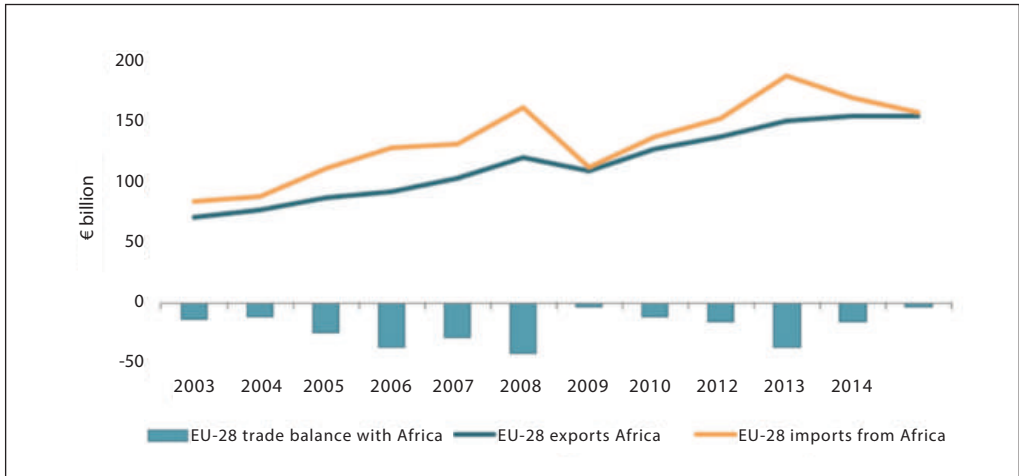
Building on the inaugural EU-Africa summit, held in Cairo in 2000, the JAES was signed at the second EU-Africa summit in Lisbon in 2007. Through negotiations between the European Commission, the AU Commission and individual EU and African member states, the JAES was conceived as 'a strategy with Africa rather than a strategy for Africa'. Motivated by the impulse to break with the traditional donor-recipient nature of the CPA, the JAES raised the prospect of a strategic partnership in the making.

Despite the political rhetoric, however, most of the practical work carried out since 2007 has been dominated by the assistive role played by the EU, particularly in crisis response and management. Amid growing worries over negative spill-over effects from Africa to Europe (in the shape of organised crime, migratory flows and international terrorism), the EU has increasingly engaged in securing unstable areas of the continent through various CSDP operations and missions, often 'hybridly' co-existing with UN, AU or national endeavours on the (same) ground.

Consequently, despite the JAES outlining five priority areas of cooperation in its third Action Plan (2014-2017), peace and security has taken precedence over other areas such as democratic governance and regional integration, or global issues such as climate change. In a way, the JAES has not fully lived up to expectations yet, and questions regarding its added value *vis-à-vis* existing cooperation frameworks continue to circulate. And although this shift towards security aligns with both European and African interests, it remains heavily dependent on the match between European tools and African needs.

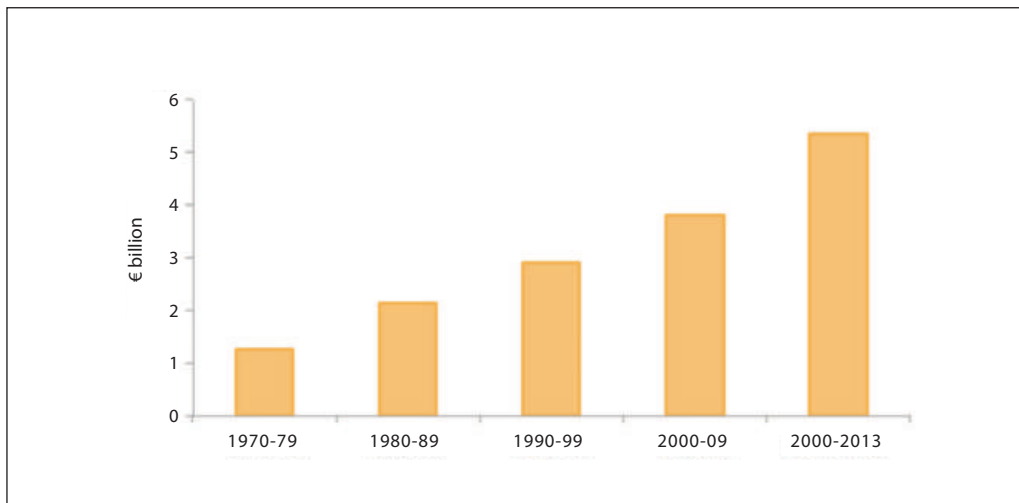


**FIGURE IV.2: EU TRADE WITH AFRICA**



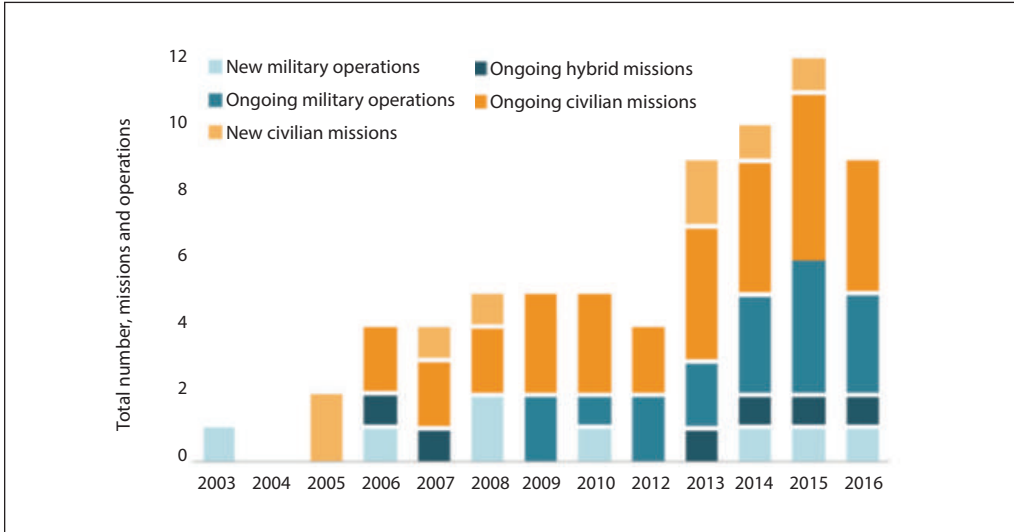
Source: Eurostat

**FIGURE IV.3: EU ODA TO AFRICA**



Source: OECD

**FIGURE IV.4:** EU SECURITY PRESENCE IN AFRICA



Source: EEAS, Clingendael Institute

The JAES has surely helped improve EU-AU coordination on governance and security issues, including the work of the International Criminal Court (ICC), the growing trend of (un)constitutional extensions of presidential mandates or the expansion of terrorist groups like Boko Haram, Al-Shabaab and Al-Qaeda in the Islamic Maghreb (AQIM). Yet this has not always or automatically translated into the adoption of common EU-AU positions, although the two sides consult more systematically through formalised channels of communication linking the EU’s Political and Security Committee (PSC) with the AU’s Peace and Security Council. At times, different conceptions of international law or the implementation of sanctions can spark tensions, as shown by the AU’s position over the ICC (whereby the EU should be more mindful of political contexts) or the imposition of EU sanctions against Zimbabwe (criticised as an obstacle to mediation efforts).

### Recent evolution and prospects

EU ‘foreign policy’ in Africa is set to remain focused on stabilisation efforts. In a continent where borders are porous and virtually impossible to monitor, vast swathes of ungoverned spaces enable criminal and terrorist activities that risk undermining both African and European security. Moreover, maritime security remains an issue of trans-regional concern. Although EU-led anti-piracy efforts in the Gulf of Aden have allowed sea-based commerce to resume, the Gulf of Guinea is transforming into a new piracy hotspot, becoming a hub for onshore and offshore illegal activities, ranging from oil pilfering to drug-trafficking.

The EU is now better aware that contributing to Africa's security is in its own interest. The launch of dedicated strategies for sub-regions like the Sahel, the Gulf of Guinea or the Horn of Africa is tantamount to acknowledging the importance of promoting sustainable development and supporting security initiatives in these conflict-ridden regions. The EU has become more adaptive in channelling funds and launching initiatives to combat issues like violent extremism, illicit smuggling and forced displacement of people, as indicated by the 2015-2020 Regional Action Plan for the Horn of Africa or EUNAVFOR MED Operation *Sophia*, for example. The launch of the Emergency Trust Fund for Africa at the November 2015 Valletta Summit is a further indication of the EU's commitment to address unprecedented levels of irregular migration by supporting the most fragile African states. Covering the major sub-regions of the continent, the trust fund has been able to pool resources from different donors in order to enable a rapid collective EU response to the different facets of the unfolding migratory crisis.

Africa is also likely to remain a central theatre for CSDP missions and operations. Out of the 34 launched so far by the EU, 18 have been deployed in Africa. With ten currently active, the EU is a key security actor in the continent, alongside the UN. Apart from deploying over 3,000 personnel as part of its current CSDP missions and operations, the EU has more recently focused on financing African-led efforts and supporting the AU to act as a first responder to crises and a stabilising force on the continent. Moreover, the EU supplies funding for the mediation efforts between Sudan and South Sudan led by the Intergovernmental Authority on Development (IGAD), the Early Response Mechanism (ERM) and financial support to train the (not yet operational) African Standby Force.

Regarding development and economic cooperation, the EU has several instruments at its disposal. Africa is already topping the share of the EU's ODA per region (39%), and the EU has pledged to provide €31 billion over the period 2014-2020 through its various instruments, notably the Development Cooperation Instrument (DCI), the Instrument contributing to Stability and Peace (IcSP) and, for North Africa, the European Neighbourhood Instrument (ENI). Yet more can be done to support Africa's growing private sector. The recent European Commission's External Investment Plan is notably conceived to encourage European firms to invest in the expanding African consumer and service market: with a €3.5 billion guarantee from the Commission, funds for up to €44 billion in investment projects are expected to be raised. If sufficient seed capital is collected, the EIB is set to cover €750 million in potential losses so as to persuade European companies to engage in riskier projects in Africa. The Commission also sees this as a way of competing with Chinese firms who continue to dominate investment in African economies.

#### **Box IV.5. The EU and the African Union**

The EU and the African Union (AU) have established relations that aim at building the capacity of the AU so that it becomes an autonomous crisis management actor. The objective is also to move away from the donor-recipient relationship that has characterised the interaction between the EU and the African continent so far.

Over the last ten years, the AU has been engaged in approximately ten peace operations – most notably in Somalia – that have transformed it into an essential actor of African security governance. The EU has been a key partner in this process. The main instrument of the EU-AU partnership has been the financing of the African Peace and Security Architecture (APSA) and African peace operations. Since its creation in 2004, the African Peace Facility (APF) of the European Development Fund (EDF) has financed African operations for over €1.8 billion, with the largest share being allocated to AMISOM in Somalia (which absorbed €510 million for 2014 and 2015).

There are two other components of the APF. One aims at supporting the operationalisation of APSA through capacity-building of the AU and Regional Economic Communities (RECs) and Regional Mechanisms (RMs), the financing of AU Commission staff salaries, support of the AMANI Africa cycles, and support to African Training Centres with about €55 million in 2014-2016. The other one supports the AU Early Response Mechanism (ERM) through the immediate funding of conflict prevention, mediation and crisis management activities for around €15 million over the same period.

Such support is indispensable and demonstrates the European commitment to African-led crisis management. Yet shortfalls in the operationalisation of APSA are well known and Europeans remain by and large sceptical about African medium-term real operational and financial capacities. As demonstrated in the cases of Mali in 2013 and the CAR in 2014, Europeans were quick to look for alternatives to the African-led peace operations deployed there, which in turn created tensions with the AU and sub-regional organisations.

At the political level, the EU and the AU have to some extent institutionalised their relationship through regular EU-Africa summits as well as high-level political dialogue between the EU Political and Security Committee (PSC) and the AU Peace and Security Council (PSC) and college-to-college meetings between the European Commission and the AU Commission. These fora allow for political exchange on crisis situations and the two institutions' respective agendas.

Yet the extent to which ongoing progress has indeed moved the relationship to a more equitable or even ‘strategic’ level remains open to debate. The two institutions (and their member states) often diverge on key political and crisis management issues, and the AU financial dependency has created tensions. In 2016, the AU has tabled proposals for the financing of at least 25% of its peace operations budget (through the creation of a tax on imported goods), but the practical implementation of such a measure as of 2017 is uncertain. [TT]

While maintaining a principled approach to democratic governance and the rule of law, the EU may still need to garner stronger support from African governments for its global diplomatic efforts. Within international organisations, most notably the UN, Africa as a whole ‘weighs’ 54 countries and is therefore crucial for multilateral diplomacy – the central pillar of EU ‘foreign policy’. With multiple RECs and the AU itself, the EU has many potential partners to work with to advance its interests both in Africa and globally, particularly through the work carried out by its 52 Delegations across the continent. To date, however, only South Africa is considered as a Strategic Partner. Closer relations with other emerging regional players such as Angola, Ethiopia, Kenya or Nigeria may thus be worth considering as well.

## IV.5 ASIA-PACIFIC

The Asia-Pacific region occupies a distinctive place on the EU agenda. Despite the geographical distance, there is in fact a growing realisation of the inherent connection between Europe’s prosperity on the one hand, and security and stability in the world’s largest, most populous and most dynamic continent on the other. Brussels’ new-found ambition to play a greater security role in Asia, announced in 2012, is driven by major economic, political as well as principled interests, which shape the contours of its ‘foreign policy’ in the region.

Europe is dependent on Asia due to its role in global trade. Asian countries are the biggest trading partners for the EU member states, representing 30% of their combined exports and 22% of imports in 2015; 60% of global shipping by volume occurs between Asia-Europe Meeting (ASEM) countries. Safeguarding seaborne trade and protecting Sea Lines of Communications (SLOCs), the vital sinews linking the two continents, is therefore of crucial economic and strategic importance for the EU. Given the vulnerability of SLOCs and their critical chokepoints, this implicitly entails an active contribution to maintaining an overall peaceful and stable security environment throughout the region.

At political level, Asia encompasses four of the EU's Strategic Partners – China, India, Japan and South Korea – with various degrees of political and security ties. Besides these bilateral partnerships, the EU is actively involved in a number of multilateral regional structures, such as the ASEAN Regional Forum (ARF), of which it is a founding member, and the ASEM process. Moreover, since its accession to the Treaty of Amity and Cooperation in 2012, the EU also has a legal obligation to contribute to the region's security.

Europe's interest in fostering security cooperation and contributing to Asia's peace and security is related to its overall ambition to assert its role as a global player. While the EU as such is aware of its limited leeway regarding traditional security issues, it sees Asia as a potential theatre to showcase its comprehensive approach to security – combining diplomacy, defence and development, as well as the promotion of human rights and respect for the rule of law – which form its own normative basis. Partnering with regional groupings – with ASEAN at the forefront – also allows Brussels to further promote the principles and benefits of regional integration, multilateral security cooperation and institution-building.

### **Box IV.6. A timeline of EU-Asia relations**

- 1994: establishment of ASEAN Regional Forum (ARF), EU a founding member
- 1996: establishment of Asia-Europe Meeting (ASEM) process
- 2001: adoption of 'Europe and Asia' Strategy
- 2003: adoption of European Security Strategy, including section on Asia
- 2012 (April): accession to the Treaty of Amity and Cooperation (TAC)
- 2012 (June): adoption of guidelines on the EU's policy in East Asia
- 2013: HR/VP Ashton's visit to Shangri-La Dialogue (SLD) and ARF summit
- 2015: HR/VP Mogherini's visit to SLD and ARF summit
- 2016: EU Global Strategy, EU-China Strategy, EU-Burma/Myanmar Strategy

Given the vastness of the region and the complexity of security challenges in each sub-region, there is and can be no single European 'Asia strategy'. That said, the general course and overall political ambition of EU policies towards the world's biggest continent is now spelt out in the 2016 EU Global Strategy, which reiterates the basis for the Union's engagement with third parties, including the respect of rule of law and the importance of conflict prevention and security cooperation across the board.

## Multiple partnerships

The EU's political engagement with Asia is conducted through regular dialogues at the bilateral level, multilateral fora as well as various informal diplomatic channels. At the bilateral level, 'Strategic Partnerships' have been established with China, India, Japan and with the Republic of Korea since the early 2000s. Similar arrangements have also been made with several countries in South-east Asia (see Table IV.2).

**TABLE IV.2: THE EU'S PARTNERS IN ASIA**

| Country                  | Agreement  | Year                  |
|--------------------------|--|-----------------------|
| <b>China</b>             | · Strategic Partnership  | 2003 (joint summit)   |
|                          | · Comprehensive Strategic Partnership (EU-China Strategic 2020 Agenda) | 2013                  |
| <b>India</b>             | · Strategic Partnership  | 2004 (joint summit)   |
|                          | · FTA  | Negotiated since 2007 |
|                          | · FPA  | Negotiated since 2013 |
| <b>Indonesia</b>         | · Partnership and Cooperation/ Framework Agreement (PCA)               | Ratified 2014         |
| <b>Japan</b>             | · Strategic Partnership  | 2001 (joint summit)   |
|                          | · Framework Participation Agreement (FPA)                              | Initiated 2013        |
|                          | · CEPA/ FTA  | Initiated 2013        |
| <b>Republic of Korea</b> | · Strategic Partnership  | 2010                  |
|                          | · FTA  | 2011                  |
|                          | · FPA  | 2014                  |
| <b>Singapore</b>         | · PCA  | Initiated 2013        |
|                          | · FTA  | Negotiated 2014       |
| <b>Thailand</b>          | · PCA  | Initiated 2013        |
|                          | · FTA  | Initiated 2013        |
| <b>Vietnam</b>           | · PCA  | Initiated 2012        |
|                          | · FTA  | Initiated 2012        |

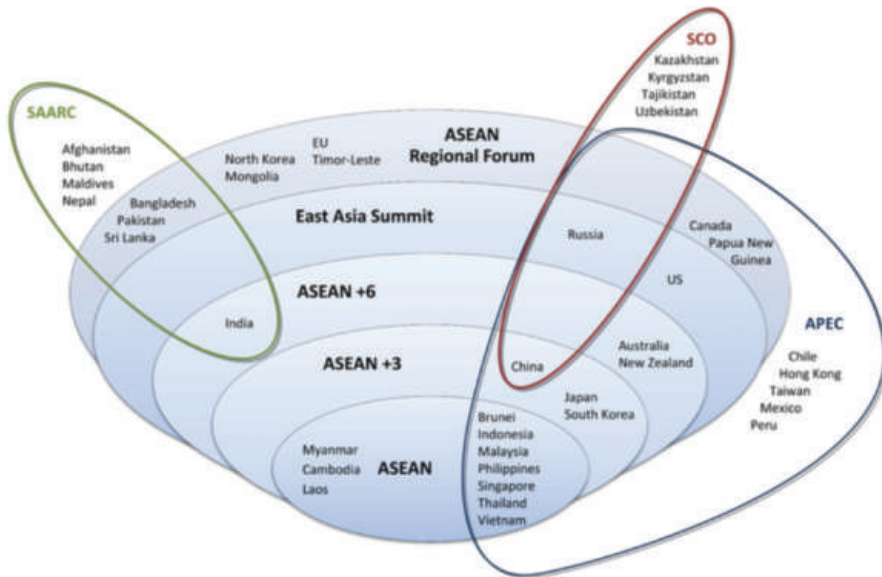
A significant share of EU ‘foreign policy’ in Asia takes place at the multilateral level. Since 1994, the EU is the founding member of the ASEAN Regional Forum (ARF), the only formal security forum in the Asia-Pacific region, which brings together 27 countries including Australia, Canada, Russia and the US. In recent years, the EU has stepped up its involvement within the organisation, co-chairing meetings and contributing to the implementation of the various work plans – especially in promoting preventive diplomacy (by providing capacity to Asian countries in conflict prevention and crisis management), humanitarian and disaster relief, cyber security as well as in maritime security-related agendas. The ARF format also facilitates interaction at the bilateral level – which was the case, for instance, in the negotiations on security cooperation between the EU and Burma/Myanmar.

In 1996, the EU also initiated the ASEM process, which assembles ASEAN countries, China, Japan and South Korea with the 28 EU member states in a regular dialogue on people-to-people exchanges (promoting educational and youth programmes), cultural exchanges (includes inter-faith dialogues) and discussions on environmental cooperation and climate change. Political and security issues were deliberately excluded from the ASEM process at first. However, since the 2014 ASEM Summit in Milan, cooperation on some areas – including terrorist threats and instability in the Middle East – has been discussed in light of the growing focus on promoting connectivity between the two regions.

The only core regional forum the EU is still currently excluded from is the East Asia Summit (EAS) – the highest level annual meeting established in 2005 and including the most influential Asia-Pacific players. Accession to the EAS has become a primary diplomatic objective for the EU, especially since its accession to the TAC in 2012, which makes it legally possible. Yet its membership request still faces opposition especially from smaller countries (mostly within ASEAN), wary of non-Asian players exerting an overbearing presence. Doubts also exist over the effective value that the EU can bring to the table in addressing traditional security threats as well as the consistency and determination of the EU’s political commitment to regional security. Finally, a considerable amount of diplomatic work and outreach also occurs through informal channels, the so-called ‘Track-Two’ diplomacy. Undertaken at bilateral or multilateral level, it enables discussion of various security issues among scholars and/or officials in their private capacity, thereby pushing the boundaries of diplomatic agendas and exploring new ground informally. A notable case in point has been the Council for Security Cooperation in the Asia Pacific (CSCAP), an organisation mirroring the membership and supporting the agenda of the ARF, to which the EU formally acceded in late 2013.



FIGURE IV.5: THE EU IN ASIA'S SECURITY ARCHITECTURE



## Areas of security cooperation

Most of the EU's involvement in Asian regional security occurs on non-traditional security issues. Countering or preventing transnational threats such as illegal human, drug and goods trafficking, proliferation of weapons of mass destruction, terrorism and radicalisation, cyberattacks and disruptions, environmental disasters and pandemics as well as irregular migration are all issues of growing importance to most Asian countries. And all require cooperation at a regional level with adequate institutional backing – an area where the EU has substantial experience. A successful example is the EU-funded Centre of Excellence Initiative on CBRN (Chemical, Biological, Radiological and Nuclear) risks, with a Secretariat based in Manila, which provides a regional platform for the study of those risks.

One of the key areas of security cooperation is at sea. Maritime security provides a range of opportunities for functional cooperation, most of them requiring specific and complex technical, financial and human capacities. The fight against illegal maritime activities – ranging from piracy to smuggling, from illegal, unregulated and unreported (IUU) fishing to dangerous marine- and land-based pollution – requires international cooperation. Given the high occurrence of natural disasters, countries need to coordinate their Search and Rescue (SAR) and Humanitarian Assistance and Disaster Relief (HADR) capacities and increase operational coordination. Finally, given its experience in inter-agency cooperation and coordination at both national and regional levels, the EU is also a trusted partner when it comes to building capacity in information-sharing and maritime surveillance, which is crucially lacking and therefore highly valuable for the region.

Maritime security has become a favourite topic and is regularly discussed with Asian partners in bilateral and multilateral settings, formally and informally. In 2013, the EU initiated the EU-ASEAN High Level Dialogue on Maritime Cooperation, financed by the Regional EU-ASEAN Dialogue Initiative (READI), which was eagerly accepted by ASEAN counterparts. Three rounds of dialogue have been held so far – in November 2013 in Jakarta, in May 2015 in Kuala Lumpur, and in September 2016 in Bangkok – bringing together experts and policymakers from both regions to exchange experiences on port security, information sharing and maritime situational awareness, as well as tackling piracy and criminal networks at sea.

Preventing conflicts from arising, spreading and spilling over is another area where the EU has played a role in Asia. Its diplomatic experience and mediation skills have indeed been put to good use in the past, allowing the settlement of crises in Aceh and Mindanao and facilitating the Burma/Myanmar peace process. Preventive diplomacy has become a niche topic for the EU within the ARF, which is now moving beyond confidence-building measures towards preventive diplomacy, the next phase in its agenda for regional security. The EU has co-hosted seminars and provided mediation training for diplomats as well as built up the capacity of existing instruments for conflict prevention in the region – notably the ASEAN Institute for Peace and Reconciliation (AIPR).

The defence and promotion of a rules-based international system is a core value of EU ‘foreign policy’. While the Union’s collective military power projection capacity remains limited (and is notoriously underrated among Asian countries), its political and economic influence as well as normative authority are widely acknowledged and often sought after. This has been particularly visible, for instance, in the recent controversy between the Philippines (and other ASEAN states) and China over the South China Sea.

Finally, the EU’s unique historical and practical experience in regional integration, multilateral cooperation and institution-building is also in demand. One such example has been the EU’s recent involvement in the Northeast Asia Peace and Cooperation Initiative (NAPCI), South Korea’s framework vision for building trust in the region, based on cooperation in ‘soft’ security issues. The initiative focuses on fostering multilateral cooperation on disaster management, nuclear safety and energy, environment, and health security by bringing together China, Japan, Mongolia, Russia, South Korea and the US.

### The EU and ASEAN

Regional integration also constitutes the basis for political cooperation with ASEAN – the only regional grouping that has achieved significant progress on the matter, inspired precisely by the European experience. The Association of Southeast Asian Nations (ASEAN), a grouping of ten Southeast Asian countries formed in 1967, has been the EU’s most ‘natural’ partner in Asia, with a long history of bi-regional relations. The two organisations are the world’s two most developed examples of

regional integration, which has been the cornerstone of their exchanges over the past four decades. Although they differ in terms of historical background, level of economic development and degree of institutionalisation, they share the same fundamental values, ambitions, and concerns. Today, ASEAN countries are the EU's third largest trading partner after the US and China, and the EU is ASEAN's third after China and Japan. The EU is also the largest foreign investor in ASEAN countries, accounting for 22 percent of FDI inflows. Although the negotiation of the EU-ASEAN Free Trade Agreement was suspended in 2009, bilateral free trade agreements with individual ASEAN countries have multiplied, and the implementation of an inter-regional one could gradually follow.

#### Box IV.7. The South China Sea dispute

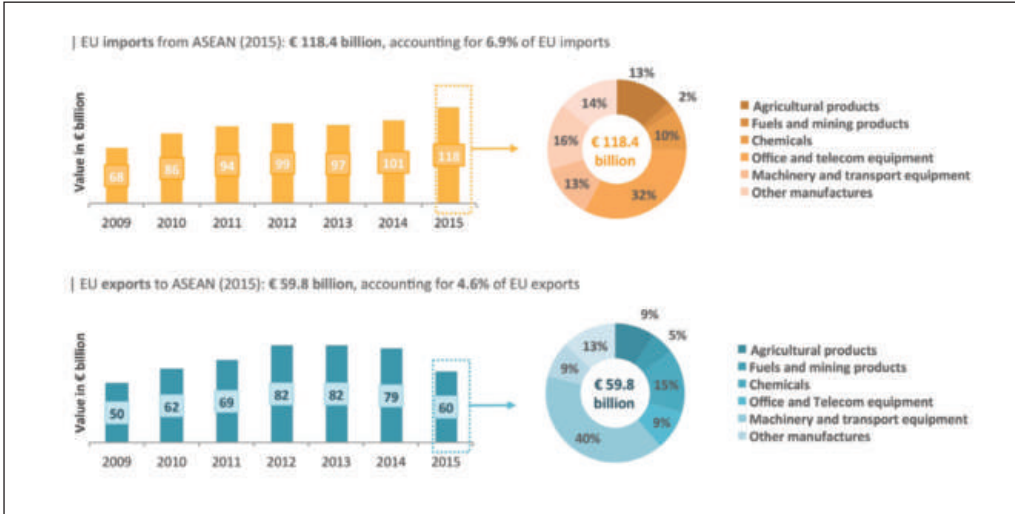


MAP: Overlapping sovereignty claims in the South China Sea

Tensions over overlapping and contrasting sovereignty claims in the South China Sea currently represent one of the greatest and most pressing security challenges in Asia, with strategic repercussions far beyond the region itself. Situated on major shipping routes, its waters are claimed by four ASEAN members – Brunei, Malaysia, the Philippines and Vietnam – as well as China, which claims ninety percent of it. Tensions have intensified since 2009, when Beijing officially submitted a map featuring its so-called ‘nine-dash line’ to the United Nations. Repeated incidents, clashes and harassments by Chinese maritime enforcement agencies, as well as Beijing’s reluctance to negotiate a binding Code of Conduct, further contributed to a climate of growing suspicion and mistrust. Evidence of

China’s large-scale land reclamation activities in the disputed territories, recorded since 2013, and the possibility of militarising regional waters was the final straw, leading to the Philippines’ deposition of a complaint to the Permanent Court of Arbitration (PCA) in The Hague. The verdict was pronounced on 12 July 2016, ruling in favour of the Philippines, but it has not led to any major breakthrough yet. As a global trading power, the EU has an interest in the stability of regional waters and its SLOCs. As a vocal defender of a rules-based international system, Brussels has tried to play a constructive role to reduce tensions, by promoting dialogue on joint development and functional maritime security cooperation among involved parties and advocating a negotiated solution in line with international law. [EP]

CHART IV.3: EU-ASEAN TRADE



Source: European Commission, ‘European Union, Trade in goods with ASEAN,’ June 2016.

For a long time, cooperation between the two regional blocs evolved almost exclusively around trade, development and institutional reforms related to the regional integration process. Politically, especially during the 1980s and early 1990s, bi-regional relations suffered, mostly due to Brussels’ criticism of several countries’ human rights records. EU-ASEAN relations started to take on more substance with the EU’s accession to the Treaty of Amity and Cooperation (TAC) in 2012. The year 2015 represents another milestone, with the publication by the Union of a Joint Communication entitled ‘The EU and ASEAN: a partnership with a strategic purpose’, which detailed the value and possibilities of enhanced political and security cooperation, paving the way to the establishment of a formal ‘strategic partnership’ – which now encompasses bi-annual ministerial meetings, annual meetings between ASEAN economic ministers and the EU Trade Commissioner, and a range of regular dialogues on trans-national crime, human rights, ICT, aviation, climate change, energy, science and technology as well as maritime security. The same year 2015 saw also the creation of an EU Mission designed specifically to strengthen ties with ASEAN and the appointment of the first EU representative (the Spanish EU official Francisco Fontan Pardo) to Jakarta, the seat of the ASEAN Secretariat.

Regional integration, institutionalisation and functional security areas are the key areas of bi-regional cooperation. Between 2007 and 2013, the EU provided almost €70 million in support of the ASEAN integration process. It is also relatively unknown that the EU is the largest contributor to the ASEAN Secretariat through its various dedicated mechanisms – first the ASEAN-EU Programme for Regional Integration Support (APRIS II), in place from 2009 to 2012 with a budget of €7.2 million, and then the current ASEAN Regional Integration Support from the EU

(ARISE), providing €15 million over the period 2012-2015. In 2014, the EU vowed to double its overall support to ASEAN's institutional build-up to €170 million until 2020.

In many ways, the support for ASEAN's political integration fulfils Brussels' own goal of contributing to Asia's stability. ASEAN sits in the driving seat of all sub-regional multilateral organisations – including the ASEAN Regional Forum (ARF), the ASEAN Defence Ministers Meeting Plus (ADMM+), the Expanded ASEAN Maritime Forum (EAMF) or the East Asian Summit (EAS). Enhancing the organisation's institutional cohesion and building its capacity to better lead regional security architecture meets the EU's objectives and vindicates its broader regional ambition.

## IV.6 LATIN AMERICA

Latin America and the Caribbean (LAC) is a region of secondary importance for EU 'foreign policy' for various reasons: the regional hegemony of the United States (and the associated 'Monroe doctrine' which kept Europeans at bay since the region's independence from the colonial powers who had previously held sway), geographical distance, and the fact that virtually no EU member state regards it as a foreign policy priority – with the possible exception of Spain and to a lesser extent Portugal. European interests in the region are mainly economic, particularly in terms of foreign direct investment. In political terms, the general (but withering) acceptance of democracy and human rights by LAC governments, along with their embrace of international law and multilateralism, underpins a commonality of values with Europe that is often highlighted as an asset. In security terms, this relatively peaceful region does not constitute a priority on the CSDP agenda, yet its high levels of violent crime and inequality call for new cooperation instruments.

The LAC macro-region, which includes South and Central America, is the continent with which the EU arguably has the most institutionalised relationship, structured on several levels (regional, sub-regional, bilateral), spanning political dialogue, cooperation and economic agreements, and including a variety of actors (executives, parliaments, civil societies, and regional organisations). Economic exchanges are generally dynamic, yet highly asymmetrical. Institutionally, the arrangements with the countries and groups of the region vary considerably, ranging from the highly developed Strategic Partnership with Mexico to typically post-colonial relations with Caribbean countries – many of which are still highly dependent mono-exporters of tropical produce, fruits and coffee.

To date, the EU has signed Association Agreements with Central America, Chile, Colombia, Ecuador, Mexico and Peru [see Table IV.3]. However, the aim of establishing Association Agreements with the regional integration groupings floundered: negotiations with MERCOSUR, opened in 1995, remain stuck, while the Andean Community disintegrated in 2006 due to a dispute between Colombia and Venezuela. Meanwhile, the EU's foreign policy strategy has shifted away from an emphasis on regional dialogues towards establishing Strategic Partnerships with regional powers as concluded with Brazil (2007) and Mexico (2008).

### Box IV.8. The historical record

Latin America is mainly composed of former Spanish and Portuguese colonies. As a result, it came late to Europe's agenda and was long neglected by the Community's trade policy and forgotten by its development cooperation policy (as opposed to most of the non-Spanish Caribbean, which was soon included in the Lomé Convention framework). It first appeared in the 1980s among the first instances of effective EPC (European Political Cooperation): first with the 1982 Malvinas/Falklands war between the Argentina and the UK, and then during the San José Dialogue that accompanied the peace process in Central America. After Spain and Portugal joined the then European Community (EC) in 1986, they sought to 'Europeanise' their relationship with Latin America, albeit with limited success. While EC cooperation funds for the region grew considerably, trade policy continued to discriminate against Latin America's bananas and other mainly agricultural exports. Only the Dominican Republic was eventually admitted to the ACP group that enjoyed preferential access to Europe's common market.

By the 1990s, most countries in LAC had undergone profound transformations that turned them into interesting partners for the EU's nascent CFSP: political democratisation and economic liberalisation led, in turn, to a wave of regional integration. MERCOSUR, the Andean Community, and the Central American Common Market promised to emulate the European experience of open markets and reconciliation between former foes. The EU readily provided funds and technical expertise to support these efforts. Moreover, its agenda shifted from the traditional North-South approach, based on development aid, to one in which the establishment of free trade agreements and political dialogue mechanisms became the central goal. For the first time, such agreements were to be negotiated between regions, not solely between states. This convergence of values and policy preferences produced the basis of today's EU policy towards LAC.

The Rio Process, launched in 1999, established bi-regional, bi-annual summits of heads of state and government [see Table IV.4] as the format within which the EU had a political dialogue with the region and launched negotiations with its sub-regions (MERCOSUR, the Andean Community, Central America) as well as individual countries (Chile and Mexico). Its aim was to establish Association Agreements that would cover three pillars (economic association, political dialogue and development cooperation), following the example of those signed with Central Europe and, crucially, including democracy and human rights clauses.

## The EU and CELAC

CELAC (*Comunidad de Estados de Latino-América y el Caribe*) was created in 2010 and launched the year after to articulate the positions of LAC countries in international affairs, including the inter-regional dialogue with the EU. Much as it encompasses all 33 countries in the region, it is institutionally weak, and its value as a coordination mechanism has not yet been proven. The EU-CELAC summit in Santiago (2013) had to be postponed for half a year for lack of agreement on the agenda, and CELAC's own meeting actually took place *after* that with the EU.

Modest in terms of substantial content or autonomy, the main virtue of CELAC has been inclusion: it was born as an attempt by Mexico to regain a presence in the region, in reaction to recent initiatives led by Brazil and centred on South America proper, such as the Union of South American Nations (UNASUR) and the enlargement of MERCOSUR. Also, CELAC included Cuba – which had been excluded from pan-regional dialogue through its ‘suspension’ from the Organisation of American States (OAS) in the 1960s – and other Caribbean states. Today, EU-CELAC summits provide the only framework for a structured political dialogue where the EU can engage with some countries of the region that lack a bilateral scheme – such as Venezuela, Bolivia or the Dominican Republic.

The erosion of the liberal consensus upon which EU-LAC relations were originally built in the 1990s has affected the political dialogue. The triumph of the nationalist left, both moderate and populist, undermined the construction of a relationship based primarily on liberal values. Increased political radicalisation led to the establishment of a grouping around Venezuela – the ALBA (*Alianza Bolivariana de nuestros pueblos de las Américas*) – with Bolivia, Cuba, Ecuador and Nicaragua, labelled by some as a form of ‘post-liberal integration’. Meanwhile, the Inter-American Commission on Human Rights, still the most developed outside Europe, has suffered several setbacks – including from major players like Brazil – and is currently under financial strain. Serious crime and rule of law problems in Central America, and especially Mexico, pose real challenges in terms of human rights, while regional governments turn away from international scrutiny as much as possible. Thus, Latin America has lost the group cohesion that characterised it in the 1990s and made it so attractive for the EU as a like-minded partner.

TABLE IV.3: RELATIONS BETWEEN THE EU AND LAC COUNTRIES

| LAC partner   | Start-end of negotiations (entry into force) | Type of agreement  | Current situation   |
|---|--|--|---|
| Mexico  | 1995-1997<br>(2000)                          | Global Agreement   | Operating. Under revision   |
|   | 2008   | Strategic Partnership                                    | Operating   |
| Chile   | 2002<br>(2003-5)                             | Association Agreement                                    | Operating<br>EU considering updating of trade section                       |
| Central America<br>(Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) | 2007-2010<br>(2013 partial)                  | Association Agreement                                    | Provisional (partial) implementation of trade pillar. Pending ratification. |
| MERCOSUR<br>(Argentina, Brazil, Paraguay and Uruguay)                                   | 1995   | Framework Agreement (political dialogue and cooperation) | Operating   |
|   | 1995-  | Free Trade Agreement                                     | Stagnant  |
| Brazil  | 2007   | Strategic Partnership                                    | Operating   |
| Andean Community<br>(Bolivia, Colombia, Ecuador, Peru and Venezuela)                    | 2002-2003                                    | Political Dialogue and Co-operation Agreement            | Operating only with Colombia and Peru. Ecuador to join.                     |
|   | 2003-2006                                    | Association Agreement (including trade)                  | Abandoned   |
| Colombia/Peru   | 2007-2012<br>(2013)                          | Multiparty Free Trade Agreement (MFTA)                   | Operating   |
| Ecuador   | 2009-2012                                    | [inclusion in] MFTA                                      | Pending ratification  |
| Caribbean   | 2008   | EU-Caribbean Economic Partnership Agreements             | Operating. Bilateral agreements with individual countries                   |
|   | 2012   | Joint Partnership Strategy                               | Adopted   |
| Cuba  | 1996   | EU Common Position                                       | Abandoned in December 2016  |
|   | 2014-2016                                    | Political Dialogue and Cooperation Agreement             | Pending signature and ratification  |



Another important factor that has eroded the EU-LAC political dialogue has been the weakening of the Ibero-American Conference of Heads of State and Governments, and in particular changes in Spain's position, first during the terms of José Maria Aznar (1996-2004), when Madrid aligned itself with Washington on a number of international issues, and then as an indirect consequence of EU enlargement and the euro crisis. At the Ibero-American Summit of 2007 in Santiago, King Juan Carlos told the then Venezuelan President Hugo Chávez to 'shut up'. Shifts in Spain's foreign policy, in turn, affected the EU's own position, most notably regarding Cuba, which became a highly divisive and controversial issue within the Union throughout the 2000s. Furthermore, the economic recession in Spain – whose generous cooperation funds for Latin America had long underpinned its special relationship with the continent – prompted budgetary cuts and domestic political uncertainty. As Spain's position inside the Union weakened, so did its leadership on EU policy towards LAC.

CELAC, however, is not primarily about security and defence, although in October 2016 Santo Domingo hosted the first ever EU-CELAC summit at foreign ministers' level. In fact, cooperation with the EU in that field does not occur through the bi-regional framework but rather at bilateral level, i.e. between the EU and individual Latin American states. A number of LAC countries have already participated in the EU operations in Bosnia and Herzegovina (Argentina, Chile and the Dominican Republic) and the DRC (Brazil). In 2015, Chile and Colombia even signed Framework Partnership Agreements (FPAs) with the EU on their possible participation in CSDP missions and operations, and Brazil is in the process of negotiating another. A potentially useful framework to promote bi-regional cooperation in security and defence is perhaps UNASUR, created in 2008 and officially ratified in 2011: it encompasses twelve Latin American countries (the members of the Andean Community and Mercosur, plus Chile, Guyana and Suriname), holds regular meetings also at the level of foreign and defence ministers, and has already played a positive role in Bolivia (2008) and Ecuador (2010) – but, to date, it has no formal institutional links with the EU.

Finally, the EU is now funding the Cocaine Route Programme (CRP), an innovative triangular scheme that promotes cooperation between Latin America, West Africa and Europe to curtail drug flows, which have significantly increased over the past two decades and nurtured the spread of networks of illicit drug smugglers across the South Atlantic and notably towards the EU. This goes hand in hand with anti-money laundering initiatives that involve also INTERPOL and the UN, but coordinating anti-narcotics operations with both the West African Police Information System (WAPIS) and the South American police community (AMERIPOL) has so far produced limited results.

**TABLE IV.4:** EU-LAC SUMMIT MEETINGS AND THEIR RESULTS

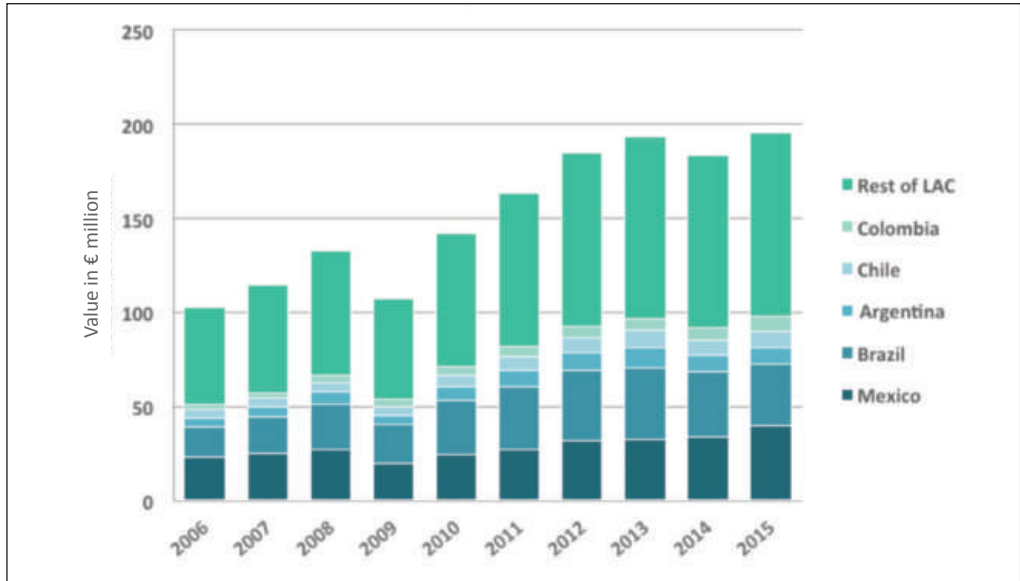
| Year | City                    | Achievement  |
|------|-------------------------|--|
| 1999 | <b>Rio de Janeiro</b>   | Launch of bi-regional process  |
| 2002 | <b>Madrid</b>           | Association Agreement EU-Chile   |
| 2004 | <b>Guadalajara</b>      |  |
| 2006 | <b>Vienna</b>           |  |
| 2008 | <b>Lima</b>             |  |
| 2010 | <b>Madrid</b>           | Association Agreement with Central America concluded<br>Launch of work to establish Joint EU-Caribbean Partnership Strategy              |
| 2013 | <b>Santiago</b>         | First EU-CELAC summit<br>Colombia/Peru EU Multiparty Trade Agreement enters into force<br>Launch of negotiations with Ecuador to join it |
| 2015 | <b>Brussels</b>         |  |
| 2018 | <b>To be determined</b> |  |

## The economic dimension

Economic exchanges have been dynamic. Total trade between the two regions has doubled between 2004 and 2014 [see Figures IV.6 and IV.7], while European investments – led by Spain’s – grew even faster. However, economic relations remain highly asymmetrical in at least three ways:

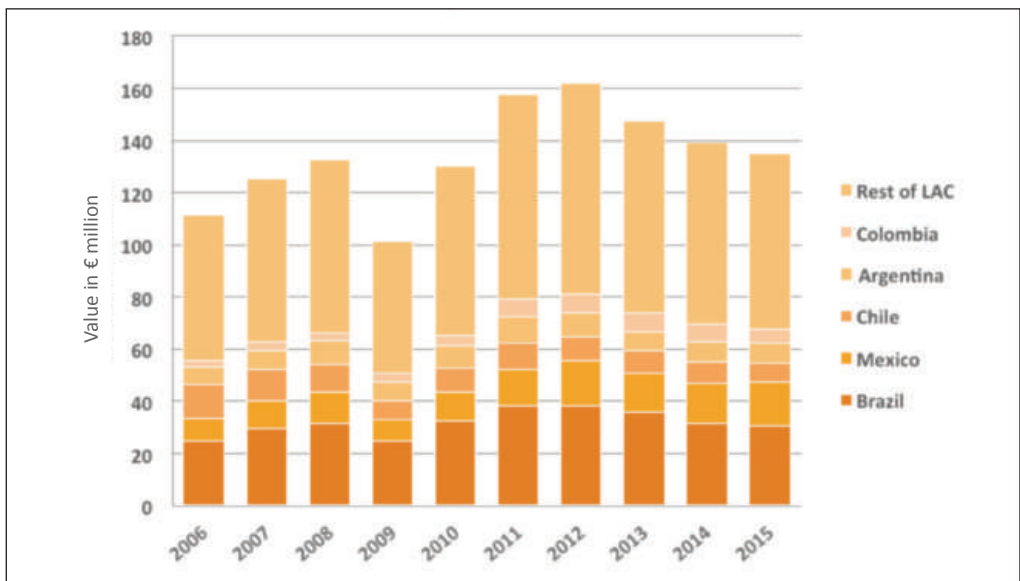
- The EU ranks among the top trade partners and investors of the LAC region (with 14.1% of CELAC imports in 2014), competing with the US, China and regional partners. In contrast, LAC is a marginal trade partner for the EU (6.5% of EU exports and 5.9% of imports in 2014) as well as a comparatively modest source of investment flows (3.6% in 2013).
- In terms of composition, with the exception of Mexico and partly Brazil, the EU generally imports commodities and raw materials from LAC, while it exports machinery and equipment with high added value. This means LAC exports are highly vulnerable to volatility in commodity prices, leading to diminished trade surpluses [see chart IV.4].
- EU trade and investment in LAC is highly concentrated in the two largest economies, Mexico and Brazil, which together account for more than half of the overall volume of exchanges.

**FIGURE IV.6: EU EXPORTS TO LAC, 2006-2015**



Source: Trademap.org

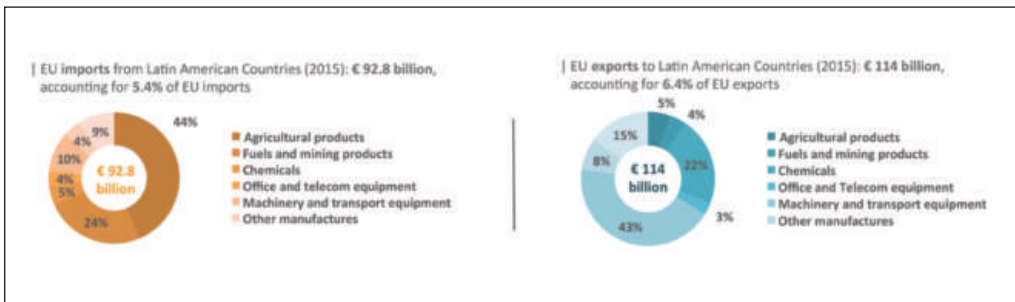
**FIGURE IV.7: EU IMPORTS FROM LAC, 2006-2015**



Source: Trademap.org

Trade and investment bilateral regimes and flows vary widely [see Figure IV.8]. The rise of nationalist development strategies in some countries prevented the advance of free trade talks, while other Latin American governments pursued further liberalisation with the both US and EU as well as the creation of a new regional scheme, the Pacific Alliance (including Chile, Colombia, Mexico and Peru). Thus, EU economic agreements with LAC range from sophisticated free trade and investment frameworks with Chile and Mexico to importing raw materials from Bolivia under the GSP+ (Generalised System of Preferences) or post-colonial EPAs (Economic Partnership Agreements) with the Caribbean.

**CHART IV.4: EU BILATERAL TRADE WITH LATIN AMERICA, 2015**



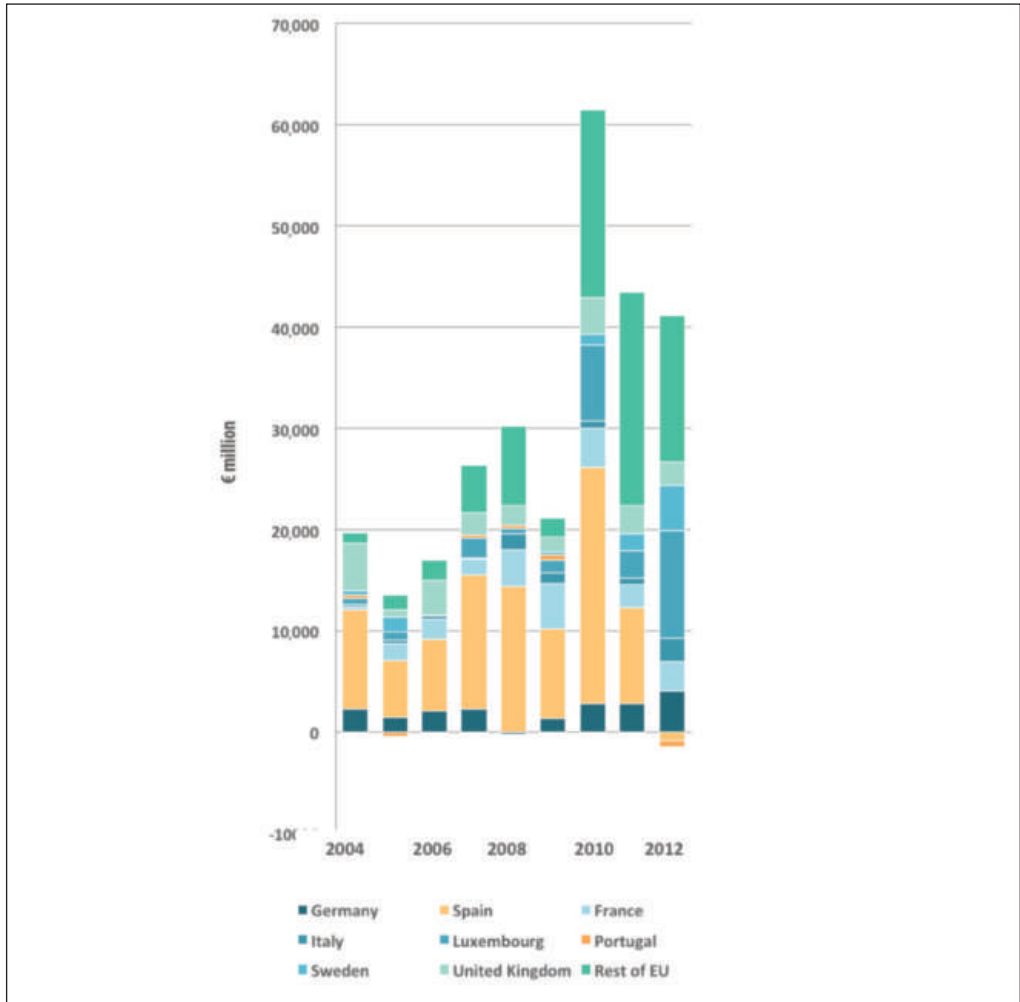
Source: European Commission, ‘European Union, Trade in goods with Latin American Countries’, June 2016

Development cooperation has been the most successful aspect of bi-regional relations since 1999, with the EU setting aside funds for regional programmes specifically tailored for LAC. Emphasis has been put on promoting regional integration, trade support and facilitation, urban and rural development, information technology, research and education, and more recently also security, science, technology and innovation. From 2014 to 2020, the EU has made €805 million available for regional LAC programmes:

- €163m for higher education inside Erasmus+
- €300m for environmental sustainability and climate change
- €215m for sustainable and inclusive growth for human development
- €42m for supporting good governance, accountability and social equality initiatives
- €70m for security and development projects
- €15m for support measures

Besides these, the EU allows most LAC organisations to apply for funding under the EU thematic programmes, especially the Development Cooperation Instrument (DCI), the European Instrument for Democracy and Human Rights (EIDHR), the H2020 Research Framework, and other programmes like those related to the environment and climate change as well as civil society and institution building.

**FIGURE IV.8: EU INVESTMENT FLOWS TO LATIN AMERICA AND THE CARIBBEAN BY COUNTRY OF ORIGIN, 2004-2012**



Source: Eurostat

Since the 2014 reform of its development cooperation policy, the EU considers that most countries in Latin America have ‘graduated’, so to speak: with the exception of Bolivia, the Dominican Republic and Haiti (which remains the main recipient of EU humanitarian aid), they have all been classified as ‘middle-income’ and, as such, are no longer eligible for EU bilateral aid. This change has been criticised in LAC for failing to take into account inequality and poverty, which still affect large portions of the population even in middle-income countries. Moreover, thematic programmes will now be implemented through co-funded cooperation projects with Brazil and Mexico.

### Recent evolution and prospects

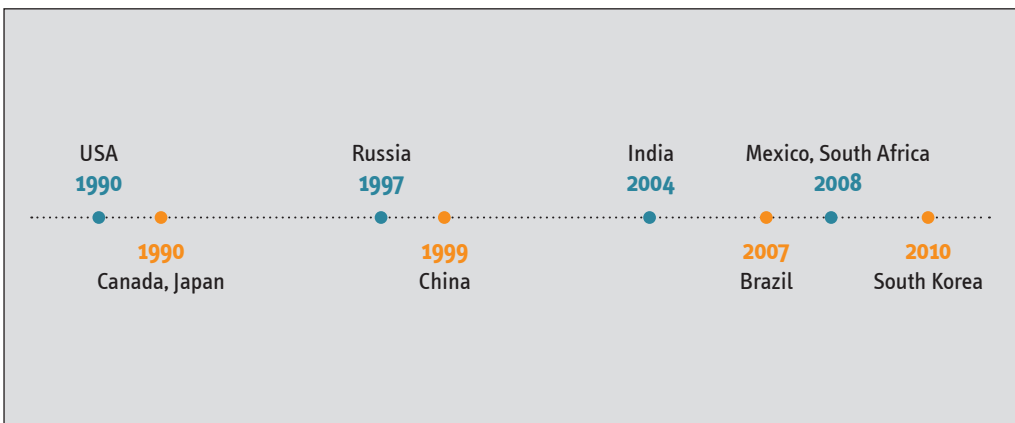
Today, EU policy towards LAC is in flux, built as it was upon the so-called ‘Washington consensus’ that has gradually eroded. The region has become increasingly polarised and enthusiasm for open markets and regional integration has waned. The economic downturn, aggravated by the collapse of oil prices, is the background to serious political instability in Brazil and Venezuela, while Central America and Mexico remain mired by corruption and unprecedented criminality.

On the other hand, the re-establishment of diplomatic relations between Cuba and the US and the peace agreement between the Colombian government and the FARC guerrilla are welcome developments in a relatively peaceful, but still violent region. For its part, the EU has quickly reacted to both in late 2016 by signing its first ever bilateral Political Dialogue and Cooperation Agreement with Cuba and by establishing a Trust Fund for Colombia’s peace and reconciliation process, underwritten by the Commission and 19 contributing member states.

## IV.7 STRATEGIC PARTNERSHIPS

The European Union’s propensity, especially during the 2000s, to institutionalise dialogues and frameworks and provide ‘one-size-fits-all’ templates for that purpose has manifested itself also in the case of the so-called ‘strategic partnerships’. These have developed gradually and incrementally, starting right after the end of the Cold War with Europe’s three most important ‘Western’ partners: the US and Canada, with whom most EU countries also share membership in NATO, and fellow G7 member Japan.

**FIGURE IV.9: OVERVIEW OF EU STRATEGIC PARTNERS**



President Boris Yeltsin's Russia agreed to establish a strategic partnership with the EU in 1997, when it was also invited to join the G7, soon followed by China, then negotiating its entry into the WTO. The 2003 European Security Strategy did indeed mention all five countries in its section on 'working with partners'.

India, Brazil, Mexico, South Africa (who were about to become part of the BRICS group with Russia and China) and South Korea were added to the list shortly afterwards. And in 2008 all the current ten EU Strategic Partners became members of the G20, which included also France, Germany, Italy and the UK (the European G7 members), the EU in its own right, as well as Argentina, Australia, Indonesia, Saudi Arabia and Turkey.

Ever since, the EU has somewhat 'frozen' the expansion of such institutionalised partnerships and focused instead on consolidating their scope. Yet the question remains whether they are too many or too few, whether their geographical balance is appropriate (four are Asian and only one African), and whether they could or should be considered as being all equally important.

Despite the common label, the formats and contents of each Strategic Partnership tend to vary significantly – and have also evolved over time. They are presented and briefly analysed below in alphabetical order, with the exception of relations with Russia – both a neighbour and a partner – which are addressed (well beyond the Strategic Partnership proper) in Chapter IV.2.

## Brazil

Brazil and the EU have a longstanding relationship even beyond the strictly bilateral dimension, given the country's global ambitions. The Strategic Partnership was signed in 2007, launching a political dialogue on a wide range of themes and cooperation on a variety of topics and through numerous formats, and fostering economic exchanges.

The political dialogue is structured around annual summit meetings in which global issues of common interest, such as climate change and the economic and financial crisis are discussed. Regional and bi-regional topics are also part of the agenda, namely relations with MERCOSUR and the LAC region. There are also 15 specific dialogues on bilateral issues, such as agriculture, governance and human rights, environment and climate change, culture and education, maritime and air transport, energy, as well as science and technology.

Brazil is the EU's most important economic partner in LAC, accounting for 33.6% of its trade and 55% of the EU's investment in the region. There is a clear asymmetry in the relationship. For Brazil, the EU is the most important trading partner, accounting for 19.5% of its total trade; it is also the biggest foreign investor (about 50 % FDI). In contrast, for the EU, Brazil is the 10th largest trading partner, accounting for 2% of its total external trade.

As for the composition of trade, Brazil is like the rest of Latin America: commodities dominate EU imports, especially agricultural goods (Brazil is the largest single supplier), fuels and mining products. Some manufactured goods also feature and include machinery, transport equipment and other consumer products. EU exports to Brazil are mainly manufactured products such as machinery, transport equipment and chemicals. Given this composition, the EU ran a trade deficit with Brazil until 2014, when the price of commodities crashed. It has been running a surplus ever since, even though the ensuing economic crisis in Brazil has resulted in a reduction of imports from the EU.

Since free trade negotiations between the EU and MERCOSUR have stalled, relations between the EU and Brazil are governed by WTO rules. There is dialogue on issues like tourism, investment, financial regulations and the green economy, but liberalisation is not on the agenda. The EU considers Brazil to be one of the most protectionist members of the G20.

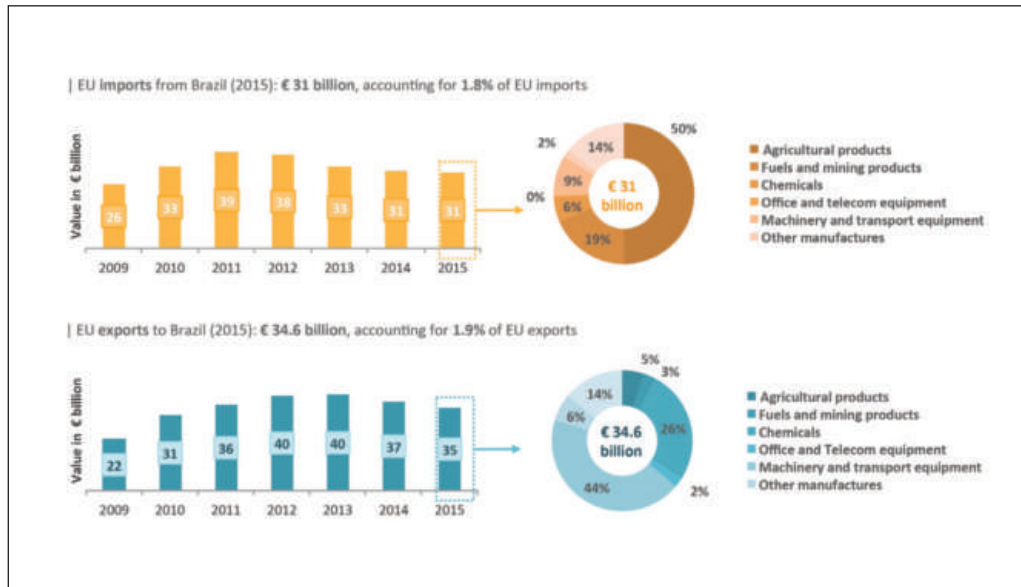
As is the case with most Latin American countries, from 2014 onwards, EU funding has no longer been allocated to bilateral development cooperation. Funding is now provided through grants to projects and programmes under several EU instruments including:

- Development Cooperation Instrument (DCI)
- European Instrument for Democracy and Human Rights (EIDHR)
- Partnership Instrument (PI) -
- Instrument contributing to Stability and Peace (IcSP)
- Instrument for Nuclear Safety Cooperation (INSC)
- Civil Society Organisations and Local Authorities programme
- Global Public Goods and Challenges programme
- Horizon 2020 framework programme (co-financed research)

Key areas of cooperation include human rights, reducing poverty, environmental protection, climate change and energy, social and economic development, education, health, food and nutrition security and sustainable agriculture – as well as migration and asylum. Science and technology and the development of information technologies feature high on the cooperation agenda, as well as a ‘Brazil Civil Society Support Programme’ that aims at reinforcing capacities of civil society organisations (CSOs) so that they can better contribute to sustainable development and participate constructively in public policies. **[LR]**



**CHART IV.5: EU-BRAZIL BILATERAL TRADE, 2009-2015**



Source: European Commission, 'European Union, Trade in goods with Brazil', June 2016.

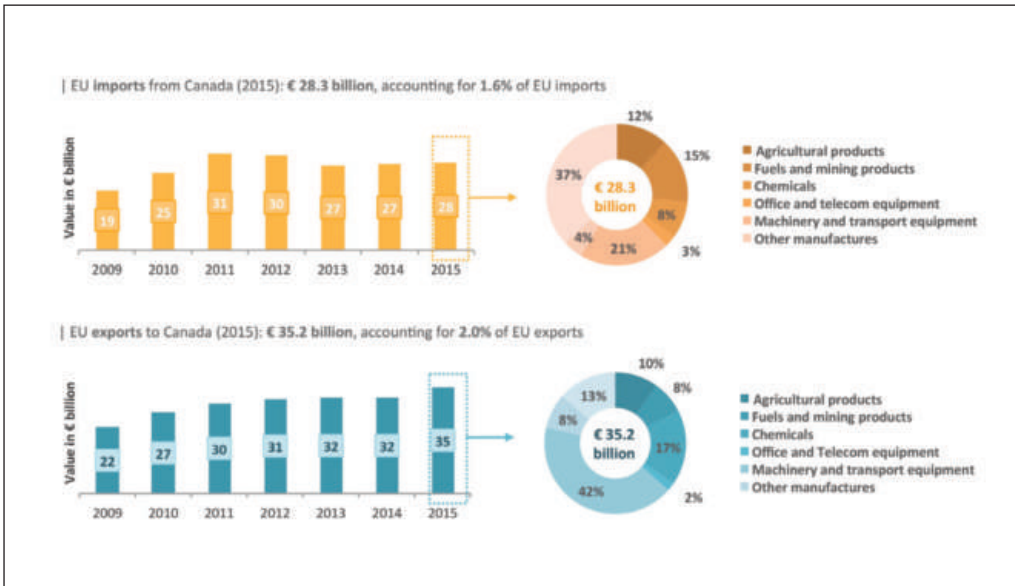
## Canada

Relations between Canada and the EU are rooted in the common ground of democracy, the commitment to the rule of law and human rights and support for the international community's counter-terrorism efforts and non-proliferation regimes. As an extension of their kindred social and cultural identities, Canada and the EU share a common vision of foreign policy and international security that emphasises the international community's responsibility to safeguard peace and stability. To this effect, the EU and Canada place particular importance on cooperation in the multilateral context of the UN, OSCE and NATO. The early setup of the EC/EU mission in Ottawa in 1976, only the third representation office in the world at the time, gives further indication of the long-standing and deep-running ties between the two partners. In 2016, the EU and Canada set a new milestone in their relations with the signature of a Strategic Partnership Agreement and the Comprehensive Economic and Trade Agreement (CETA).

The EU is Canada's second largest partner in terms of both trade and investment. Efforts to streamline trade relations date back to 1976, when the two parties concluded the Framework Commercial and Economic Agreement – the first accord of this nature that the then European Economic Community (EEC) entered into with an industrialised country. CETA expands on this arrangement and is estimated to increase bilateral trade flows by an additional 23% (the agreement may also carry wider ramifications for transatlantic relations as a precedent for the Trans-

atlantic Trade and Investment Partnership (TTIP), which the EU has been negotiating with the US but which looks less likely to materialise soon, in part also because of the opposition generated by CETA among European public opinion). CETA is the first trade agreement to integrate the new Investment Court System (ICS) that replaces the controversial investor-to-state dispute settlement mechanism. The ICS addresses concerns about insufficient transparency and excludes provisions that would grant companies compensation for financial losses attributed to government regulations – issues that have also raised scepticism about TTIP.

**CHART IV.6: EU-CANADA BILATERAL TRADE, 2009-2015**



Source: European Commission, 'European Union, Trade in goods with Canada', June 2016

The Strategic Partnership Agreement Canada and the European Union signed in 2016 further extends their cooperation on security and foreign affairs. Strengthening the Partnership Agenda of 2004, the agreement seeks to adapt security cooperation to the evolved threat environment the two partners are facing. The EU values Canada as one of the most consistent contributors to its Common Security and Defence Policy (CSDP) operations. Facilitated through the 2005 Framework Participation Agreement, Canada has since participated in more than ten CSDP civilian and military missions. Joint deployments in the Balkans and Afghanistan have often drawn on NATO assets and capabilities and operated with UN support.

The two partners cooperate on many of the most pressing global security issues, including efforts to close the post-civil war power vacuum in Libya, strengthen the ceasefire agreement in eastern

Ukraine, end the fighting in Syria (within the International Syria Support Group), rein in international terrorism and manage migration flows (in the G7 and G20 framework). In February 2016, Canada vetoed the EU bid for observer status in the Arctic Council over a pending WTO case regarding an EU ban on the import of seal meat. But once the WTO had settled the dispute, Canada gave up its opposition in the council. *[JB]*

## China

The history of diplomatic ties between the EU and China goes back to 1975. Since then, the EU and China have gone a long way in terms of building and maintaining a strong relationship. The EU-China Comprehensive Strategic Partnership was announced in 2003, and was built upon the 1985 EU-China Trade and Cooperation Agreement. Apart from providing the basis for extended trade and economic relations, the Strategic Partnership – launched in 1999 – also covered political affairs, people-to-people exchanges and cooperation on common international challenges such as climate change, environmental protection, non-proliferation and international security.

The partnership is underpinned by more than 60 bilateral dialogues that range from technical working groups to high-level meetings such as the annual EU-China Summit and the High-level Dialogues on political, economic and people-to-people issues – the three pillars of the relationship. In 2013, both sides agreed on a set of concrete objectives in the EU-China 2020 Strategic Agenda for Cooperation.

In addition to this common framework, both parties have issued their own policy documents which provide guidance for their respective relations with, and expectations towards, each other. China's Policy Paper on the EU, issued in April 2014, acknowledges the EU's important role in China's efforts to pursue peaceful development, especially in areas such as industrialisation, urbanisation, IT applications and agricultural modernisation. The EU's China Strategy Paper, published in June 2016, sets the EU's objectives in dealing with China over the next five years. The paper puts strong emphasis on the economic dimension and highlights the importance of cooperation in areas such as investment, standards, innovation and connectivity through such instruments as the Investment Plan for Europe and the EU-China Connectivity Platform.

Bilateral cooperation between the EU and China particularly gained momentum after China's accession to the World Trade Organization (WTO) in 2001, which was a milestone for bold reforms and opening up the Chinese economy. As a result of China's integration in the global economy, the EU and China have become much more interdependent and economic ties now form the backbone of bilateral relations. China is currently the EU's second largest trading partner and the largest source of imports.

In 2013, the EU and China launched negotiations on a Bilateral Investment Agreement, which aims at deepening and rebalancing EU-China economic relations by lifting persisting market access barriers in China and setting up unified and clear investment rules on both sides. As China has embarked on an ambitious transition to a more sustainable development model based on consumption and innovation, EU-China collaboration has been extended to new areas such as inclusive growth, green economy, urbanisation, knowledge transfer and advanced technologies. Cooperation in those areas, however, remains focused mainly on dialogues and information exchanges as a number of trade and investment barriers still make it very hard for EU companies to do business in China. The EU remains concerned about China's mix of trade and industrial policies, which sustain the dominant position of state-owned enterprises, as well as easy access to state subsidies and export credits for Chinese manufacturers. Such measures lead to a more favourable treatment of large Chinese companies, creating unfair competition for investors in China. Multiple laws and regulations at central and local levels also discourage foreign companies from conducting business in China, especially in strategic sectors such as telecommunications, banking, construction and energy. These trade barriers have been on the EU's policy agenda for a long time but the Chinese government has so far been reluctant to tackle these regulatory obstacles.

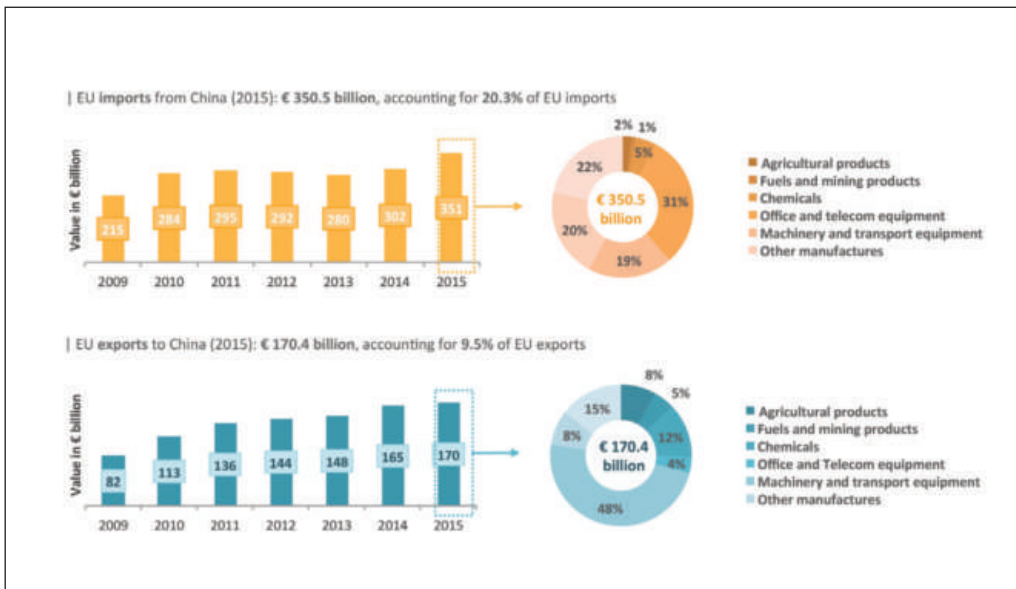
The political relationship between the EU and China gained significance especially after the Lisbon Treaty. However, the EU and China remain divided over core political values, geopolitical interests and priorities, including conceptions of world order, rule of law, human rights and transparency. Despite these well-known differences, both sides have successfully worked together on regional and global issues such as Iran's nuclear programme, countering piracy in the Horn of Africa, climate change, global governance, nuclear non-proliferation, counter-terrorism and food security. China has also greatly expanded its role and importance in UN peacekeeping missions.

Neither the EU nor China view each other as a direct security threat and both partners share a desire for further collaboration on peace and security as well as connectivity issues, especially since the launch by Beijing of its 'One Belt One Road' initiative. EU security cooperation with China is also part of a wider engagement with Asia, notably in the framework of the Asia-Europe Meeting (ASEM) and the Association of Southeast Asian Nations (ASEAN), in particular via the ASEAN Regional Forum (ARF). In light of China's increased military activity and defence spending, territorial disputes with its neighbours, cyber-attacks and a crackdown on the political opposition, the EU continuously calls on China to adhere to international rules, to respect human rights and to deepen cooperation on migration and environmental issues. Another contentious issue is the EU arms embargo against China, in place since the 1989 Tiananmen Square crackdown.

As China becomes more powerful, potential challenges such as increased political and military assertiveness, lack of respect for human rights, stronger market access barriers, continued support for national corporations or insufficient protection of intellectual property rights could undermine the credibility of its commitments and intentions. Moreover, as per WTO accession

protocol, China is expecting to be granted Market Economy Status (MES) by December 2016. The required change of EU legislation following this faces strong resistance from many European stakeholders: since it is a top priority for China, it will remain an important issue in bilateral discussions. If the EU refuses to grant China MES, Beijing may revert to retaliatory measures which may negatively affect the current relationship and generate new challenges. Despite these differences, however, both sides tend to focus on common long-term interests and on making the partnership a comprehensive and mutually beneficial one. [MM]

**CHART IV.7: EU-CHINA BILATERAL TRADE, 2009-2015**



Source: European Commission, 'European Union, Trade in goods with China,' November 2016

## India

The EU and the Republic of India have a long diplomatic history going back to 1962, when New Delhi became one of the first third countries to establish relations with the European Economic Community (EEC). As diverse and multilingual democracies, both partners share a common understanding of and commitment to political pluralism and multiculturalism which forms the basis of the relationship.

Although the EC/EU Delegation to India was opened in 1983, it is the first Joint Political Statement (released in 1993) and the 1994 Cooperation Agreement which provide the legal framework for diplomatic relations and took the partnership beyond economic cooperation. In order to

strengthen ties and in recognition of common challenges facing them, the EU and India became Strategic Partners in 2004. In 2005, a Joint Action Plan was adopted to help better define common objectives and guide cooperation efforts (it was subsequently revised in 2008). While relations between Brussels and New Delhi remain cordial and progress has been made in a number of fields, there is much scope for improvement (including some relatively low-hanging fruits) between the world's two largest democratic systems.

The EU is India's most important economic partner – accounting for around 13% of India's overall trade – and Europe is also the principal source of foreign investment. Beyond goods, the trade in services has nearly quadrupled in the last decade alone, and is now worth some €12 billion to each respective partner. Yet despite the best efforts by reformers since the end of the Cold War to open India's market, New Delhi still maintains substantial barriers which impede freer trade with the EU. Since 2007, both parties have been engaged in negotiations over an ambitious Free Trade Agreement (FTA). The wide-ranging deal is set to cover goods, services, investments and other key areas, but has remained largely stalled. In parallel, however, progress has been made in other areas. The EU has, for instance, granted technical assistance to India to help smooth New Delhi's integration into the international trade system, boost competitiveness, and bring about improvements in areas such as intellectual property rights.

The two partners have done much to institutionalise regular political interaction. This now occurs through a mixture of annual summits (which began in 2000), ministerial meetings, expert meetings and dialogues on issues such as human rights. There are also regular reciprocal visits and exchanges by and between European and Indian parliamentarians.

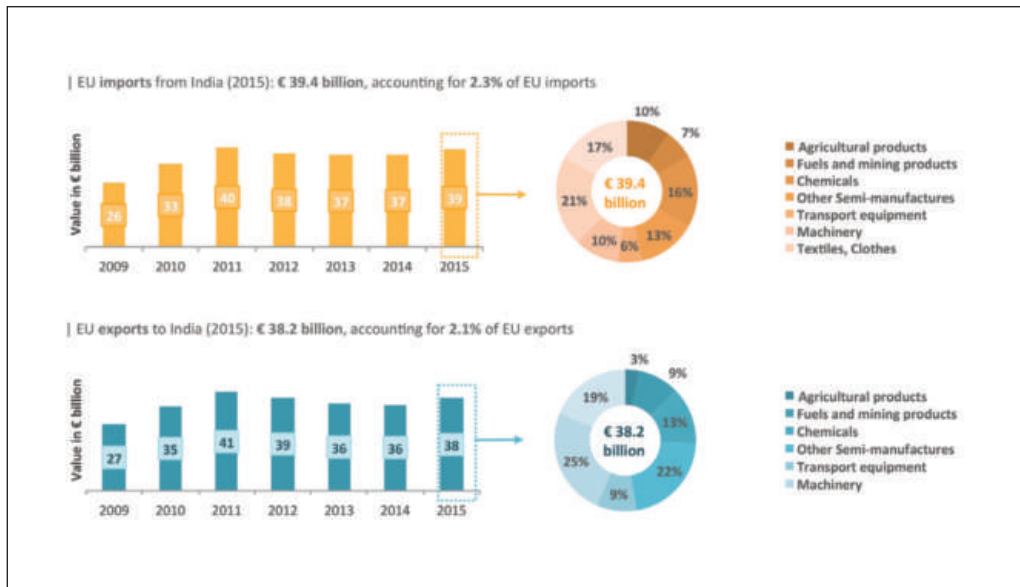
Both the EU and India share a number of common security challenges, ranging from cybercrime to radicalisation and maritime security concerns; in 2010, Brussels and New Delhi issued a Joint Declaration on International Terrorism. Although security cooperation is among the least developed areas, there are numerous possibilities to build trust incrementally. Collaboration on peacekeeping missions in a UN context (India is one of the biggest contributors of 'blue helmets' worldwide) - but also in the form of a Framework Participation Agreement, which would allow Indian troops to contribute to CSDP/CFSP missions and operations - is one possible area which could yield results.

There are numerous other sectors in which the EU and India regularly cooperate. The EU-India Civil Aviation programme helped strengthen safety standards and harmonisation with EU best practices, for example, while a Joint Declaration on Culture was signed in 2011. Given India's thirst for energy, the EU has been a key partner not only in developing new sources (such as nuclear power), but also encouraging sustainable alternatives which protect the environment (through water management, for example). These initiatives are supported by comprehensive actions in other areas such as science and technology, urban development (smart cities), and education and training. Fostering people-to-people contacts has been a cornerstone of the EU Delegation's work to

promote the Union within India. Already solid academic, cultural and media exchanges could therefore be expanded further.

Last but not least, development cooperation has morphed from being a traditional donor-recipient relationship to one of more mutually beneficial and localised projects, including assistance to civil society. The EU also engages India on a state rather than national level, in particular through individual projects or campaigns in Rajasthan and Chhattisgarh. [JJW]

**CHART IV.8: EU-INDIA BILATERAL TRADE, 2009-2015**



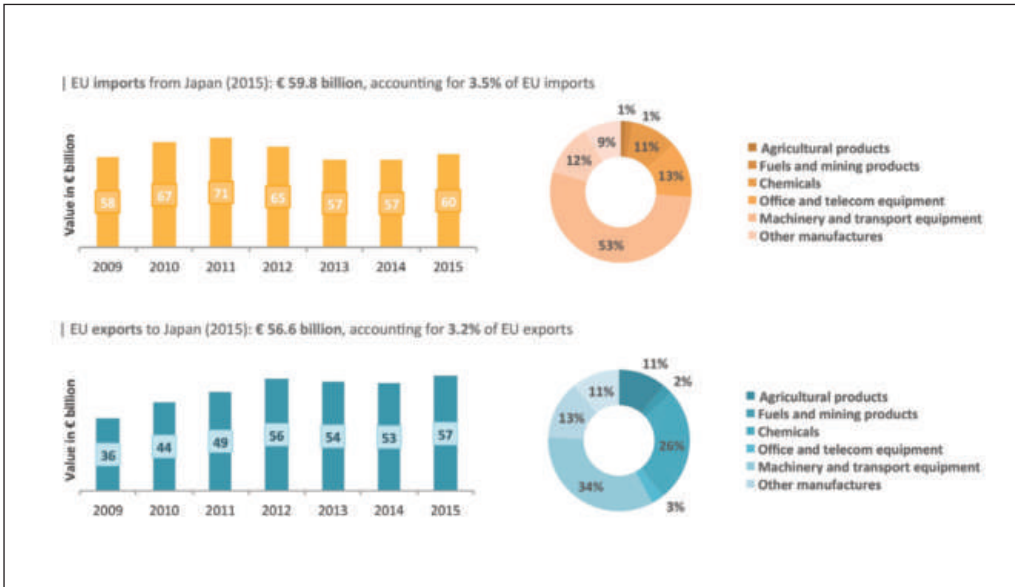
Source: European Commission, 'European Union, Trade in goods with India', June 2016

## Japan

Japan has historically been Europe's oldest and most trusted partner in East Asia. As both parties are developed, industrialised, and share similar values of democracy, human rights and the rule of law, they have been interacting closely through organisations such as the WTO, the G7 and the G20. The EC/EU Delegation in Tokyo was established in 1974, and the first bilateral ministerial meeting dates back to 1984. Yet despite well-developed bilateral economic, political and strategic relations with individual European countries, Tokyo continues to view the EU as a bloc with a certain degree of scepticism – especially when it comes to security and defence.

For decades, the main if not only policy area of EU-Japan cooperation has been trade. The two partners together still account for more than a third of the world’s GDP. After being on top for decades, Japan is now the EU’s second biggest trading partner in Asia (after China) and a major investor in Europe. In turn, the EU is Japan’s third largest trading partner: its historical trade deficit with Tokyo has significantly decreased since 2000, with a surplus in the service sector. Now in its third year of negotiation, a fully-fledged Free Trade Agreement (FTA) is nearly complete, with officials hoping to sign off in 2017. While a few sticking points remain, a compromise phasing out EU tariffs on cars in exchange for duty-free access of agricultural exports to Japan is looming large. The trade deal with Tokyo is likely to become the EU’s largest FTA by volume.

**CHART IV.9: EU-JAPAN BILATERAL TRADE, 2009-2015**



Source: European Commission, ‘European Union, Trade in goods with Japan’, 2016

Japan has contributed to the reconstruction of the Western Balkans and the EU has supported peace efforts in Korea and the rest of Asia. Both emphasise human security and sustainable development as essential requirement for peace. Bilateral security cooperation, however, still follows the parameters of the 2001 Joint Action Plan. Collaboration relies on UN mandates and includes peacebuilding and peacekeeping missions within larger multilateral frameworks. Anti-piracy efforts in the Gulf of Aden gave rise to the first joint operation between the Japan Maritime Self-Defence Force and EU NAVFOR Operation *Atalanta* in January 2014, resulting in the rescue of an



Indian commercial vessel. Despite its success, however, the mission has not been repeated. Similarly, a flurry of joint counter-piracy exercises held in late 2014 has hardly taken hold: after a one-off iteration in 2015, exercises dropped to the level of training in early 2016.

The EU and Japan, however, maintain a broad spectrum of political dialogues addressing the protection of sea lines of communication and issues as diverse as the fight against terrorism, energy security, food safety, the impact of climate change, and safeguarding digital and physical infrastructure. Cooperation on regional security stretches from the Middle East to Africa and Central Asia, oftentimes with Overseas Development Assistance (ODA) serving as the primary vector.

Since 2003, Japan has contributed to CSDP missions through its ODA, notably in Afghanistan (Tokyo was also active in Iraq). Part of this are the conferences that the EU and Japan have held since 2010 to help secure the Tajik-Afghan border after the withdrawal of NATO combat forces in Afghanistan. Assistance with border management aims to make a wider contribution to security as it seeks to stem drug trafficking flows that serve as a source of financing for terrorist activities. Yet such channels of cooperation, while linked to specific interests, remain circumstantial.

On the other hand, a long-standing dialogue in science and technology to exchange technical expertise and best practice – primarily on nuclear security – led in 1990 to the Agreement on Nuclear Safeguards Research and Development. Similar mechanisms are being explored for cybersecurity, with the launch of a formal cyber dialogue in October 2014. However, in the absence of any consolidated structure within the EU comparable to EURATOM on cyber issues, Tokyo quickly prioritised bilateral meetings with leading member states in the field. Such developments underscore the observation that shared interests, while numerous, do not translate into an *a priori* condition for EU-Japan collaboration. Rather, cooperation depends on the EU's ability to demonstrate the added value of multilateral engagement.

The Strategic Partnership Agreement (SPA) currently being negotiated alongside the FTA - mainly on the EU's initiative - seeks to provide a broader and more consistent platform for political cooperation. The EU expressly supported Japan's adoption of its first national defence strategy in 2013, which committed the country to a more 'proactive contribution to peace'. In 2014, Japan also revisited its constitutional renunciation of war as a policy tool to allow for collective self-defence. However, Tokyo's recent pressure on the EU to take sides in East Asia's unresolved territorial and maritime disputes has strained the atmosphere somewhat.

In the Asian context, the structure of the Asia-Europe Meeting (ASEM) facilitates Japanese cooperation with its neighbours. Yet engaging Tokyo on a more active role for its military constitutes a delicate balancing act for the EU. The risk of antagonising Japan's neighbouring countries (many of which are EU strategic partners themselves) is especially acute, while Japan's own emphasis on hard power in its regional relations represents a further complication also with respect to the EU. [EP]

## Mexico

Given its size, proximity to the US, and close relations with Spain and other LAC countries, Mexico has long been of interest to the EU. The 1997 Global Agreement with Mexico was the first of its kind with a non-European country and became a template for subsequent EU relations with other partners in Latin America. It is composed of three pillars: political dialogue, economic association, and development cooperation. In 2008, the EU recognised Mexico as its second Strategic Partner in the region, right after Brazil. In practice, this has added a number of new (global and regional) items on an already broad agenda within the pre-existing political dialogue. The Global Agreement is currently being re-negotiated to update its economic pillar, bring political dialogue closer and adapt cooperation to the new EU and Mexican frameworks.

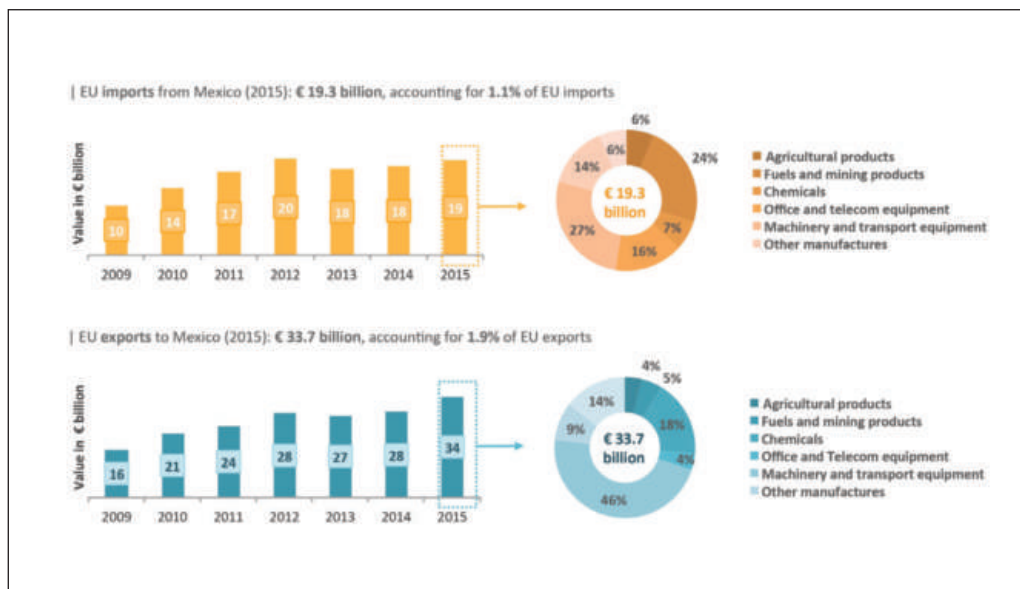
The EU-Mexico political dialogue is structured along bi-annual summits that tend to coincide with EU-LAC summits. At ministerial and more technical levels, the Joint Committee and special committees meet once a year or even more often. There is also an inter-parliamentary annual meeting (between the European Parliament and the Mexican Congress), as well as bi-annual gatherings of civil society organisations from both sides. Since the Strategic Partnership was established, the EU and Mexico engage in dialogue on multilateral and regional issues including climate change, sustainable development, international peace and security, democracy and human rights, global economic governance, migration, triangular cooperation with Central America and EU-LAC relations. Bilateral dialogues cover topics as varied as trade, science and technology, higher education, security, human rights, the environment or social cohesion, among others.

The economic pillar of the Global Agreement established a free trade area and a number of investment protection agreements with each EU member state. Still, the pull of the US economy, and recently also competition from Asia, have stabilised the EU's share at around 8% of Mexico's total trade. The growth of European investment has been more pronounced, with record numbers in 2015, well above the US and Japan.

As with the rest of LAC, economic relations are highly asymmetrical. In contrast with the rest of Latin America, however, the EU has run a long-standing trade surplus with Mexico that has become sharper since the 2013 fall in commodity prices. Furthermore, unlike the rest of LAC, primary goods no longer dominate Mexican exports due to a concerted effort to diversify its economy since the 1990s. The EU is Mexico's second export market (4.4% of the total), yet far behind the US (over 81%). The EU is Mexico's third largest source of imports (10.7%), after the US and China. Yet Mexico is the EU's 15<sup>th</sup> trading partner, representing only 1.5% of its total foreign trade in goods. The renegotiation of the Global Agreement intends to update the free-trade part to include reinforced intellectual property rights, government procurement, regulatory convergence, sustainability and the green economy. It also aims to include provisions for European investment in the newly reformed telecoms and energy sectors, long awaited by EU investors.

Since 2014, as a higher middle-income country, Mexico ceased receiving any EU development aid. Bilateral relations ‘are moving towards partnership cooperation’, which means that, just like Brazil, Mexican institutions and organisations can participate in general EU calls and programmes. At the global level, Mexico and the EU share common views and liberal beliefs with regard to the reform of the financial system and the advancement of multilateral trade talks, and the EU regards the Mexican government as a key partner in the region and globally – despite growing concerns about its internal security, corruption and the rule of law stemming from the pervasive domestic influence of drug cartels and organised crime. [LR]

**CHART IV.10: EU-MEXICO BILATERAL TRADE, 2009-2015**



Source: European Commission, ‘European Union, Trade in goods with Mexico,’ June 2016

## South Africa

Over the past twenty years, the Republic of South Africa has gained status and standing on the international scene. Before 1990, the regime of *apartheid* – a long period of embedded racial discrimination – isolated it from the international community, which was aggressively pressuring with the use of sanctions (including from the EC/EU). Since 1994, the ‘rainbow nation’ has seen meaningful political, economic and social progress. In recent years, however, growing economic, social and political tensions have emerged (40% of the population, primarily black South Africans, lives below the poverty line). Apart from joining the BRICS grouping in 2009, South Africa is also a permanent member of the World Trade Organization (WTO) and has been elected as a rotating member of the UN Security Council. It is also in the G20 and a party to the G77.

The country's renewed commitment to democracy under Nelson Mandela paved the way for deepening relations with the EU. The bilateral Strategic Partnership materialised a little over a decade after the end of *apartheid*, starting in 2007 as a platform for cooperation on issues such as trade and development, but also good governance, innovation, human rights, peace and security. The two key pillars included political dialogue and sectoral cooperation on a broad range of areas (e.g. environment, science and technology, space).

The EU is South Africa's most important donor, largely due to the member states collective donations which add up to 70% of all external assistance funds. In addition to these national efforts, in 2007-13 the EU as such allocated to Pretoria a total of €980 million, which descended to €241 million in the 2014-20 cycle, mainly due to the substantial economic progress made by the country. The main focus is now on cooperation programmes involving education, employment and capacity-building. The European Investment Bank also has and will continue to supply investment schemes to facilitate economic and social development through loans.

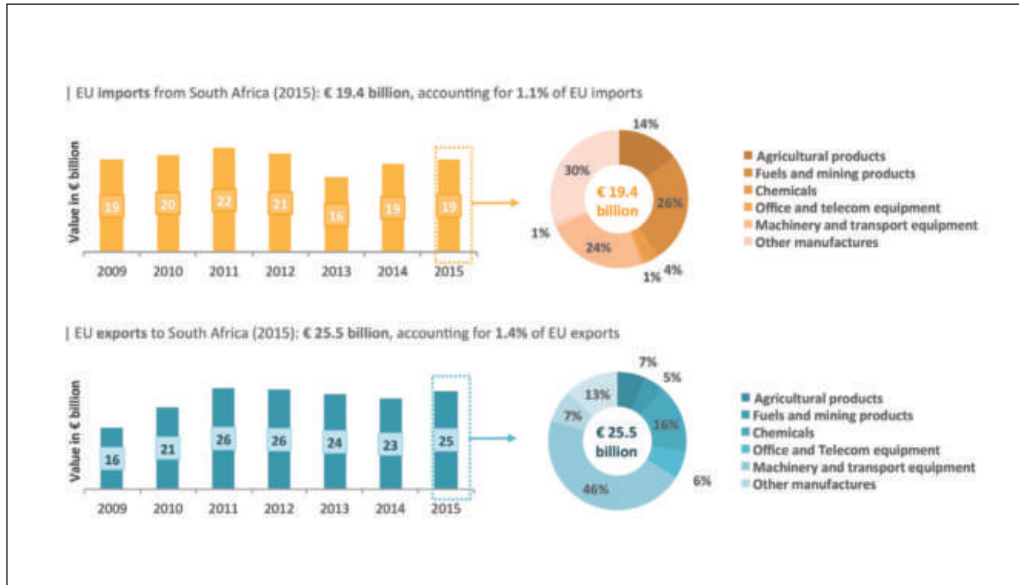
Although an African Caribbean Pacific (ACP) member, South Africa was not a recipient of the same trade benefits granted to other members of the group. Trade relations with the EU only found a solid legal basis with the 1999 Trade, Development and Cooperation Agreement (TDCA), and a EU-South Africa Joint Cooperation Council was put in place to supervise its implementation.

South Africa is the EU's largest trading partner in Africa and the most developed economy in the sub-Saharan region. For South Africa, the EU is its main source of exports and imports alike. In 2015, Pretoria's exports to the EU increased by 9%. South African exports to the EU are increasingly manufactured goods such as cars, aircrafts parts, as well as agricultural products like citrus. Since 2004, bilateral trade has increased by 128%.

Negotiations for the establishment of an Economic Partnership Agreement (EPA) between the EU and the Southern African Development Community (SADC) – which includes Angola (as an observer), Botswana, Lesotho, Mozambique, Namibia, South Africa, and Swaziland – started in 2007 and were finalised in June 2016, when an agreement was reached and the partners signed an EU-SADC Economic Partnership Agreement. Once ratified, the EPA will replace the current bilateral TDCA and foster *inter alia* intra-regional trade.

As the sole EU strategic partner in Africa, Pretoria clearly represents an example to follow for other countries on the continent in terms of rapid democratisation and modernisation. It is also an important security player in Southern Africa proper and through the African Union, although it rarely engages in crisis management or peace-building activities in those regions – Sahel, Horn and Great Lakes – where the EU is most active. [GS]

**CHART IV.11: EU-SOUTH AFRICA BILATERAL TRADE, 2009-2015**



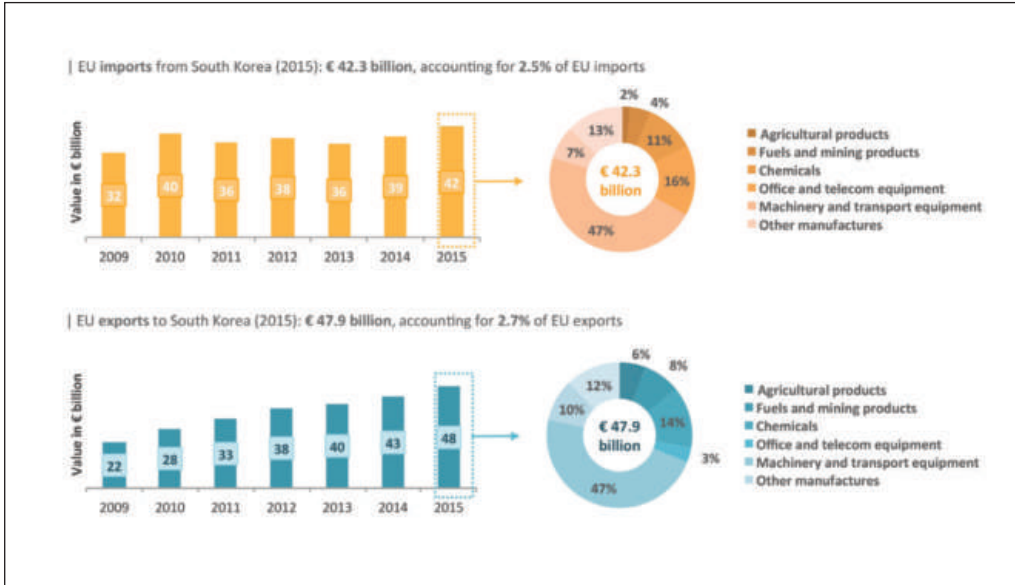
Source: European Commission, 'European Union, Trade in goods with South Africa,' November 2016

## South Korea

The Republic of Korea (ROK) is the fifteenth-largest economy worldwide and a key trading partner for the EU. As they sharing common economic interests and liberal democratic values, both partners have significantly boosted their bilateral relations beyond trade, fostering cooperation in more sensitive political and security areas. Since 2010, EU-ROK relations have become institutionalized through a comprehensive set of agreements, making South Korea the most advanced Strategic Partnership in Asia and possibly beyond.

In 2011, the ROK was the first country in Asia to conclude a Free Trade Agreement (FTA) with the EU – the first such agreement after the entry into force of the Lisbon Treaty. With its trade volume equivalent to 85% of its GDP, global economic integration constitutes a key priority in Seoul's foreign policy. Yet while the EU has seen a steady increase of its exports to South Korea under the FTA, the ROK's export performance has been mixed.

**CHART IV.12: EU-SOUTH KOREA BILATERAL TRADE, 2009-2015**



Source: European Commission, 'European Union, Trade in goods with South Korea,' June 2016

The EU and South Korea share a number of common security objectives, as well as similar visions of how to achieve them. As it is relatively limited in terms of military cooperation, the partnership draws its strength from the shared belief in multilateralism and the rule of law and a comprehensive approach to security. A stronger partnership with the EU allows Seoul to expand its security relations beyond its traditional allies, the US and Japan. For the EU, the partnership with South Korea opens the door to a greater security role in and with Asia – an objective Brussels has pursued since 2012.

Traditional security threats – posed mainly by the unpredictable regime in North Korea and its nuclear weapons programme – understandably represent Seoul’s greatest concern. Its alliance with the US, allowing it access to high-end military technology (including the creation of a missile defence system), constitutes the cornerstone of South Korea’s security and defence policy. In this context, the EU’s experience has been sought to tackle other security-related issues. Inspired by European post-WW2 reconciliation, ROK’s President Park Geun-hye involved the EU as a consultative partner in the Northeast Asia Peace and Cooperation Initiative (NAPCI), a framework for building regional integration through ‘soft’ security cooperation which includes also China, Japan, Mongolia, Russia and the United States. Similarly, the German post-Cold War reunification process is often considered as a point of reference for a future peaceful unification on the Korean peninsula.

Expanding the scope of their security cooperation, the EU and the ROK signed a Framework Participation Agreement (FPA) in 2014, facilitating Seoul's participation in CSDP missions and operations. Since the mid-1990s, South Korea has been extensively involved in multinational security missions, mostly under the UN peacekeeping framework, and has emerged as a trusted partner in out-of-area operations since its participation in the EU-led anti-piracy operation Atalanta in the Indian Ocean. Areas most likely to produce further cooperation include a broad spectrum of non-traditional issues – notably cyber, energy, environmental and human security – as well as operational coordination and capacity building in crisis response and humanitarian and disaster relief.

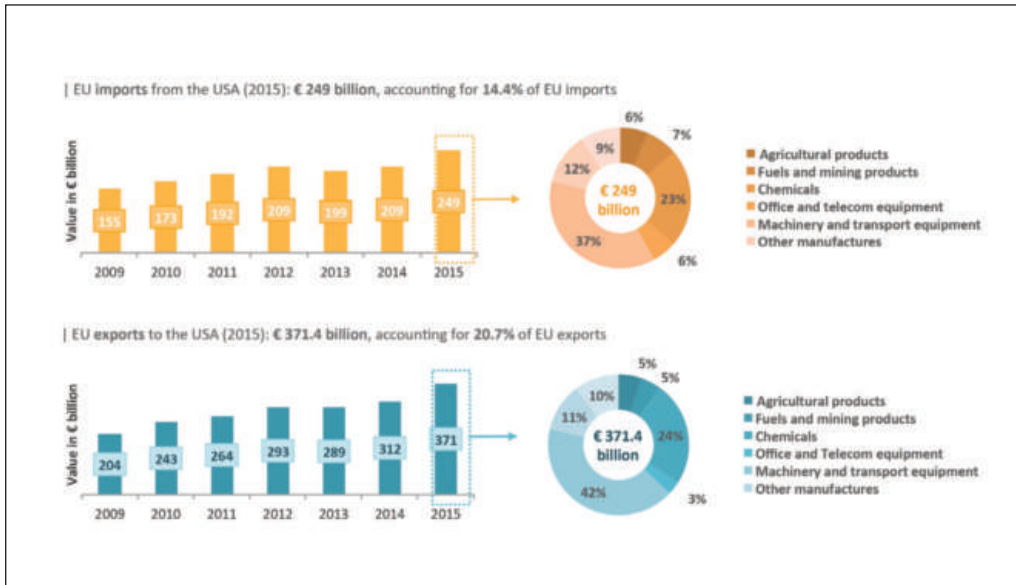
The ROK's success in rapidly transitioning from a developing to a developed country also uniquely positions Seoul to act as a regional partner for the EU in overseas development assistance, drawing on its own strengths in engineering and offering technical training. Since 2014, the EU and South Korea hold an annual cyber dialogue to exchange experience and best practice and coordinate positions on internet governance and the protection of online information and networked infrastructure. Finally, the EU and South Korea have launched a joint initiative to reduce greenhouse gas emissions: drawing on the expertise of building the first and largest emissions trading system in the world, the EU is assisting South Korea in setting up the first trading scheme in East Asia. *[EP]*

## United States

The United States (US) is undoubtedly the key global partner for the EU. The 2003 European Security Strategy stated that the transatlantic relationship was 'irreplaceable' and that, acting together, the EU and the US 'can be a formidable force for good in the world'. The 2016 EU Global Strategy (EUGS) states that 'the US will continue to be our core partner' on the broader security agenda and that the 'EU will further invest in strong bonds across the Atlantic', and especially deepen cooperation with the US and Canada on crisis management, counter-terrorism, cyber, migration, energy and climate action.

Together, the EU and the US have the largest bilateral trade and investment relationship in the world, encompassing more than 30% of global trade and nearly 50% of the world's GDP. In keeping with the evolving political and legal personality of the EU, there is active cooperation across a wide range of sectors including justice and home affairs, energy and cyber security, environment, science and technology, education and training.

**CHART IV.13:** EU-US BILATERAL TRADE, 2009-2015



Source: European Commission, 'European Union, Trade in goods with USA,' November 2016

While NATO is often described as the institutional expression of the transatlantic link between most European countries and North America, there is no equally strong link between the EU and the US. The bilateral relationship dates back to the establishment of formal relations in 1952 – the US was then the first non-member country to recognise the European Coal and Steel Community (ECSC) - and Washington was where the first ever EC(SC) representation office was set, in 1954. It deals with central issues such as global economic growth, competition policy, international standards, climate change and the Middle East peace processes. Yet there are very few permanent bilateral EU-US structures. In fact, EU-US cooperation was only formalised in 1990 with the adoption of the Transatlantic Declaration.

The current EU-US framework is based on the New Transatlantic Agenda adopted in 1995 and other agreements such as the Transatlantic Economic Partnership (TEP) launched in 1998, as well as the Transatlantic Economic Council established in 2007. Moreover, a High-Level Working Group on Jobs and Growth was established in 2011 to increase EU-US trade and investment. In June 2013, the Council of the European Union adopted negotiating directives for a Transatlantic Trade and Investment Partnership (TTIP) with the US. These negotiations are still ongoing.



The transatlantic relationship between the EU and the US is conducted via constant, intense dialogue at various levels. Among the many transatlantic meetings that take place, the traditionally annual EU-US summits between the Presidents of the European Commission and the European Council and the US President are the centrepiece of these dialogues. The summits are currently prepared by the European Commission, the European External Action Service (EEAS), the Council Secretariat and the US Department of State.

Before the adoption of the Lisbon Treaty that created a permanent President of the European Council, the success of the EU-US summits very much depended on what country held the rotating EU presidency. Frequently, these meetings were mainly a symbolic event with little substance lasting only a few hours – and US President Barack Obama, in particular, made it clear that he did not feel bound by the strict and sometimes ritual periodicity of such meetings as he had already plenty of opportunities to meet most EU leaders at other summits (NATO, G7, G20, UN etc) throughout the year.

The biggest obstacle to an ever stronger EU-US partnership is perhaps not the format of discussions but rather the difficulty of fully coordinating foreign and security policy positions inside the EU and *vis-à-vis* the US. While this is somewhat tempered on trade and regulatory issues by the central role of the European Commission, on international issues each member state wants to have its own bilateral ‘special relationship’ with Washington. The US is also traditionally less interested than its European partners in collective summitry, highly formalised frameworks, and negotiated final declarations. Nevertheless, and despite the NSA scandal, under the Obama administration EU-US relations have been comparatively smooth and security cooperation has increased in numerous policy areas, from non-proliferation (Iran) to counter-terrorism, from climate change (COP 21) to sanctions. The forthcoming Trump administration will surely represent an important test for both sides. [JJA]



# V. Annexes

## V.1 Relevant treaty articles

*This section contains a selection of treaty articles that are deemed relevant for EU ‘foreign policy’ - in the broader sense used in this book – and which may help illustrate its rules and modalities in more detail than possible in the previous chapters. Some articles have been shortened for the sake of brevity and simplicity – where extracts rather than full documents are shown the missing text is denoted by the use of square brackets [...]*

### V.1.a. Treaty on European Union (TEU)

#### *Article 1*

By this Treaty, the HIGH CONTRACTING PARTIES establish among themselves a EUROPEAN UNION, hereinafter called ‘the Union’, on which the Member States confer competences to attain objectives they have in common.

This Treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as openly as possible and as closely as possible to the citizen.

The Union shall be founded on the present Treaty and on the Treaty on the Functioning of the European Union (hereinafter referred to as ‘the Treaties’). Those two Treaties shall have the same legal value. The Union shall replace and succeed the European Community.

#### *Article 2*

The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

#### *Article 3*

1. The Union’s aim is to promote peace, its values and the well-being of its peoples.
2. The Union shall offer its citizens an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime.
3. The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance.

It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.

It shall promote economic, social and territorial cohesion, and solidarity among Member States.

It shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced.

4. The Union shall establish an economic and monetary union whose currency is the euro.

5. In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.

6. The Union shall pursue its objectives by appropriate means commensurate with the competences which are conferred upon it in the Treaties.

### *Article 8*

1. The Union shall develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation.

2. For the purposes of paragraph 1, the Union may conclude specific agreements with the countries concerned. These agreements may contain reciprocal rights and obligations as well as the possibility of undertaking activities jointly. Their implementation shall be the subject of periodic consultation.

### *Article 13*

1. The Union shall have an institutional framework which shall aim to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions.

The Union's institutions shall be:

- the European Parliament,
- the European Council,
- the Council,
- the European Commission (hereinafter referred to as 'the Commission'),
- the Court of Justice of the European Union,
- the European Central Bank,
- the Court of Auditors.

2. Each institution shall act within the limits of the powers conferred on it in the Treaties, and in conformity with the procedures, conditions and objectives set out in them. The institutions shall practice mutual sincere cooperation.

3. The provisions relating to the European Central Bank and the Court of Auditors and detailed provisions on the other institutions are set out in the Treaty on the Functioning of the European Union.

4. The European Parliament, the Council and the Commission shall be assisted by an Economic and Social Committee and a Committee of the Regions acting in an advisory capacity.

*Article 15*

1. The European Council shall provide the Union with the necessary impetus for its development and shall define the general political directions and priorities thereof. It shall not exercise legislative functions.

2. The European Council shall consist of the Heads of State or Government of the Member States, together with its President and the President of the Commission. The High Representative of the Union for Foreign Affairs and Security Policy shall take part in its work.

3. The European Council shall meet twice every six months, convened by its President. When the agenda so requires, the members of the European Council may decide each to be assisted by a minister and, in the case of the President of the Commission, by a member of the Commission. When the situation so requires, the President shall convene a special meeting of the European Council.

4. Except where the Treaties provide otherwise, decisions of the European Council shall be taken by consensus.

5. The European Council shall elect its President, by a qualified majority, for a term of two and a half years, renewable once. In the event of an impediment or serious misconduct, the European Council can end the President's term of office in accordance with the same procedure.

6. The President of the European Council:

(a) shall chair it and drive forward its work;

(b) shall ensure the preparation and continuity of the work of the European Council in cooperation with the President of the Commission, and on the basis of the work of the General Affairs Council;

(c) shall endeavour to facilitate cohesion and consensus within the European Council;

(d) shall present a report to the European Parliament after each of the meetings of the European Council.

The President of the European Council shall, at his level and in that capacity, ensure the external representation of the Union on issues concerning its common foreign and security policy, without prejudice to the powers of the High Representative of the Union for Foreign Affairs and Security Policy.

The President of the European Council shall not hold a national office.

*Article 16*

1. The Council shall, jointly with the European Parliament, exercise legislative and budgetary functions. It shall carry out policy-making and coordinating functions as laid down in the Treaties.

2. The Council shall consist of a representative of each Member State at ministerial level, who may commit the government of the Member State in question and cast its vote.

3. The Council shall act by a qualified majority except where the Treaties provide otherwise.

4. As from 1 November 2014, a qualified majority shall be defined as at least 55 % of the members of the Council, comprising at least fifteen of them and representing Member States comprising at least 65 % of the population of the Union.

A blocking minority must include at least four Council members, failing which the qualified majority shall be deemed attained [...]

6. The Council shall meet in different configurations, the list of which shall be adopted in accordance with Article 236 of the Treaty on the Functioning of the European Union.

The General Affairs Council shall ensure consistency in the work of the different Council configurations. It shall prepare and ensure the follow-up to meetings of the European Council, in liaison with the President of the European Council and the Commission. The Foreign Affairs Council shall elaborate the Union's external action on the basis of strategic guidelines laid down by the European Council and ensure that the Union's action is consistent.

7. A Committee of Permanent Representatives of the Governments of the Member States shall be responsible for preparing the work of the Council [...].

9. The Presidency of Council configurations, other than that of Foreign Affairs, shall be held by Member State representatives in the Council on the basis of equal rotation, in accordance with the conditions established in accordance with Article 236 of the Treaty on the Functioning of the European Union.

### *Article 17*

1. The Commission shall promote the general interest of the Union and take appropriate initiatives to that end. It shall ensure the application of the Treaties, and of measures adopted by the institutions pursuant to them. It shall oversee the application of Union law under the control of the Court of Justice of the European Union. It shall execute the budget and manage programmes. It shall exercise coordinating, executive and management functions, as laid down in the Treaties. With the exception of the common foreign and security policy, and other cases provided for in the Treaties, it shall ensure the Union's external representation. It shall initiate the Union's annual and multiannual programming with a view to achieving interinstitutional agreements [...].

2. Union legislative acts may only be adopted on the basis of a Commission proposal, except where the Treaties provide otherwise. Other acts shall be adopted on the basis of a Commission proposal where the Treaties so provide.

3. The Commission's term of office shall be five years. The members of the Commission shall be chosen on the ground of their general competence and European commitment from persons whose independence is beyond doubt.

In carrying out its responsibilities, the Commission shall be completely independent. Without prejudice to Article 18(2), the members of the Commission shall neither seek nor take instructions from any Government or other institution, body, office or entity. They shall refrain from any action incompatible with their duties or the performance of their tasks.

4. The Commission appointed between the date of entry into force of the Treaty of Lisbon and 31 October 2014, shall consist of one national of each Member State, including its President and the High Representative of the Union for Foreign Affairs and Security Policy who shall be one of its Vice- Presidents [...].

5. As from 1 November 2014, the Commission shall consist of a number of members, including its President and the High Representative of the Union for Foreign Affairs and Security Policy, corresponding to two thirds of the number of Member States, unless the European Council, acting unanimously, decides to alter this number.

The members of the Commission shall be chosen from among the nationals of the Member States on the basis of a system of strictly equal rotation between the Member States, reflecting the demographic and geographical range of all the Member States. This system shall be established unanimously by the European Council in accordance with Article 211a of the Treaty on the Functioning of the European Union.

6. The President of the Commission shall:

- (a) lay down guidelines within which the Commission is to work;
- (b) decide on the internal organisation of the Commission, ensuring that it acts consistently, efficiently and as a collegiate body;
- (c) appoint Vice-Presidents, other than the High Representative of the Union for Foreign Affairs and Security Policy, from among the members of the Commission.

A member of the Commission shall resign if the President so requests. The High Representative of the Union for Foreign Affairs and Security Policy shall resign, in accordance with the procedure set out in Article 18(1), if the President so requests.

7. Taking into account the elections to the European Parliament and after having held the appropriate consultations, the European Council, acting by a qualified majority, shall propose to the European Parliament a candidate for President of the Commission. This candidate shall be elected by the European Parliament by a majority of its component members. If he does not obtain the required majority, the European Council, acting by a qualified majority, shall within one month propose a new candidate who shall be elected by the European Parliament following the same procedure [...].

The President, the High Representative of the Union for Foreign Affairs and Security Policy and the other members of the Commission shall be subject as a body to a vote of consent by the European Parliament. On the basis of this consent the Commission shall be appointed by the European Council, acting by a qualified majority.

8. The Commission, as a body, shall be responsible to the European Parliament. In accordance with Article 234 of the Treaty on the Functioning of the European Union, the European Parliament may vote on a motion of censure of the Commission. If such a motion is carried, the members of the Commission shall resign as a body and the High Representative of the Union for Foreign Affairs and Security Policy shall resign from the duties that he carries out in the Commission.

#### *Article 18*

1. The European Council, acting by a qualified majority, with the agreement of the President of the Commission, shall appoint the High Representative of the Union for Foreign Affairs and Security Policy. The European Council may end his term of office by the same procedure.
2. The High Representative shall conduct the Union's common foreign and security policy. He shall contribute by his proposals to the development of that policy, which he shall carry out as mandated by the Council. The same shall apply to the common security and defence policy.
3. The High Representative shall preside over the Foreign Affairs Council.
4. The High Representative shall be one of the Vice-Presidents of the Commission. He shall ensure the consistency of the Union's external action. He shall be responsible within the Commission for responsibilities incumbent on it in external relations and for coordinating other aspects of the Union's external action. In exercising these responsibilities within the Commission, and only for these responsibilities, the High Representative shall be bound by Commission procedures to the extent that this is consistent with paragraphs 2 and 3.

#### *Article 21*

1. The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.

The Union shall seek to develop relations and build partnerships with third countries, and international, regional or global organisations which share the principles referred to in the first subparagraph. It shall promote multilateral solutions to common problems, in particular in the framework of the United Nations.

2. The Union shall define and pursue common policies and actions, and shall work for a high degree of cooperation in all fields of international relations, in order to:

- (a) safeguard its values, fundamental interests, security, independence and integrity;
- (b) consolidate and support democracy, the rule of law, human rights and the principles of international law;
- (c) preserve peace, prevent conflicts and strengthen international security, in accordance with the purposes and principles of the United Nations Charter, with the principles of the Helsinki Final Act and with the aims of the Charter of Paris, including those relating to external borders;
- (d) foster the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty;
- (e) encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions on international trade;
- (f) help develop international measures to preserve and improve the quality of the environment and the sustainable management of global natural resources, in order to ensure sustainable development;
- (g) assist populations, countries and regions confronting natural or man-made disasters; and
- (h) promote an international system based on stronger multilateral cooperation and good global governance.

3. The Union shall respect the principles and pursue the objectives set out in paragraphs 1 and 2 in the development and implementation of the different areas of the Union's external action covered by this Title and by Part Five of the Treaty on the Functioning of the European Union, and of the external aspects of its other policies.

The Union shall ensure consistency between the different areas of its external action and between these and its other policies. The Council and the Commission, assisted by the High Representative of the Union for Foreign Affairs and Security Policy, shall ensure that consistency and shall cooperate to that effect.

### *Article 22*

1. On the basis of the principles and objectives set out in Article 21, the European Council shall identify the strategic interests and objectives of the Union.

Decisions of the European Council on the strategic interests and objectives of the Union shall relate to the common foreign and security policy and to other areas of the external action of the Union. Such decisions may concern the relations of the Union with a specific country or region or may be thematic in approach. They shall define their duration, and the means to be made available by the Union and the Member States.

The European Council shall act unanimously on a recommendation from the Council, adopted by the latter under the arrangements laid down for each area. Decisions of the European Council shall be implemented in accordance with the procedures provided for in the Treaties.

2. The High Representative of the Union for Foreign Affairs and Security Policy, for the area of common foreign and security policy, and the Commission, for other areas of external action, may submit joint proposals to the Council.



*Article 23*

The Union's action on the international scene, pursuant to this Chapter, shall be guided by the principles, shall pursue the objectives of, and be conducted in accordance with, the general provisions laid down in Chapter 1.

*Article 24*

1. The Union's competence in matters of common foreign and security policy shall cover all areas of foreign policy and all questions relating to the Union's security, including the progressive framing of a common defence policy that might lead to a common defence.

The common foreign and security policy is subject to specific rules and procedures. It shall be defined and implemented by the European Council and the Council acting unanimously, except where the Treaties provide otherwise. The adoption of legislative acts shall be excluded. The common foreign and security policy shall be put into effect by the High Representative of the Union for Foreign Affairs and Security Policy and by Member States, in accordance with the Treaties. The specific role of the European Parliament and of the Commission in this area is defined by the Treaties. The Court of Justice of the European Union shall not have jurisdiction with respect to these provisions, with the exception of its jurisdiction to monitor compliance with Article 40 of this Treaty and to review the legality of certain decisions as provided for by the second paragraph of Article 275 of the Treaty on the Functioning of the European Union.

2. Within the framework of the principles and objectives of its external action, the Union shall conduct, define and implement a common foreign and security policy, based on the development of mutual political solidarity among Member States, the identification of questions of general interest and the achievement of an ever-increasing degree of convergence of Member States' actions.

3. The Member States shall support the Union's external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity and shall comply with the Union's action in this area.

The Member States shall work together to enhance and develop their mutual political solidarity. They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations.

The Council and the High Representative shall ensure compliance with these principles.

*Article 25*

The Union shall conduct the common foreign and security policy by:

- (a) defining the general guidelines;
- (b) adopting decisions defining:
  - (i) actions to be undertaken by the Union;
  - (ii) positions to be taken by the Union;
  - (iii) arrangements for the implementation of the decisions referred to in points (i) and (ii);
 and by
- (c) strengthening systematic cooperation between Member States in the conduct of policy.

*Article 26*

1. The European Council shall identify the Union's strategic interests, determine the objectives of and define general guidelines for the common foreign and security policy, including for matters with defence implications. It shall adopt the necessary decisions.

If international developments so require, the President of the European Council shall convene an extraordinary meeting of the European Council in order to define the strategic lines of the Union's policy in the face of such developments.

2. The Council shall frame the common foreign and security policy and take the decisions necessary for defining and implementing it on the basis of the general guidelines and strategic lines defined by the European Council.

The Council and the High Representative of the Union for Foreign Affairs and Security Policy shall ensure the unity, consistency and effectiveness of action by the Union.

3. The common foreign and security policy shall be put into effect by the High Representative and by the Member States, using national and Union resources.

### *Article 27*

1. The High Representative of the Union for Foreign Affairs and Security Policy, who shall chair the Foreign Affairs Council, shall contribute through his proposals to the development of the common foreign and security policy and shall ensure implementation of the decisions adopted by the European Council and the Council.

2. The High Representative shall represent the Union for matters relating to the common foreign and security policy. He shall conduct political dialogue with third parties on the Union's behalf and shall express the Union's position in international organisations and at international conferences.

3. In fulfilling his mandate, the High Representative shall be assisted by a European External Action Service. This service shall work in cooperation with the diplomatic services of the Member States and shall comprise officials from relevant departments of the General Secretariat of the Council and of the Commission as well as staff seconded from national diplomatic services of the Member States. The organisation and functioning of the European External Action Service shall be established by a decision of the Council. The Council shall act on a proposal from the High Representative after consulting the European Parliament and after obtaining the consent of the Commission.

### *Article 28*

1. Where the international situation requires operational action by the Union, the Council shall adopt the necessary decisions. They shall lay down their objectives, scope, the means to be made available to the Union, if necessary their duration, and the conditions for their implementation.

If there is a change in circumstances having a substantial effect on a question subject to such a decision, the Council shall review the principles and objectives of that decision and take the necessary decisions.

2. Decisions referred to in paragraph 1 shall commit the Member States in the positions they adopt and in the conduct of their activity.

3. Whenever there is any plan to adopt a national position or take national action pursuant to a decision as referred to in paragraph 1, information shall be provided by the Member State concerned in time to allow, if necessary, for prior consultations within the Council. The obligation to provide prior information shall not apply to measures which are merely a national transposition of Council decisions.

4. In cases of imperative need arising from changes in the situation and failing a review of the Council decision as referred to in paragraph 1, Member States may take the necessary measures as a matter of urgency having regard to the general objectives of that decision. The Member State concerned shall inform the Council immediately of any such measures.

5. Should there be any major difficulties in implementing a decision as referred to in this Article, a Member State shall refer them to the Council which shall discuss them and seek appropriate solutions. Such solutions shall not run counter to the objectives of the decision referred to in paragraph 1 or impair its effectiveness.

*Article 29*

The Council shall adopt decisions which shall define the approach of the Union to a particular matter of a geographical or thematic nature. Member States shall ensure that their national policies conform to the Union positions.

*Article 30*

1. Any Member State, the High Representative of the Union for Foreign Affairs and Security Policy, or the High Representative with the Commission's support, may refer any question relating to the common foreign and security policy to the Council and may submit to it, respectively, initiatives or proposals.

2. In cases requiring a rapid decision, the High Representative, of his own motion, or at the request of a Member State, shall convene an extraordinary Council meeting within 48 hours or, in an emergency, within a shorter period.

*Article 31*

1. Decisions under this Chapter shall be taken by the European Council and the Council acting unanimously, except where this Chapter provides otherwise. The adoption of legislative acts shall be excluded.

When abstaining in a vote, any member of the Council may qualify its abstention by making a formal declaration under the present subparagraph. In that case, it shall not be obliged to apply the decision, but shall accept that the decision commits the Union. In a spirit of mutual solidarity, the Member State concerned shall refrain from any action likely to conflict with or impede Union action based on that decision and the other Member States shall respect its position. If the members of the Council qualifying their abstention in this way represent at least one third of the Member States comprising at least one third of the population of the Union, the decision shall not be adopted.

2. By derogation from the provisions of paragraph 1, the Council shall act by qualified majority:

- when adopting a decision defining a Union action or position on the basis of a decision of the European Council relating to the Union's strategic interests and objectives, as referred to in Article 22(1),
- when adopting a decision defining a Union action or position, on a proposal which the High Representative of the Union for Foreign Affairs and Security Policy has presented following a specific request from the European Council, made on its own initiative or that of the High Representative,
- when adopting any decision implementing a decision defining a Union action or position,
- when appointing a special representative in accordance with Article 33.

If a member of the Council declares that, for vital and stated reasons of national policy, it intends to oppose the adoption of a decision to be taken by qualified majority, a vote shall not be taken. The High Representative will, in close consultation with the Member State involved, search for a solution acceptable to it. If he does not succeed, the Council may, acting by a qualified majority, request that the matter be referred to the European Council for a decision by unanimity.

3. The European Council may unanimously adopt a decision stipulating that the Council shall act by a qualified majority in cases other than those referred to in paragraph 2.
4. Paragraphs 2 and 3 shall not apply to decisions having military or defence implications.
5. For procedural questions, the Council shall act by a majority of its members.

*Article 32*

Member States shall consult one another within the European Council and the Council on any matter of foreign and security policy of general interest in order to determine a common approach. Before undertaking any action on the international scene or entering into any commitment which could affect the Union's interests, each Member State shall consult the others within the European Council or the Council. Member States shall ensure, through the convergence of their actions, that the Union is able to assert its interests and values on the international scene. Member States shall show mutual solidarity.

When the European Council or the Council has defined a common approach of the Union within the meaning of the first paragraph, the High Representative of the Union for Foreign Affairs and Security Policy and the Ministers for Foreign Affairs of the Member States shall coordinate their activities within the Council.

The diplomatic missions of the Member States and the Union delegations in third countries and at international organisations shall cooperate and shall contribute to formulating and implementing the common approach.

*Article 33*

The Council may, on a proposal from the High Representative of the Union for Foreign Affairs and Security Policy, appoint a special representative with a mandate in relation to particular policy issues. The special representative shall carry out his mandate under the authority of the High Representative.

*Article 34*

1. Member States shall coordinate their action in international organisations and at international conferences. They shall uphold the Union's positions in such forums. The High Representative of the Union for Foreign Affairs and Security Policy shall organise this coordination.

In international organisations and at international conferences where not all the Member States participate, those which do take part shall uphold the Union's positions.

2. In accordance with Article 24(3), Member States represented in international organisations or international conferences where not all the Member States participate shall keep the other Member States and the High Representative informed of any matter of common interest.

Member States which are also members of the United Nations Security Council will concert and keep the other Member States and the High Representative fully informed. Member States which are members of the Security Council will, in the execution of their functions, defend the positions and the interests of the Union, without prejudice to their responsibilities under the provisions of the United Nations Charter.

When the Union has defined a position on a subject which is on the United Nations Security Council agenda, those Member States which sit on the Security Council shall request that the High Representative be invited to present the Union's position.

*Article 35*

The diplomatic and consular missions of the Member States and the Union delegations in third countries and international conferences, and their representations to international organisations, shall cooperate in

ensuring that decisions defining Union positions and actions adopted pursuant to this Chapter are complied with and implemented.

They shall step up cooperation by exchanging information and carrying out joint assessments.

They shall contribute to the implementation of the right of citizens of the Union to protection in the territory of third countries as referred to in Article 20(2)(c) of the Treaty on the Functioning of the European Union and of the measures adopted pursuant to Article 23 of that Treaty.

*Article 36*

The High Representative of the Union for Foreign Affairs and Security Policy shall regularly consult the European Parliament on the main aspects and the basic choices of the common foreign and security policy and the common security and defence policy and inform it of how those policies evolve. He shall ensure that the views of the European Parliament are duly taken into consideration. Special representatives may be involved in briefing the European Parliament

The European Parliament may address questions or make recommendations to the Council or the High Representative. Twice a year it shall hold a debate on progress in implementing the common foreign and security policy, including the common security and defence policy.

*Article 37*

The Union may conclude agreements with one or more States or international organisations in areas covered by this Chapter.

*Article 38*

Without prejudice to Article 240 of the Treaty on the Functioning of the European Union, a Political and Security Committee shall monitor the international situation in the areas covered by the common foreign and security policy and contribute to the definition of policies by delivering opinions to the Council at the request of the Council or of the High Representative of the Union for Foreign Affairs and Security Policy or on its own initiative. It shall also monitor the implementation of agreed policies, without prejudice to the powers of the High Representative.

Within the scope of this Chapter, the Political and Security Committee shall exercise, under the responsibility of the Council and of the High Representative, the political control and strategic direction of the crisis management operations referred to in Article 43.

The Council may authorise the Committee, for the purpose and for the duration of a crisis management operation, as determined by the Council, to take the relevant decisions concerning the political control and strategic direction of the operation.

*Article 39*

In accordance with Article 16 of the Treaty on the Functioning of the European Union and by way of derogation from paragraph 2 thereof, the Council shall adopt a decision laying down the rules relating to the protection of individuals with regard to the processing of personal data by the Member States when carrying out activities which fall within the scope of this Chapter, and the rules relating to the free movement of such data. Compliance with these rules shall be subject to the control of independent authorities.

*Article 40*

The implementation of the common foreign and security policy shall not affect the application of the procedures and the extent of the powers of the institutions laid down by the Treaties for the exercise of the Union competences referred to in Articles 3 to 6 of the Treaty on the Functioning of the European Union.

Similarly, the implementation of the policies listed in those Articles shall not affect the application of the procedures and the extent of the powers of the institutions laid down by the Treaties for the exercise of the Union competences under this Chapter.

### *Article 41*

1. Administrative expenditure to which the implementation of this Chapter gives rise for the institutions shall be charged to the Union budget.
2. Operating expenditure to which the implementation of this Chapter gives rise shall also be charged to the Union budget, except for such expenditure arising from operations having military or defence implications and cases where the Council acting unanimously decides otherwise.

In cases where expenditure is not charged to the Union budget, it shall be charged to the Member States in accordance with the gross national product scale, unless the Council acting unanimously decides otherwise. As for expenditure arising from operations having military or defence implications, Member States whose representatives in the Council have made a formal declaration under Article 31(1), second subparagraph, shall not be obliged to contribute to the financing thereof.

3. The Council shall adopt a decision establishing the specific procedures for guaranteeing rapid access to appropriations in the Union budget for urgent financing of initiatives in the framework of the common foreign and security policy, and in particular for preparatory activities for the tasks referred to in Article 42(1) and Article 43. It shall act after consulting the European Parliament.

Preparatory activities for the tasks referred to in Article 42(1) and Article 43 which are not charged to the Union budget shall be financed by a start-up fund made up of Member States' contributions.

The Council shall adopt by a qualified majority, on a proposal from the High Representative of the Union for Foreign Affairs and Security Policy, decisions establishing:

- (a) the procedures for setting up and financing the start-up fund, in particular the amounts allocated to the fund;
- (b) the procedures for administering the start-up fund;
- (c) the financial control procedures.

When the task planned in accordance with Article 42(1) and Article 43 cannot be charged to the Union budget, the Council shall authorise the High Representative to use the fund. The High Representative shall report to the Council on the implementation of this remit.

### *Article 42*

1. The common security and defence policy shall be an integral part of the common foreign and security policy. It shall provide the Union with an operational capacity drawing on civilian and military assets. The Union may use them on missions outside the Union for peace-keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter. The performance of these tasks shall be undertaken using capabilities provided by the Member States.

2. The common security and defence policy shall include the progressive framing of a common Union defence policy. This will lead to a common defence, when the European Council, acting unanimously, so decides. It shall in that case recommend to the Member States the adoption of such a decision in accordance with their respective constitutional requirements.

The policy of the Union in accordance with this Section shall not prejudice the specific character of the security and defence policy of certain Member States and shall respect the obligations of certain Member States, which see their common defence realised in the North Atlantic Treaty Organisation (NATO), under the North Atlantic

Treaty and be compatible with the common security and defence policy established within that framework.

3. Member States shall make civilian and military capabilities available to the Union for the implementation of the common security and defence policy, to contribute to the objectives defined by the Council. Those Member States which together establish multinational forces may also make them available to the common security and defence policy.

Member States shall undertake progressively to improve their military capabilities. The Agency in the field of defence capabilities development, research, acquisition and armaments (hereinafter referred to as 'the European Defence Agency') shall identify operational requirements, shall promote measures to satisfy those requirements, shall contribute to identifying and, where appropriate, implementing any measure needed to strengthen the industrial and technological base of the defence sector, shall participate in defining a European capabilities and armaments policy, and shall assist the Council in evaluating the improvement of military capabilities. EN C 326/38 Official Journal of the European Union 26.10.2012

4. Decisions relating to the common security and defence policy, including those initiating a mission as referred to in this Article, shall be adopted by the Council acting unanimously on a proposal from the High Representative of the Union for Foreign Affairs and Security Policy or an initiative from a Member State. The High Representative may propose the use of both national resources and Union instruments, together with the Commission where appropriate.

5. The Council may entrust the execution of a task, within the Union framework, to a group of Member States in order to protect the Union's values and serve its interests. The execution of such a task shall be governed by Article 44.

6. Those Member States whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent structured cooperation within the Union framework. Such cooperation shall be governed by Article 46. It shall not affect the provisions of Article 43.

7. If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States.

Commitments and cooperation in this area shall be consistent with commitments under the North Atlantic Treaty Organisation, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation.

#### *Article 43*

1. The tasks referred to in Article 42(1), in the course of which the Union may use civilian and military means, shall include joint disarmament operations, humanitarian and rescue tasks, military advice and assistance tasks, conflict prevention and peace-keeping tasks, tasks of combat forces in crisis management, including peace-making and post-conflict stabilisation. All these tasks may contribute to the fight against terrorism, including by supporting third countries in combating terrorism in their territories.

2. The Council shall adopt decisions relating to the tasks referred to in paragraph 1, defining their objectives and scope and the general conditions for their implementation. The High Representative of the Union for Foreign Affairs and Security Policy, acting under the authority of the Council and in close and constant contact with the Political and Security Committee, shall ensure coordination of the civilian and military aspects of such tasks.

*Article 44*

1. Within the framework of the decisions adopted in accordance with Article 43, the Council may entrust the implementation of a task to a group of Member States which are willing and have the necessary capability for such a task. Those Member States, in association with the High Representative of the Union for Foreign Affairs and Security Policy, shall agree among themselves on the management of the task.

2. Member States participating in the task shall keep the Council regularly informed of its progress on their own initiative or at the request of another Member State. Those States shall inform the Council immediately should the completion of the task entail major consequences or require amendment of the objective, scope and conditions determined for the task in the decisions referred to in paragraph 1. In such cases, the Council shall adopt the necessary decisions.

*Article 45*

1. The European Defence Agency referred to in Article 42(3), subject to the authority of the Council, shall have as its task to:

(a) contribute to identifying the Member States' military capability objectives and evaluating observance of the capability commitments given by the Member States;

(b) promote harmonisation of operational needs and adoption of effective, compatible procurement methods;

(c) propose multilateral projects to fulfil the objectives in terms of military capabilities, ensure coordination of the programmes implemented by the Member States and management of specific cooperation programmes;

(d) support defence technology research, and coordinate and plan joint research activities and the study of technical solutions meeting future operational needs;

(e) contribute to identifying and, if necessary, implementing any useful measure for strengthening the industrial and technological base of the defence sector and for improving the effectiveness of military expenditure.

2. The European Defence Agency shall be open to all Member States wishing to be part of it. The Council, acting by a qualified majority, shall adopt a decision defining the Agency's statute, seat and operational rules. That decision should take account of the level of effective participation in the Agency's activities. Specific groups shall be set up within the Agency bringing together Member States engaged in joint projects. The Agency shall carry out its tasks in liaison with the Commission where necessary.

*Article 46*

1. Those Member States which wish to participate in the permanent structured cooperation referred to in Article 42(6), which fulfil the criteria and have made the commitments on military capabilities set out in the Protocol on permanent structured cooperation, shall notify their intention to the Council and to the High Representative of the Union for Foreign Affairs and Security Policy.

2. Within three months following the notification referred to in paragraph 1 the Council shall adopt a decision establishing permanent structured cooperation and determining the list of participating Member States. The Council shall act by a qualified majority after consulting the High Representative.

3. Any Member State which, at a later stage, wishes to participate in the permanent structured cooperation shall notify its intention to the Council and to the High Representative.

The Council shall adopt a decision confirming the participation of the Member State concerned which fulfils the criteria and makes the commitments referred to in Articles 1 and 2 of the Protocol on permanent structured cooperation. The Council shall act by a qualified majority after consulting the High Representative. Only members of the Council representing the participating Member States shall take part in the vote.

A qualified majority shall be defined in accordance with Article 238(3)(a) of the Treaty on the Functioning of the European Union.



4. If a participating Member State no longer fulfils the criteria or is no longer able to meet the commitments referred to in Articles 1 and 2 of the Protocol on permanent structured cooperation, the Council may adopt a decision suspending the participation of the Member State concerned.

The Council shall act by a qualified majority. Only members of the Council representing the participating Member States, with the exception of the Member State in question, shall take part in the vote.

A qualified majority shall be defined in accordance with Article 238(3)(a) of the Treaty on the Functioning of the European Union.

5. Any participating Member State which wishes to withdraw from permanent structured cooperation shall notify its intention to the Council, which shall take note that the Member State in question has ceased to participate.

6. The decisions and recommendations of the Council within the framework of permanent structured cooperation, other than those provided for in paragraphs 2 to 5, shall be adopted by unanimity. For the purposes of this paragraph, unanimity shall be constituted by the votes of the representatives of the participating Member States only.

### **Protocol (No 10)**

ON PERMANENT STRUCTURED COOPERATION ESTABLISHED BY ARTICLE 42 OF THE TREATY ON EUROPEAN UNION

THE HIGH CONTRACTING PARTIES,

HAVING REGARD TO Article 42(6) and Article 46 of the Treaty on European Union,

RECALLING that the Union is pursuing a common foreign and security policy based on the achievement of growing convergence of action by Member States,

RECALLING that the common security and defence policy is an integral part of the common foreign and security policy; that it provides the Union with operational capacity drawing on civil and military assets; that the Union may use such assets in the tasks referred to in Article 43 of the Treaty on European Union outside the Union for peace-keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter; that the performance of these tasks is to be undertaken using capabilities provided by the Member States in accordance with the principle of a single set of forces,

RECALLING that the common security and defence policy of the Union does not prejudice the specific character of the security and defence policy of certain Member States,

RECALLING that the common security and defence policy of the Union respects the obligations under the North Atlantic Treaty of those Member States which see their common defence realised in the North Atlantic Treaty Organisation, which remains the foundation of the collective defence of its members, and is compatible with the common security and defence policy established within that framework,

CONVINCED that a more assertive Union role in security and defence matters will contribute to the vitality of a renewed Atlantic Alliance, in accordance with the Berlin Plus arrangements,

DETERMINED to ensure that the Union is capable of fully assuming its responsibilities within the international community,

RECOGNISING that the United Nations Organisation may request the Union's assistance for the urgent implementation of missions undertaken under Chapters VI and VII of the United Nations Charter,

RECOGNISING that the strengthening of the security and defence policy will require efforts by Member States in the area of capabilities,

CONSCIOUS that embarking on a new stage in the development of the European security and defence policy involves a determined effort by the Member States concerned,

RECALLING the importance of the High Representative of the Union for Foreign Affairs and Security Policy being fully involved in proceedings relating to permanent structured cooperation,

HAVE AGREED UPON the following provisions, which shall be annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union:

*Article 1*

The permanent structured cooperation referred to in Article 42(6) of the Treaty on European Union shall be open to any Member State which undertakes, from the date of entry into force of the Treaty of Lisbon, to:

(a) proceed more intensively to develop its defence capacities through the development of its national contributions and participation, where appropriate, in multinational forces, in the main European equipment programmes, and in the activity of the Agency in the field of defence capabilities development, research, acquisition and armaments (European Defence Agency), and

(b) have the capacity to supply by 2010 at the latest, either at national level or as a component of multinational force groups, targeted combat units for the missions planned, structured at a tactical level as a battle group, with support elements including transport and logistics, capable of carrying out the tasks referred to in Article 43 of the Treaty on European Union, within a period of five to 30 days, in particular in response to requests from the United Nations Organisation, and which can be sustained for an initial period of 30 days and be extended up to at least 120 days.

*Article 2*

To achieve the objectives laid down in Article 1, Member States participating in permanent structured cooperation shall undertake to:

(a) cooperate, as from the entry into force of the Treaty of Lisbon, with a view to achieving approved objectives concerning the level of investment expenditure on defence equipment, and regularly review these objectives, in the light of the security environment and of the Union's international responsibilities;

(b) bring their defence apparatus into line with each other as far as possible, particularly by harmonising the identification of their military needs, by pooling and, where appropriate, specialising their defence means and capabilities, and by encouraging cooperation in the fields of training and logistics;

(c) take concrete measures to enhance the availability, interoperability, flexibility and deployability of their forces, in particular by identifying common objectives regarding the commitment of forces, including possibly reviewing their national decision-making procedures;

(d) work together to ensure that they take the necessary measures to make good, including through multinational approaches, and without prejudice to undertakings in this regard within the North Atlantic Treaty Organisation, the shortfalls perceived in the framework of the ‘Capability Development Mechanism’;

(e) take part, where appropriate, in the development of major joint or European equipment programmes in the framework of the European Defence Agency.

*Article 3*

The European Defence Agency shall contribute to the regular assessment of participating Member States’ contributions with regard to capabilities, in particular contributions made in accordance with the criteria to be established, *inter alia*, on the basis of Article 2, and shall report thereon at least once a year. The assessment may serve as a basis for Council recommendations and decisions adopted in accordance with Article 46 of the Treaty on European Union.

*Article 50*

1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.

2. A Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.

3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.

4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it.

A qualified majority shall be defined in accordance with Article 238(3)(b) of the Treaty on the Functioning of the European Union.

5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49.

## V.1.b. Treaty on the Functioning of the European Union (TFEU)

*Article 77*

1. The Union shall develop a policy with a view to:

(a) ensuring the absence of any controls on persons, whatever their nationality, when crossing internal borders;

- (b) carrying out checks on persons and efficient monitoring of the crossing of external borders;
  - (c) the gradual introduction of an integrated management system for external borders.
2. For the purposes of paragraph 1, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall adopt measures concerning:
- (a) the common policy on visas and other short-stay residence permits;
  - (b) the checks to which persons crossing external borders are subject;
  - (c) the conditions under which nationals of third countries shall have the freedom to travel within the Union for a short period;
  - (d) any measure necessary for the gradual establishment of an integrated management system for external borders;
  - (e) the absence of any controls on persons, whatever their nationality, when crossing internal borders.
3. If action by the Union should prove necessary to facilitate the exercise of the right referred to in Article 20(2)(a), and if the Treaties have not provided the necessary powers, the Council, acting in accordance with a special legislative procedure, may adopt provisions concerning passports, identity cards, residence permits or any other such document. The Council shall act unanimously after consulting the European Parliament.
4. This Article shall not affect the competence of the Member States concerning the geographical demarcation of their borders, in accordance with international law.

#### Article 78

1. The Union shall develop a common policy on asylum, subsidiary protection and temporary protection with a view to offering appropriate status to any third-country national requiring international protection and ensuring compliance with the principle of *non-refoulement*. This policy must be in accordance with the Geneva Convention of 28 July 1951 and the Protocol of 31 January 1967 relating to the status of refugees, and other relevant treaties.
2. For the purposes of paragraph 1, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall adopt measures for a common European asylum system comprising:
- (a) a uniform status of asylum for nationals of third countries, valid throughout the Union;
  - (b) a uniform status of subsidiary protection for nationals of third countries who, without obtaining European asylum, are in need of international protection;
  - (c) a common system of temporary protection for displaced persons in the event of a massive inflow;
  - (d) common procedures for the granting and withdrawing of uniform asylum or subsidiary protection status;
  - (e) criteria and mechanisms for determining which Member State is responsible for considering an application for asylum or subsidiary protection;
  - (f) standards concerning the conditions for the reception of applicants for asylum or subsidiary protection;
  - (g) partnership and cooperation with third countries for the purpose of managing inflows of people applying for asylum or subsidiary or temporary protection.
3. In the event of one or more Member States being confronted by an emergency situation characterised by a

sudden inflow of nationals of third countries, the Council, on a proposal from the Commission, may adopt provisional measures for the benefit of the Member State(s) concerned.

It shall act after consulting the European Parliament.

*Article 79*

1. The Union shall develop a common immigration policy aimed at ensuring, at all stages, the efficient management of migration flows, fair treatment of third-country nationals residing legally in Member States, and the prevention of, and enhanced measures to combat, illegal immigration and trafficking in human beings.

2. For the purposes of paragraph 1, the European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall adopt measures in the following areas:

(a) the conditions of entry and residence, and standards on the issue by Member States of long-term visas and residence permits, including those for the purpose of family reunification;

(b) the definition of the rights of third-country nationals residing legally in a Member State, including the conditions governing freedom of movement and of residence in other Member States;

(c) illegal immigration and unauthorised residence, including removal and repatriation of persons residing without authorisation;

(d) combating trafficking in persons, in particular women and children.

3. The Union may conclude agreements with third countries for the readmission to their countries of origin or provenance of third-country nationals who do not or who no longer fulfil the conditions for entry, presence or residence in the territory of one of the Member States.

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4. The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, may establish measures to provide incentives and support for the action of Member States with a view to promoting the integration of third-country nationals residing legally in their territories, excluding any harmonisation of the laws and regulations of the Member States.

5. This Article shall not affect the right of Member States to determine volumes of admission of third-country nationals coming from third countries to their territory in order to seek work, whether employed or self-employed.

*Article 207*

1. The common commercial policy shall be based on uniform principles, particularly with regard to changes in tariff rates, the conclusion of tariff and trade agreements relating to trade in goods and services, and the commercial aspects of intellectual property, foreign direct investment, the achievement of uniformity in measures of liberalisation, export policy and measures to protect trade such as those to be taken in the event of dumping or subsidies. The common commercial policy shall be conducted in the context of the principles and objectives of the Union's external action.

2. The European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure, shall adopt the measures defining the framework for implementing the common commercial policy.

3. Where agreements with one or more third countries or international organisations need to be negotiated and concluded, Article 218 shall apply, subject to the special provisions of this Article.

The Commission shall make recommendations to the Council, which shall authorise it to open the necessary negotiations. The Council and the Commission shall be responsible for ensuring that the agreements negotiated are compatible with internal Union policies and rules.

The Commission shall conduct these negotiations in consultation with a special committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may issue to it. The Commission shall report regularly to the special committee and to the European Parliament on the progress of negotiations.

4. For the negotiation and conclusion of the agreements referred to in paragraph 3, the Council shall act by a qualified majority.

For the negotiation and conclusion of agreements in the fields of trade in services and the commercial aspects of intellectual property, as well as foreign direct investment, the Council shall act unanimously where such agreements include provisions for which unanimity is required for the adoption of internal rules.

The Council shall also act unanimously for the negotiation and conclusion of agreements:

(a) in the field of trade in cultural and audiovisual services, where these agreements risk prejudicing the Union's cultural and linguistic diversity;

(b) in the field of trade in social, education and health services, where these agreements risk seriously disturbing the national organisation of such services and prejudicing the responsibility of Member States to deliver them [...].

6. The exercise of the competences conferred by this Article in the field of the common commercial policy shall not affect the delimitation of competences between the Union and the Member States, and shall not lead to harmonisation of legislative or regulatory provisions of the Member States in so far as the Treaties exclude such harmonisation.

### *Article 208*

1. Union policy in the field of development cooperation shall be conducted within the framework of the principles and objectives of the Union's external action. The Union's development cooperation policy and that of the Member States complement and reinforce each other.

Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.

2. The Union and the Member States shall comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations.

### *Article 210*

1. In order to promote the complementarity and efficiency of their action, the Union and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes, including in international organisations and during international conferences. They may undertake joint action. Member States shall contribute if necessary to the implementation of Union aid programmes.

2. The Commission may take any useful initiative to promote the coordination referred to in paragraph 1.

### *Article 211*

Within their respective spheres of competence, the Union and the Member States shall cooperate with third countries and with the competent international organisations.

*Article 214*

1. The Union's operations in the field of humanitarian aid shall be conducted within the framework of the principles and objectives of the external action of the Union. Such operations shall be intended to provide ad hoc assistance and relief and protection for people in third countries who are victims of natural or man-made disasters, in order to meet the humanitarian needs resulting from these different situations. The Union's measures and those of the Member States shall complement and reinforce each other.

2. Humanitarian aid operations shall be conducted in compliance with the principles of international law and with the principles of impartiality, neutrality and non-discrimination.

3. The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish the measures defining the framework within which the Union's humanitarian aid operations shall be implemented.

4. The Union may conclude with third countries and competent international organisations any agreement helping to achieve the objectives referred to in paragraph 1 and in Article 21 of the Treaty on European Union.

The first subparagraph shall be without prejudice to Member States' competence to negotiate in international bodies and to conclude agreements.

5. In order to establish a framework for joint contributions from young Europeans to the humanitarian aid operations of the Union, a European Voluntary Humanitarian Aid Corps shall be set up. The European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure, shall determine the rules and procedures for the operation of the Corps.

6. The Commission may take any useful initiative to promote coordination between actions of the Union and those of the Member States, in order to enhance the efficiency and complementarity of Union and national humanitarian aid measures.

7. The Union shall ensure that its humanitarian aid operations are coordinated and consistent with those of international organisations and bodies, in particular those forming part of the United Nations system.

*Article 215*

1. Where a decision, adopted in accordance with Chapter 2 of Title V of the Treaty on European Union, provides for the interruption or reduction, in part or completely, of economic and financial relations with one or more third countries, the Council, acting by a qualified majority on a joint proposal from the High Representative of the Union for Foreign Affairs and Security Policy and the Commission, shall adopt the necessary measures. It shall inform the European Parliament thereof.

2. Where a decision adopted in accordance with Chapter 2 of Title V of the Treaty on European Union so provides, the Council may adopt restrictive measures under the procedure referred to in paragraph 1 against natural or legal persons and groups or non-State entities.

3. The acts referred to in this Article shall include necessary provisions on legal safeguards.

*Article 216*

1. The Union may conclude an agreement with one or more third countries or international organisations where the Treaties so provide or where the conclusion of an agreement is necessary in order to achieve, within the framework of the Union's policies, one of the objectives referred to in the Treaties, or is provided for in a legally binding Union act or is likely to affect common rules or alter their scope.

2. Agreements concluded by the Union are binding upon the institutions of the Union and on its Member States.

*Article 220*

1. The Union shall establish all appropriate forms of cooperation with the organs of the United Nations and its specialised agencies, the Council of Europe, the Organisation for Security and Cooperation in Europe and the Organisation for Economic Cooperation and Development.

The Union shall also maintain such relations as are appropriate with other international organisations.

2. The High Representative of the Union for Foreign Affairs and Security Policy and the Commission shall be instructed to implement this Article.

*Article 221*

1. Union delegations in third countries and at international organisations shall represent the Union.

2. Union delegations shall be placed under the authority of the High Representative of the Union for Foreign Affairs and Security Policy. They shall act in close cooperation with Member States' diplomatic and consular missions.

*Article 222*

1. The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster. The Union shall mobilise all the instruments at its disposal, including the military resources made available by the Member States, to:

(a) - prevent the terrorist threat in the territory of the Member States;

- protect democratic institutions and the civilian population from any terrorist attack;

- assist a Member State in its territory, at the request of its political authorities, in the event of a terrorist attack;

(b) assist a Member State in its territory, at the request of its political authorities, in the event of a natural or man-made disaster.

2. Should a Member State be the object of a terrorist attack or the victim of a natural or man-made disaster, the other Member States shall assist it at the request of its political authorities. To that end, the Member States shall coordinate between themselves in the Council.

3. The arrangements for the implementation by the Union of the solidarity clause shall be defined by a decision adopted by the Council acting on a joint proposal by the Commission and the High Representative of the Union for Foreign Affairs and Security Policy. The Council shall act in accordance with Article 31(1) of the Treaty on European Union where this decision has defence implications. The European Parliament shall be informed.

For the purposes of this paragraph and without prejudice to Article 240, the Council shall be assisted by the Political and Security Committee with the support of the structures developed in the context of the common security and defence policy and by the Committee referred to in Article 71; the two committees shall, if necessary, submit joint opinions.

4. The European Council shall regularly assess the threats facing the Union in order to enable the Union and its Member States to take effective action.



## V.2 Essential reading

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*Strategy Matters: EU Key Documents 2015-2016* (Paris: EUISS, 2016).

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## V.3 Abbreviations

|       |   |
|-------|---|
| ACP   | African, Caribbean and Pacific Group of States  |
| AFET  | Committee on Foreign Affairs  |
| APF   | African Peace Facility  |
| APSA  | African Peace and Security Architecture   |
| ARF   | ASEAN regional forum  |
| ASEAN | Association of Southeast Asian Nations  |
| ASEM  | Asia-Europe Meeting   |
| AU    | African Union   |
| BRICS | Brazil, Russia, India, China and South Africa   |
| CAR   | Central African Republic  |
| CELAC | Community of Latin American and Caribbean States<br>( <i>Comunidad de Estados de Latino-América y el Caribe</i> ) |
| CEO   | Chief Executive Officer   |
| CETA  | Comprehensive Economic and Trade Agreement  |
| CFSP  | Common Foreign and Security Policy  |
| CIION | European Commission   |
| CMPD  | Crisis Management and Planning Directorate  |
| COO   | Chief Operating Officer   |
| CPA   | Cotonou Partnership Agreement   |
| CPCC  | Civilian Planning and Conduct Capability  |
| CPM   | Civil Protection Mechanism  |
| CSCE  | Conference for Security and Cooperation in Europe   |
| CSDP  | Common Security and Defence Policy  |
| CT    | (i) Counter-terrorism (ii) Constitutional Treaty  |
| DCI   | Development Cooperation Instrument  |
| DCFTA | Deep and Comprehensive Free Trade Agreement   |
| DEVCO | Directorate-General for International Cooperation and Development   |
| DG    | Directorate General   |
| DRC   | Democratic Republic of the Congo  |

|       |  |
|-------|--|
| EaP   | Eastern Partnership  |
| EAS   | East Asia Summit   |
| EBCG  | European Border and Coast Guard  |
| EC    | European Community   |
| ECHO  | Humanitarian Aid and Civil Protection (formerly known as the European Community Humanitarian Aid Office) |
| EDA   | European Defence Agency  |
| EDF   | European Development Fund  |
| EDTIB | European Defence Technological and Industrial Base   |
| EEAS  | European External Action Service   |
| EEC   | European Economic Community  |
| EIB   | European Investment Bank   |
| EIDHR | European Instrument for Democracy and Human Rights   |
| ENI   | European Neighbourhood Instrument  |
| ENP   | European Neighbourhood Policy  |
| ENPI  | European Neighbourhood and Partnership Instrument  |
| EP    | European Parliament  |
| EPA   | Economic Partnership Agreement   |
| EPC   | European Political Cooperation   |
| EPP   | European People's Party  |
| ESA   | European Space Agency  |
| ESDP  | European Security and Defence Policy   |
| ESIF  | European Structural and Investment Funds   |
| ESS   | European Security Strategy   |
| EUGS  | EU Global Strategy   |
| EUMC  | EU Military Committee  |
| EUMS  | EU Military Staff  |
| EUSR  | EU Special Representative  |
| FAO   | Food and Agriculture Organisation  |
| FBI   | Federal Bureau of Investigation  |
| FDI   | Foreign Direct Investment  |
| FPA   | Framework Partnership Agreement  |

|           |  |
|-----------|--|
| FTA       | Free Trade Agreement   |
| FYROM     | The former Yugoslav Republic of Macedonia  |
| GATT      | General Agreement on Tariffs and Trade   |
| GDP       | Gross Domestic Product   |
| GNSS      | Global Navigation Satellite System   |
| GovSatCom | Government Satellite Communications  |
| GPS       | Global Positioning System  |
| GSC       | General Secretariat of the Council   |
| HQ        | Headquarters   |
| HR        | High Representative  |
| HR/VP     | High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission |
| IAEA      | International Atomic Energy Agency   |
| ICC       | International Criminal Court   |
| IcSP      | Instrument contributing to Stability and Peace   |
| ICT       | Information and Communications Technology  |
| IPA       | Instrument for Pre-accession Assistance  |
| ISAF      | International Security Assistance Force  |
| ISIL      | Islamic State of Iraq and the Levant   |
| JAES      | Joint Africa-EU Strategy   |
| JCPOA     | Joint Comprehensive Plan of Action   |
| JHA       | Justice and Home Affairs   |
| LAC       | Latin America and the Caribbean  |
| MENA      | Middle East and North Africa   |
| MEP       | Member of the European Parliament  |
| MERCOSUR  | Common Market of the South ( <i>Mercado Común del Sur</i> )  |
| MES       | Market Economy Status  |
| MFA       | Ministry of Foreign Affairs  |
| MS        | Member States  |
| NAPCI     | Northeast Asia Peace and Cooperation Initiative  |
| NATO      | North Atlantic Treaty Organisation   |
| NGO       | Non-governmental Organisation  |

|        |   |
|--------|---|
| ODA    | Official Development Assistance   |
| ODIHR  | Office for Democratic Institutions and Human Rights                           |
| OECD   | Organisation for Economic Cooperation and Development                         |
| OHQ    | Operation Headquarters  |
| OSCE   | Organisation for Security and Cooperation in Europe                           |
| PCA    | (i) Partnership and Cooperation Agreement (ii) Permanent Court of Arbitration |
| PESCO  | Permanent Structured Cooperation  |
| PfP    | Partnership for Peace   |
| PLO    | Palestine Liberation Organisation   |
| PNR    | Passenger Name Record   |
| PoCo   | Political Committee   |
| PSC    | Political and Security Committee  |
| R&D    | Research and Development  |
| R&T    | Research and Technology   |
| RCC    | Regional Cooperation Council  |
| RECs   | Regional Economic Communities   |
| ROK    | Republic of Korea   |
| S&D    | Progressive Alliance of Socialists and Democrats                              |
| SAP    | Stabilisation and Accession Process   |
| SatCen | EU Satellite Centre   |
| SDGs   | Sustainable Development Goals   |
| SEA    | Single European Act   |
| SG     | Secretary General   |
| SHAPE  | Supreme Headquarters Allied Powers Europe                                     |
| SLOCS  | Sea Lines of Communication  |
| SMEs   | Small and medium-sized enterprises  |
| SSR    | Security Sector Reform  |
| TAC    | Treaty of Amity and Cooperation   |
| TACIS  | Technical Assistance to the Commonwealth of Independent States                |
| TEU    | Treaty on European Union  |
| TFEU   | Treaty on the Functioning of the European Union                               |

|        |  |
|--------|--|
| TTIP   | Transatlantic Trade and Investment Partnership                             |
| UfM    | Union for the Mediterranean  |
| UN     | United Nations   |
| UNASUR | Union of South American Nations ( <i>Unión de Naciones Suramericanas</i> ) |
| UNSC   | United Nations Security Council  |
| USSR   | Union of Soviet Socialist Republics  |
| VP     | Vice-President   |
| WEU    | Western European Union   |
| WG     | Working Group  |
| WMD    | Weapons of Mass Destruction  |
| WTO    | World Trade Organisation   |



## V.4 List of contributors

**Jan Joel Andersson** is a Senior Analyst at the EUISS

**Daniel Fiott** is Security and Defence Editor at the EUISS

**Florence Gaub** is a Senior Analyst at the EUISS

**Sabina Lange** is Lecturer at EIPA, and Associate Senior Analyst at the EUISS

**José Luengo-Cabrera** is a Research Fellow at the Institute for Economics and Peace, Sydney, Australia and a former Associate Analyst at the EUISS

**Michal Makocki** is Senior Visiting Academic Fellow at Mercator Institute for China Studies in Berlin and an Associate Analyst at the EUISS.

**Antonio Missiroli** is the Director of the EUISS

**Roderick Parkes** is a Senior Analyst at the EUISS

**Patryk Pawlak** is a Policy Analyst at the European Parliament and a former Senior Analyst at the EUISS

**Eva Pejsova** is a Senior Analyst at the EUISS

**Nicu Popescu** is a Senior Analyst at the EUISS

**Lorena Ruano** is Professor of International Relations at CIDE in Mexico City, and an Associate Senior Analyst at the EUISS

**Gerald Stang** is an Associate Senior Analyst at the EUISS

**Thierry Tardy** is a Senior Analyst at the EUISS

**John-Joseph Wilkins** is Public Information Officer at the EUISS

**Erika Balsyte, Jakob Bund, Julia Lisiecka, Annelies Pauwels** and **Ginevra Sponzilli** are Junior Analysts at the EUISS.





The institutional context in which the European Union conducts its external action – starting with the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP) – is complex, sometimes unclear, and highly fragmented. Moreover, the large number of players and formats for shaping, making and implementing decisions hardly facilitates a thorough understanding of the *modus operandi* of the Union in this domain.

This volume is intended to offer interested readers a portrait of how the European Union conducts diplomacy – as well as defence, development and other related policies. It offers an overview of how the EU has evolved as a foreign policy actor especially since the entry into force of the Lisbon Treaty, and includes analyses of the main players in the EU system and their interaction, through which it tries to convey both past dynamics and present trends.

The book examines both the broader institutional context (European Commission, Parliament and Council) and the specific CFSP/CSDP set-up (the ‘multi-hatted’ High Representative of the Union for Foreign Affairs and Security Policy, the European External Action Service and other bodies) with a view to highlighting the challenges and opportunities they create for Europe’s foreign policy. It also describes the policies that underpin the EU’s external action, as well as covering the geographical dimension and analysing the Union’s array of ‘strategic partnerships’ throughout the world.

