



**Government Response to the
Foreign Affairs Committee Report on
Developments in the European Union
(Sixth Report of Session 2005-06)**

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
September 2006*

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**HOUSE OF COMMONS FOREIGN AFFAIRS COMMITTEE
SESSION 2005-06: 6TH REPORT**

**REPORT ON DEVELOPMENTS IN THE EUROPEAN UNION
GOVERNMENT'S RESPONSE**

The Government welcomes the Committee's report on Developments in the European Union. The expertise, judgement and analysis of the Committee is, as always, very valuable and the Government welcomes the positive and significant contribution the Committee makes in the European field and will continue to make in the future.

The Government would like to offer the following comments on the Committee's recommendations and conclusions:

The UK's relations with Europe

- 1. "We conclude that the British Presidency took place at a time when Europe was facing a deep and largely unforeseen crisis of confidence. We further conclude that notwithstanding this difficult context, the Presidency was on the whole well-run and achieved some important success, along with a number of disappointing outcomes. It failed to generate the fresh thinking on democracy and reengagement with the public which the Prime Minister called for in his opening speech to the European Parliament. We recommend that the Government build on the successes and, in particular, that it work to consolidate and where necessary improve its good working relations with other member states, especially with those that broadly share the United Kingdom's perspective on the EU." (Paragraph 33)**

The UK Presidency stimulated a fundamental debate over the future direction of Europe. It moved the discussion away from institutional issues and onto the concrete ones that matter to the public across Europe. At the Hampton Court Summit, EU leaders agreed on new work to meet the challenges of globalisation – research and development, universities, demographics, energy, security and immigration and Common Foreign and Security Policy. The Presidency also saw a number of landmark agreements for the EU. The EU made the historic decision to open accession negotiations with Turkey and Croatia, and granted Macedonia candidate status. And Member States reached a deal on the EU budget for 2007-2013, which included provision for a fundamental review of the budget in 2008.

The process of generating a broad debate and building consensus around the future direction of the EU is ongoing. Nevertheless, the European Commission's report of May 2006 "A Citizen's Agenda for Europe" and the conclusions of EU leaders at the June 2006 Council show that Europe is increasingly focused on the priorities that the UK Presidency promoted. We shall continue to work closely with Member States and the Commission to ensure that Europe delivers real benefits in areas that matter to citizens.

2. “We conclude that the Government was wrong to retract its previous support for all stages of the Council’s deliberations on legislative acts to be open to the public as a general rule. We recommend that the Government support efforts by the Finnish Presidency to promote greater transparency in the Council and more generally in the proceedings of the European Union.” (Paragraph 40)

As the Committee notes in the report, proposals on increased openness of the Council of Ministers were agreed in December 2005 under the UK Presidency of the EU. This initiative reflected the consensus across the Government in support of increased transparency in the EU. The conclusions agreed during our Presidency stated that some initial and all final deliberations under co-decision would be made public. They also made clear that during the Austrian and Finnish Presidencies, the Council would assess the functioning of these measures.

The issue of Council transparency has remained high on the agenda because, as our EU partners acknowledge, we put it there. It was in this context that an overall policy on transparency, building on the UK proposals, was agreed by all Member States at the June European Council. The Government did not retract its support for further initiatives on increasing transparency in the Council of Ministers. The European Council also agreed to review the impact of this policy after six months to assess the impact of these measures on the effectiveness of the Council’s work. This review will be crucial to ensure that the EU avoids moving too far, too fast and so having a negative impact on the effectiveness of the Council’s work. By pushing negotiations into the corridors and out of the Council chamber the EU would risk achieving more transparency in theory, less in practice.

The Committee notes that the Finnish Presidency intends to pursue the transparency dossier during their Presidency. The Government looks forward to the conclusions of the review, which will take place under the Finnish Presidency. In light of that review, the UK, as ‘sponsor’ of the original initiative, will look to support sensible steps on transparency which take account of the need to maintain the Council as an effective forum for discussion and negotiation.

3. “We welcome the decision of the Council of Ministers to seek further improvements in decision-making and action in justice and home affairs on the basis of existing treaties. However, we oppose attempts to use the bridging clauses in the current treaties to introduce core objectives of the constitutional Treaty in the field of justice and home affairs. We recommend that the Government seek the views of Parliament before agreeing to any further extension of qualified majority voting.” (Paragraph 46)

The Government is giving careful consideration to the proposals contained in Commission’s Communication “Implementing the Hague Programme: the Way Forward”. We welcome efforts to improve decision-making in Justice and Home Affairs on the basis of existing treaties, and we are open to a full discussion on the use of the Article 42 *passerelle*. However, we would need to be satisfied that it would genuinely improve the decision making process, and that such a move would be in the national interest.

The Government will continue to seek the views of Parliament, ensuring it is involved. Ministers have started to engage with Parliament by giving evidence to select committees and will give further evidence as proposals develop. The Government will also continue to keep Parliament informed through the parliamentary scrutiny process.

The Constitutional Treaty

- 4. “We conclude that although the Treaty is not dead, it is comatose and on life support. At some point, Europe’s leaders are going to have to decide whether to switch it off. We conclude that the Treaty establishing a Constitution for Europe is unlikely ever to come into force, although attempts may be made to enact some of its provisions by other means. We recommend that the Government encourage its European counterparts to face up to this reality and explicitly to abandon the Treaty as a package, in the interest of making progress on some of the real and important issues which are at present caught up in the paralysis created by its rejection.” (Paragraph 64)**

There is no current consensus on the way forward for the Constitutional Treaty. Since the French and Dutch ‘No’ votes during the UK Presidency, the Government has consistently made clear that this is not a matter for one Member State alone. It is for the 25 Member States together to make decisions about the Treaty’s future. The June European Council agreed that the German Presidency will present a report to the European Council in 2007 based on extensive consultations with the Member States, with decisions on how to continue the reform process to be taken by the end of 2008. There is no presumption as to the outcome or end-date of this process.

The Government does not accept that the difficulties faced by the Constitutional Treaty have meant “paralysis” as the Committee suggests. The UK Presidency helped to set Europe’s future direction at Hampton Court, focusing the EU’s priorities around energy, economic reform, tackling the challenges of globalisation, migration, security, counter-terrorism and organised crime. It is an approach that has been endorsed at subsequent European Councils, including the most recent when Member States agreed that the focus now should be on making a difference in areas which affect citizens’ lives (paragraph 46 of the June 06 Council Conclusions: “After last year’s period of reflection work should now focus on delivery of concrete results and implementation of projects”). The Government believes that this results-oriented approach is the right way forward for the EU.

Enlargement

- 5. “We conclude that there are strong political reasons for the Government to maintain its support for the accession of Bulgaria and Romania in accordance with the agreed timetable. We recommend, however, that the Government be prepared to agree to the imposition of post-accession safeguards on either country, if the Commission’s reports show that these would be justified.” (Paragraph 74)**

The Government welcomes the Committee’s endorsement of current Government policy in this area. The UK has consistently supported the accession of Romania and Bulgaria in 2007, as long as they meet the criteria. The long and difficult process of accession has transformed both countries since the 1990s. Both countries have shown determination in adopting EU values and have made far reaching democratic, economic and administrative reforms. We will look for this to continue before and after accession. We will study the Commission’s Autumn report on Romania and Bulgaria closely, and consider very carefully any Commission recommendation on post-accession safeguards.

6. **“We conclude that Croatia’s proposed accession to the EU deserves the full support of the United Kingdom, assuming that it meets all the necessary criteria. We further conclude, and hope, that a successful accession process by Croatia could play an important role in stimulating other states in the Western Balkans to make the necessary adjustments that will enable them to qualify for full membership of the EU in due course.” (Paragraph 77)**

The Government welcomes the Committee’s support for Croatian accession, providing the criteria are sufficiently met. Again, the progress that Croatia has made since the conflict in the 1990s shows the transformative effects of the prospect of EU membership. The Prime Minister reaffirmed UK support for Croatian accession during his meeting with the Croatian Prime Minister Ivo Sanader on 18 July. Croatia has an important role to play in the Western Balkans, and its progress towards meeting EU standards will provide a positive example for the region. Bringing irreversible democratic and economic reform to these countries will benefit all Europeans. The Government agrees with the Committee in this regard.

7. **“We conclude that the accession to the European Union of a Turkey which fully meets all the entry criteria remains in the interests of both the EU and Turkey. We recommend that the Government continue to offer strong support to Turkey in its accession process.” (Paragraph 80)**

The Government agrees. The UK is a strong supporter of, and advocate for, Turkey’s EU accession process. This support is underpinned by a bilateral programme of technical assistance, which is worth GBP 630,000 in 2006/7. Projects include developing the professional skills of staff working on the accession process and improving the capacity of Human Rights Boards.

8. **“We conclude that it is the interests of Turkey, the Turkish people and Turkish Cypriots alike that Turkey should move swiftly to accept in full its obligations under the Ankara Agreement. We further conclude that a far more constructive approach by the government of the Republic of Cyprus is necessary to assist this process.” (Paragraph 87)**

The Government agrees that Turkey should implement its obligations in full, including those under the Ankara Agreement. As Mr Alexander made clear when providing evidence (3 May 2006), full implementation of the Additional Protocol will be evaluated in 2006. We furthermore agree with the Committee that existing Member States should not treat Turkey’s application any differently from those of other countries.

On Cyprus, we agree that the 8 July agreement by the Greek Cypriot and Turkish Cypriot leaders to start bicomunal discussions is evidence of a more positive approach. We welcomed this agreement, as well as the leaders’ expression of commitment to the unification of Cyprus based on a bi-zonal, bi-communal federation and political equality, and recognition of the fact that the status quo is unacceptable. We are urging both parties to work constructively with the UN in implementing this agreement.

9. **“We agree with the Foreign Secretary that what is key to the enlargement debate is the rigorous application of the criteria for membership. We conclude that it is this, rather than any abstruse debate about ‘absorption capacity’, which must determine the future shape and scope of the EU. But we also conclude that popular opinion will be an important factor in deciding future enlargements and that this reinforces the need for a Union which engages the public.” (Paragraph 93)**

The EU is the only international organisation which has had the dynamism to transform its neighbourhood. Enlargement remains the EU’s primary tool to achieve this transformation and promote prosperity and security across our continent. The ability of the EU’s enlargement policy to effect these changes depends on a fair and thorough accession process. We therefore welcome the Committee’s focus on the rigorous application of the criteria for membership and agree that this is a crucial factor for the future of the EU’s enlargement policy and this year’s enlargement debate. A rigorous process also serves to reinforce public support for enlargement, which the Committee has rightly highlighted as a key issue. The Committee also raised the issue of absorption capacity, which will be discussed at the December European Council. It is right that the EU should have the opportunity to consider its absorption capacity in order to ensure that the Union is prepared properly for future accessions, but this is an issue for the EU itself and should not result in any new obstacles for candidates.

Foreign, Security and Defence Policy

10. **“We conclude that, whatever the merits of the proposal to establish a Foreign Minister and an external action service for the EU, it is important that the European Commission should not develop a diplomatic service or ‘embassies’ by stealth. We recommend that the Government take steps to prevent the official use of the term ‘ambassador’ to refer to the Commission’s representatives and that it ensure that, at a time when the funding of British diplomatic, consular and trade posts around the world is under great pressure, expenditure by the Commission on its overseas delegations and properties is subject to rigorous scrutiny.” (Paragraph 101)**
11. **“We conclude that foreign policy is and should remain primarily a matter for each nation state to decide for itself. We further conclude, however, that there can be a real value in co-ordinating foreign policies at EU level and in undertaking joint missions on matters where the EU25 can agree and where they have a shared interest.” (Paragraph 106)**

We agree that the Commission should not develop either a diplomatic service or embassies by stealth, and that Heads of Commission Delegations should not be referred to as EU Ambassadors. We will, as the Committee recommends, make this last point directly to the Commission. We also agree with the Committee on the importance of scrutiny of Commission expenditure on its overseas delegations and properties. Responsibility for this rests with Commission, the European Parliament and the Court of Auditors.

The Government also fully endorses the FAC’s conclusion that “foreign policy is and should remain primarily a matter for each nation state to decide itself”, but that “there can be real value in coordinating foreign policies at EU level and in undertaking joint missions on matters where the 25 can agree and where they have a shared interest.”



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