

EU Constitution Project Newsletter

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In line with the Federal Trust's aim to enlighten the debate on good governance, this Newsletter reviews the current reform process of the EU from the standpoint of the work of the Federal Trust's project on Constitutionalism, Federalism and the Reform of the European Union (the 'EU Constitution Project'). The Newsletter looks at current developments in and outside the Convention and also covers the UK debate. Finally, it provides information about relevant events and publications.

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1. Guest Editorial: Ireland's EU Presidency

In his keynote address to the IEA/TEPSA Conference on the Priorities of the Irish Presidency on Friday 5 December 2003, the Taoiseach, Bertie Ahern, commented that "Naturally, we are also preparing ourselves to expect the unexpected - nothing is ever entirely predictable." Just a week later the collapse of the IGC in Brussels provided a dramatic challenge to that preparedness.

The Irish Presidency now has the task of exploring the possibilities of bridging the gap between those Member States whose entrenched positions on the 'double majority' voting system had stopped the IGC in its tracks. Consultations will take place early in the new year and a report will be prepared for the Spring European Council meeting in March. Speaking in the Irish Parliament on 16 December, Bertie Ahern stated that "if there is good reason to believe in the light of our consultations that fast progress is possible, I will spare no effort to achieve it. It depends on the overall atmosphere and whether everybody is ready to do a deal."

Looking at the agenda of the Irish Presidency beyond the IGC preoccupation, the question of atmosphere may well prove crucial. The fear must exist that the Brussels impasse, coming immediately after the Franco-German snub to the rules of the Eurozone, has damaged the basic trust and mutual respect which have been the cement of the EU.

As on five previous occasions, Ireland's approach to the EU Presidency will be built on the practical goal of advancing the agreed agenda of the Union rather than on short-term initiatives which might prove a

The EU Constitution Project

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distraction from the work that needs to be done. That agenda is extensive.

Important decisions must be made in respect of the Tampere and Lisbon processes. Deadlines in 2004 have been set for the adoption of a range of measures on free movement, border controls, asylum and immigration, and combating crime. The Spring Summit will place the Lisbon goals of sustainable growth and increased employment at the centre of affairs, with the recommendations of the Employment Task Force, chaired by Wim Kok, as a key part of the enterprise.

The first steps will be required towards implementing the new Union Security Strategy, prepared under the direction of Javier Solana and adopted by the European Council at Brussels. A major Conference on Conflict Prevention will be held in Dublin in March and a report on the Action Plan for the Prevention of Violent Conflicts is to be presented by the Presidency to the June European Council. Particular importance is placed on three aspects of EU external action: the development and health crisis in Africa, the urgent need to press ahead with the Quartet Roadmap for the Middle East and the steps needed to rebuild US / EU relationships.

An important aspect of the approach adopted by Irish Ministers has been its close co-operation with the Presidencies before and after to facilitate coherence and continuity, within what is now becoming a three-year Presidency programme. A critical element of this approach will be the launching of the process required to adopt the financial perspectives for the period beyond 2006 which will be a central, and certainly controversial, issue for the Netherlands Presidency.

But, above all, one fact dominates any consideration of the Irish Presidency - which will begin its work as one of fifteen and end it as one of twenty-five. While the recent events in Brussels illustrate the inherent, and perhaps under-estimated, difficulties of governance in a greatly enlarged Union, nothing can take away from the historic significance of 1 May 2004.

That day will be celebrated with great pleasure and happiness in Dublin and will be seen, in the words of Bertie Ahern, as "a fantastic moment - one which would crown any Presidency."

Tony Brown

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2. December at the IGC

By now, January 2004, the collapse of the IGC is well-known, and the future of the EU Constitution is uncertain. After the Conclave in November, it looked as though an agreement could be reached. However, the December Summit, taking place in the heightened atmosphere after a week's worth of posturing, was unable to reach any decision on the critical subject of vote weighting. The concerns of Poland and Spain (see [December](#) and [November](#) Newsletters) could not be met and the Summit ended early, with no resolution. However, in assessing the lead-up to the final European Council meeting on 12-13 of December, it becomes clear that positions were hardened well in advance, and perhaps in retrospect, we shouldn't have been surprised at the inability of the 25 to reach agreement.

3 December - The European Parliament raised the fact that it was increasingly concerned about the threat of the IGC to the EP's powers as outlined in the Convention text. Member States had expressed extreme wariness on the subject of the expansion of the EP's powers over the budget. MEP Elmar Brok stated, "this Parliament's main powers are in the budgetary field. We cannot vote for a constitution if this is affected."

4 December - Valéry Giscard D'Estaing warned fellow Convention members - in ominous wording - "We would have rather no constitution than a bad constitution, than a mutilated constitution."

5 December - At a meeting of MEPs and MPs who were former Convention members, a ten point list of critical aspects they expected to see in the final constitution was agreed. Some were still hopeful at this point - Iñigo Méndez de Vigo said that he thought there may still be a 'margin for agreement' on

institutional issues. Unfortunately, during the following week, that margin dwindled to nothing.

6-7 December - Signs of scepticism increased over the weekend, as some EU leaders met at the 5+5 Summit in Tunis. Spanish Foreign Minister Ana Palacio suggested that there had been little progress during the whole of the Italian Presidency, and certainly not much on those issues most important to Spain. She reiterated the complaint that the Convention exceeded its mandate in changing the balance of power between the EU institutions through the alteration of the vote-weighting system. Also at that summit, Berlusconi met Chirac, and Berlusconi himself said that the chances of agreement were only 50-50. Chirac said that "his [Berlusconi's] view is the same as ours. Work is progressing, without a doubt, but we have to see if it goes in the right direction."

7 December - British MP Gisela Stuart questioned the constitution which, as a Convention member, she participated in drafting, stating that "if the constitution were to be accepted the way we handed it over to the Heads of Government, I would not find it acceptable." Ms. Stuart's change of heart was upsetting to a number of the Convention members and coming right before the IGC, undermined any positive spin on the Summit, certainly in the UK. (See UK debate below.)

At the risk of being perceived as over-focused on Franco-German concerns, Berlusconi met with Schröder in Berlin. Schröder implied that his country's position on voting rights was inviolable. The Presidency website reported that the meeting "confirmed that Italy and Germany share the same views on all the constitution negotiations and on the urgency of coming to an agreement." These comments, coupled with the earlier remarks from Chirac on the similarity between France and Italy's positions, call into some question the Italian Presidency's role as an 'honest broker' in negotiating deals.

Meanwhile, a comment by Dutch state secretary for European Affairs, Atzo Nicolai, reminded onlookers that the divide between big versus small

countries went beyond voting weights. In an interview in the Netherlands, Nicolaï demanded that a new Constitution provide greater power to the ECJ to monitor the Stability Pact. This comment highlighted the continued concern the smaller countries have had with France and Germany, in light of their flouting of the Stability Pact agreement. (See [December Newsletter](#))

8 December - At the last IGC meeting of foreign ministers to prepare the ground for the Summit, draft Italian proposals were released. At this meeting, the ministers declared that all issues were resolved with the exception of vote weighting in the Council. The decision was made to reformulate the 'mutual defence clause' in order to take into consideration the concerns of the neutral countries (see [Parallel Developments](#)). On budgetary issues, the UK, Ireland, Portugal, Sweden, the Czech Republic, the Netherlands, Slovakia, Spain and France all vocalised concerns about the power of the Parliament over the budget. This issue was one of the EP's 'red lines', and any decision to remove this power from Parliament would most likely result in a failure of the EP to approve any final agreed constitution. Although a 'no' vote from the EP would not single-handedly sink the Constitution, national parliaments may not agree to ratify without the EP on board.

9 December - Gerhard Schröder and Jacques Chirac met together in Paris to present a common front on the issue of vote weighting. In yet another display of Franco-German unity, they conducted a joint press conference outlining their common positions. In a rhetorical demonstration that the countries would not negotiate on everything, Dominique de Villepin said the constitution should not be accepted 'at any price' - and Joschka Fischer said "a bad constitution is no option".

After the meeting of foreign ministers, the Italian Presidency's first set of compromise proposals was circulated, including changes on mutual defence and the budgetary procedure. No new proposal was included on vote weighting.

Meanwhile, providing a cold shower for any potential Euro-optimists, the president of the Czech Republic Vaclav Klaus announced that he would be happier "if no such constitution were adopted at all."

11 December - Schröder met with Polish President Aleksander Kwasniewski in what was interpreted as a last ditch effort to broker a deal before the Summit.

12 December - The Italian Presidency released a second set of compromise proposals, addressing "more sensitive political issues", including Christianity (which they did not include in the Preamble). Again, there was no proposal on the QMV/vote-weighting issue - clearly the Presidency was leaving the thorniest issue for the very end - although Berlusconi declared he had a hidden card.

As the Summit began, Tony Blair met with Chirac and Schröder over breakfast. Blair said that "it is important for us, but it's important to get the right agreement, not simply any agreement." His comments indicate that even before the first meeting, the leaders had abandoned the sense of urgency that had been fostered by the Italians since the agreement in Thessaloniki that a final product should be reached by December.

The attendance of the Polish PM, Leszek Miller, after a serious helicopter accident, also indicated that the Poles were determined to have their top negotiator at the table and would not easily back away from their position. Polish Foreign Minister Włodzimierz Cimoszewicz said, "if it's not possible to agree, we shall wait. We're talking about compromise or domination."

13 December - The Summit ended at midday, with delegations unable to agree on the issue of vote weighting. Although no final agreement on a constitution was reached, the Italian Presidency was at pains to demonstrate that in other areas the European Council proved more fruitful in consensus building. There was an agreement on Romania and Bulgaria's joining the EU in 2007, and leaders also agreed to proceed with an agency for controlling

external borders and ensuring maritime safety.

[IGC \(12/13 December\) Presidency proposal 9 December \[PRESID 14 CIG 60/03\]](#)

[Chirac-Schröder Press Conference, 9 December](#)

[EU Observer](#)

[The Guardian](#)

[Epolitix](#)

[Presidency Website](#)

[Euractiv](#)

[AP](#)

[La Vanguardia](#)

[Presidency Conclusions](#)

3. Whose Fault? Playing the blame game

After the collapse of the IGC, the first question on many minds was whose fault was it? Looking at the events of the week preceding the Summit, a number of potential 'blamees' appear - perhaps Spain and Poland; perhaps the Italian Presidency; perhaps France and Germany. Shortly after the meetings concluded, a French diplomat accused Poland of being 'intransigent', and the blame game began.

On 16 December, in an open letter, the leaders of France, Germany, the UK, Sweden, the Netherlands and Austria, called for spending to be capped from 2007 onwards. (See [Parallel Developments](#).) This would negatively affect Spain and Poland - both stand to benefit in the enlarged EU. Was this some sort of revenge against the two countries for their role in the IGC's collapse? Spain and Poland appeared to view it as such. Spain's Foreign Minister, Ana Palacio, declared that her country would not be threatened, and Leszek Miller, the Polish PM, has said that "Poland can modify its reasoning, but only through arguments, not through threats."

Libération, the French daily, opened its commentary on the letter with the words: "Yesterday, Spain and Poland received the bill for their veto on the Constitution." As the article pointed out, the link between the budget and constitutional decisions had been made for a long time by both France and Germany. Germany had warned about

a possible budgetary response to Spain and Poland in October and November. Why pay for those countries that don't share your vision of Europe? However, the UK also signed the letter - and would not necessarily want to penalize Poland and Spain. (In fact, in private Chirac has blamed Blair for the Summit's collapse - for not supporting more strongly the Franco-German position.) Supposedly the letter was planned in advance of the Summit. British officials said the timing of the letter was coincidental.

Blame has also been laid at the door of the Italian Presidency. At the Summit, Berlusconi appeared to have various options: changing the numbers of the double majority from 50%-60% to 55-65%; postponing the decision by creating a rendez-vous clause for either 2009, or 2014 - in this instance, a double majority system would be introduced in the stated year, unless a qualified majority (under the terms of Nice) opposed it at that time; and finally, scrapping the Convention's new voting system and maintaining the Nice system, by increasing Germany's position under Nice vis-à-vis Poland and Spain. Clearly, none of these options succeeded in producing a consensus among the four main protagonists. Graham Watson, European Liberal Democrat Group leader, said the results of the IGC were a 'personal failure' for Berlusconi. Enrique Barón, president of the PES group, openly questioned the IGC method, and suggested a return to the Convention method for reaching agreement on the outstanding issues. Berlusconi defended himself, arguing that a true failure would have been an agreement that was "a step backwards". It is likely that Italy did not play its role of honest broker very convincingly (one only need look at the language coming from the Presidency in the week before the final summit) and that Berlusconi was too close to Chirac and Schroder to encourage optimism from the Poles. (His joke about the helicopter was also unfortunate.)

And finally, what about the French and the Germans? Kalypso Nicolaïdis, in a recent letter to the Editor of the *Financial Times*, and at the 16 December Federal Trust conference, called into serious question the

advisability of blaming Poland and Spain. As she points out, "the defining issue of weighted voting could have been settled through a rendez-vous clause, but President Jacques Chirac would have none of it. It would have helped to give Spain and Poland more representatives in the European Parliament. But Germany refused to revisit its own Nice gains." In fact, many diplomats at the talks blamed the French for their breakdown.

After the collapse of talks, Chirac suggested that there should be a 'pioneering group' of core states that moved ahead with integration. This came on the heels of discussion in November about a closer relationship between France and Germany. (See [December Newsletter](#)) France has long been concerned with the potential of its influence - and the influence of the Franco-German axis - being watered down by a larger Europe. It is no surprise that in his first major comment of 2004, Schröder has threatened to move forward with a core Europe if talks on the Constitution are not finished by the end of 2004.

No matter whom it may be convenient to blame, as Giles Merritt in the *International Herald Tribune* put it, "in reality the whole project for adapting European-level decision-taking has touched on many other raw nerves and unresolved tensions." It also may call into question both the IGC method and the Convention method itself.

In other Convention experiences elsewhere, such as the US Constitutional Convention of 1787, the final document was put to the test without an additional round of negotiation. The amendments (the Bill of Rights) and renegotiations on certain aspects of the document (the judiciary) took place within the institutions created by the Constitution itself, *after* ratification. In the European case, however, it seems clear that the national governments would not have accepted a Convention in the first place, if they did could not rely on the occasion of the IGC to safeguard national interests. It will remain to be seen in 2004 if a mixture of the two processes can work.

[Berlusconi's speech 16 December 2003](#)

[Libération](#)

[Financial Times](#)

[International Herald Tribune](#)

[Euractiv](#)

[EU Observer](#)

[The Guardian](#)

[The Telegraph](#)

4. What Next? Looking to Ireland

There was much discussion, but little agreement, on the future outline for the continuation of talks on the draft constitution. EU leaders themselves did not decide a date for reconvening the IGC. Nonetheless MEPs urged the Irish to take up the issue early, and to call for a meeting of foreign ministers in January. All the signs however seem to point in the opposite direction. Valéry Giscard d'Estaing said that a long period of reflection was needed before talks should be resumed. The Prime Minister of Luxembourg, Jean-Claude Juncker, also cautioned that talks should not resume too early. Polish PM Leszek Miller has said "I do not know if we can agree during the Irish Presidency". The Spanish elections in March and the European elections in June have been cited as reasons why the constitution should wait. Opponents of this view see it merely as a convenient excuse for postponing difficult decision-making.

For the time being however, the Irish Presidency will conduct bilateral discussions and report back to the European Council at a summit in March. Minister Cowen has said that "we're available to do it in our presidency but in the end it's not up to us." He also mentioned that Ireland "was not part of the disagreement that took place [during the failed summit]" - which may help it to be perceived as a truly 'honest broker'. However, Irish Prime Minister Bertie Ahern has said that he does not know if an IGC will be called at all during the Irish Presidency. This suggests that the Dutch Presidency could be responsible for pushing through an agreement. Some even talk of 2005.

As Bobby McDonagh has written, "the achievements of one Presidency are either the welcome legacy or the poisoned chalice of the next." One of the most difficult challenges facing the

Irish Presidency is that of *timing*. The commitment to the timetable agreed at Thessaloniki - that the IGC ought to complete its work in time for it to become known to European citizens before the EP elections in June - has been scrapped. The consequences are not to be underestimated. The rationale behind the Thessaloniki timetable was to add legitimacy to the revision process and, ultimately, to facilitate the ratification phase. Many believed that the European Parliament elections could offer an opportunity to seek popular backing. Beyond the introduction of the Convention method, which was designed to be an improvement in terms of openness and participation, the link between the Convention text and the IGC was to be kept as close as possible in order to attain a more democratic and inclusive process.

Waiting until after June to proceed with the IGC ushers in a host of other problems: there will be a new EP after the summer break which may have a different agenda vis-à-vis the Constitution, and a new Commission in November; the IGC will be cutting it very close to the 2004 deadline recently given by Germany for concluding the negotiations; and the Dutch Presidency will be responsible for the final constitutional negotiations (this could be a boon or a burden for the Irish, depending on how closely they are able to work on these issues with the Dutch). Even though the sense of urgency to complete the revision process is not strong, one could still argue that an agreement ought to be forged before a new Commission takes office - and perhaps sooner, in order to avoid further unravelling of the Convention text or distancing from the Convention acquis.

Ireland must accurately assess the mood of the Member States in its bilateral meetings over the next two months. If the mood is not ripe for negotiation, Ireland must try to influence that mood. Certainly, it should not wait for the sake of waiting - positions are set, and the passage of time will not make any of these problems disappear. In fact, new controversies could arise. The Member States must sort out their differences as soon as possible to

prepare the EU for its future with 25. Ireland should not push too far too fast, but neither should it wait for the Dutch. At minimum, there should be a reconvening of the IGC at Ministerial level in April, with a final round of negotiations as soon as possible thereafter.

There is one final option on the table, or rather a threat. Both French foreign minister Dominique de Villepin and now Gerhard Schröder have expressed their desire that a final constitution be decided by the end of 2004. The future of a 'two speed' or 'core' Europe has been tied, by Schröder, to this constitutional timetable. The 'two speed' or 'core' Europe that was suggested, immediately after the collapse of the summit, by France, has been dismissed both by the Irish Presidency and by the Blair government.

Until concrete proposals from those who propose a core Europe emerge, the language of differentiation within the Union remains an ambiguous terminology with doubtful effects. Certainly the EU has (in the past and through various treaty revisions) moved towards facilitating flexibility in the Union mainly in the form of opting outs and enhanced co-operation, that is, allowing varied membership in some aspects of Community policies. Yet both Community institutions and Community structures have not been truly challenged. However, the adoption of the Constitution in a flexible manner would be an altogether different matter. A Union that is differentiated in its basic law is a Union 'à la Carte', not just a multi-speed or a Union of variable geometries, but something that would not merit the word 'union'. France and Germany have traditionally opposed this route. In any case, Franco-German calls for an avantguard Union will put to the test the 'motor' capacity of the couple in a Union of 25. One could argue that the threat of a core Europe is less credible in a more diverse Europe, or rather, the threat of exclusion from a core is less strong when the 'awkward squat' is composed of more than just one or two countries. In fact, in a Europe of 25 a two-speed Europe is less a threat of exclusion, but rather a recipe for

outright split of the Union.

How the French and Germans play their cards remains to be seen... It is interesting to note that prior to the Summit, in an interview, Joschka Fisher claimed that if an agreement were not reached, EU countries "will move at different speeds". Regardless, France, Germany and the UK have agreed to meet prior to the March European Council, to give momentum to talks and to arrive at the summit with concrete ideas for moving forward and reaching agreement among *all* the Member States.

[EU Observer](#)

[Financial Times](#)

[The Times](#)

[European Voice](#)

[Euractiv](#)

5. Parallel Developments

Defence

The breakthrough in defence, outlined in the [December Newsletter](#), was heralded as a major success of the November Conclave. Cracks, however, began to appear soon after, as neutral states demanded a rewording of the 'mutual defence' clause. The clause, Article I-40 (7), was changed by the decisions made in November, to highlight the role of NATO and to remove the actual words 'mutual defence'. However, the neutral countries presented a new version of the wording of this clause, suggesting that "if a Member State is victim of armed aggression, it *may request* that the other Member States give it aid...etc.". The four neutral countries, Austria, Finland, Ireland and Sweden, stressed that their concerns were not with solidarity, but with the 'automaticity' of the clause.

The Italian Presidency did not accept the alternate wording, rather it proposed an additional statement that mutual defence should "not affect the individual nature of security and defence policies of certain member states."

With the failure of the IGC, additional questions have been raised about the future of EU defence co-operation. The European Commission is concerned that some Member States

may continue with defence co-operation outside of the institutional framework that was to have been provided by the Constitution. General Gustav Hägglund, the EU's military chief, has expressed his dismay that EU integration in the area of defence should be held up by other issues "having nothing to do with defence." He said, "why not decide on the defence policy outside the EU treaties?" It is unlikely, however, that the UK would agree to any extra-legal measures in the area of defence.

[EU Observer](#)

[Letter from Neutral Countries \[DELEG 30 CIG 62/03\]](#)

The reform of EU policies

Ireland's minister for foreign affairs Brian Cowen was quoted by the *Financial Times* as saying: "The problem with non-agreement on the constitution is that more and more issues get fed into the financial perspectives debate."

The process for the adoption of the forthcoming financial perspectives (2007-2013) has not yet started, however, the review of various policies and legislative instruments relevant to the adoption of the new perspectives has. The hard negotiations on the forthcoming financial perspectives will start in the first half of 2004, yet the shape of regional and cohesion policy after enlargement is an on-going debate, which officially began on 16 May 2003 with the launch by the Commission of a consultation process on the future of cohesion and the reform of the Cohesion and Structural Funds. The reform of cohesion policy has traditionally gone hand in hand with the budgetary cycle, or generally speaking, the review of cohesion has been linked to its budgetary implications.

Ahead there are hard financial choices, but also constitutional and organisational choices. Cohesion is a fundamental Union policy which over the years has turned into a fully-fledged cross-sectoral policy which has developed its own governance techniques - in the formulation, implementation and monitoring of its actions. Indeed the reform of cohesion stretches to other dossiers such as the

Governance White Paper. But clearly the major challenge ahead for cohesion policy is enlargement i.e. the transition and modernisation of the accession countries' economies, and the funding of some of its actions notably, structural and regional policy after 2006. For the time being, the Commission announced in December that 14.12 billion euros would be made available from January 2004 to accession countries for their regional policy needs in the period 2004-2006.

On the CAP front, reform will build on the agreements struck on 24-25 October 2002 in Brussels. There, besides agreeing the financial package for the accession countries for the interim period 2004-2006, EU leaders struck an agreement largely led by France and Germany. Before formal accession of the 10 new members, Heads of State and Government agreed gradually to move to direct payments to farmers (decoupling subsidies from volume of production) with the condition that direct payments would not challenge the budgetary limit reached by 2006. In other words, the forthcoming financial perspectives 2007-2013 ought not to increase budgetary allocations and therefore the same budget will have to be more widely (geographically) distributed.

Preliminary national positions on the next financial period were presented on 16 May 2003 at an informal ministerial meeting in Halkidiki (Greece). Ministers of the EU25 together with Commissioner Barnier discussed the current implementation of structural interventions, and exchanged views on the reform of cohesion policy for the next programming period starting in 2007. The UK and other Member State governments have called for the 'repatriation' of regional policy. In the UK the government undertook its own consultation process on the reform of EU Cohesion and Structural Funds. Thus national and European debates on the reform of European cohesion are taking place simultaneously, but in addition, these debates are likely to enter (or to be brought into) the final endgame phase of the constitutional Treaty revision process. Indeed, as the

constitutionalisation process was not successfully completed in December 2003, the Future of Europe debate is very likely to become more and more dependent on developments in the reform of the Cohesion and Structural Funds. Cohesion policy will remain a fundamental legitimacy question for various Member States (not only for the so called 'cohesion countries', but also for the accession countries) and is likely to play a vital role both in a 'second' IGC and in national debates leading to the ratification of the Constitutional Treaty.

Further evidence of the use of this easy link appeared the day after the failed IGC meeting. A letter signed by the six net contributors (France, Germany, Netherlands, Austria, Sweden and UK) was submitted to the Commission proposing to cap future EU spending, namely, to reduce the ceiling of own resources from the current 1.24 per cent of the EU Gross National Income (GNI) to 1%. Responding to the letter Barnier said that he doesn't believe that the priority of the regional policy funding will go along with the other five priorities mentioned in the letter if the expenditure does not exceed 1% of the EU's GNI, as the six proposed. Barnier appeared worried about the future of structural and cohesion policy and the fact that it could be sacrificed in the future if budget cuts are needed. So far the Commission has held that when the new budget for regional policy is endorsed in 2006, the 75% rule for eligibility should be maintained. In its financial framework for the period 2007-2013, the Commission is likely to argue that it is possible to provide for the development of Community policies while retaining the current own resources ceiling.

[Commission DGXVI Website: The Future of Cohesion Policy Beyond 2006](#)

['A Modern regional policy for the United Kingdom', HMSO, March 2003](#)

[EU Observer](#)

[Euractiv](#)

[Reinventing Cohesion \(SIEPS\)](#)

6. UK Debate

The surprise criticisms of Gisela Stuart, MP and Convention delegate, on the

draft Constitution caused a flurry of commentary in the middle of the month. She had declared in the final Convention meeting that those in the Convention should never forget what they were able to achieve together. Now, however, as she has written in a Fabian pamphlet, she feels the constitution is of little worth and should not be accepted as it stands.

This action by Ms. Stuart should perhaps be seen as another example of European affairs being used as a weapon on the battleground of national politics. In a similar vein, late November and early December saw Clare Short, the former Secretary of State for International Development, decrying the European Union and pro-Europeans of trying to create a 'super-state'. With a vote on top-up fees looming, 2004 could usher in a turbulent time for the Blair Government. Some cynical commentators suggest the move is more sympathetic to the sensibilities of Number 11 than to Number 10, with Short and Stuart perhaps lining themselves up for future positions in a Brown Cabinet.

The Conservatives attempted to gain ground by attesting that the UK's red lines were protected only by Poland, and they appeared to welcome the collapse of the Summit. Tony Blair, however, was positive about many of the outcomes of the IGC, particularly in the area of defence. As far as the Spain-Poland voting weight issue was concerned, Blair said that he believed "it was right to take time to find a workable solution rather than to plough on in the hope of an unsatisfactory compromise." Blair highlighted the need to sort out the vote-weighting issue in order to have a workable Union of 25 - but that this problem was a left over from Nice, and was not an immediate problem, since new rules wouldn't go into effect until 2009. He also expressed his firm belief that the outcome of the IGC demonstrated, if nothing else, that the control of European integration is clearly in the hands of the Member States.

Whereas the British Prime Minister preferred to present the constitutional project as a necessity born out of enlargement, rather than a constitutional end in itself, Belgian Prime Minister Verhofstadt had a different take on the

matter. In his opinion, the 2003 IGC was about building an EU on the basis of a Constitution, and thus it was expressly different from Nice - where the project was to make enlargement possible by negotiating the inter-state balance in order to integrate 10 new member states.

[Gisela Stuart in The Times](#)

[Fabian pamphlet](#)

[Richard Laming's response to Clare Short](#)

[Press Conference at Number 10](#)

[Blair's view of the Brussels Council](#)

[La Croix](#)

7. Forthcoming in 2004

Irish and Dutch Presidencies for 2004

Besides the six-month Presidency plan, 2004 will for the first time see the application of the Council decisions made in Seville in June 2002 by which a multi-annual programme is to be approved and an annual (operational) programme is also to be drafted. The annual programme is to be presented by the two Presidencies due to hold office in the following year and be submitted every year in December. The annual operational programme will seek to ensure continuity between the six-month Presidencies.

In accordance with the Council's Rules of Procedures adopted in the immediate aftermath of the Seville Summit, the General Affairs and External Relations Council is to recommend to the European Council for adoption a multi-annual strategic programme for the three years to come, which shall be based on a joint proposal drawn up by the Presidencies concerned, in consultation with the Commission. Thus on 8 December 2003 the Council discussed the first three-year strategic programme (2004-2006). This programme had been prepared jointly by the six future EU Presidencies: Ireland, the Netherlands, Luxembourg, the UK, Austria and Finland. Although the Convention went further than the Seville Council in seeking a larger role for the Commission in the adoption of the multi-annual programme, the rules of procedure in place only provide that the multi-annual programme ought to take

account of the Commission's Legislative and Work Programme.

As regards the annual operational programme, and also in accordance with the decisions made in Seville, the two presidencies for 2004 submitted in December an Annual Programme for 2004 to the General Affairs and External Relations Council. This draft programme had to "have regard, inter alia, to relevant points arising from the dialogue on the political priorities for the year, conducted at the Commission's initiative." The two Presidencies are to finalise this programme on the basis of the discussion of the General Affairs and External Relations Council.

[Annual \(Operational\) programme for the Council for 2004 from the Irish-Dutch Presidencies, 1 December 2003 \[15369/03 POLGEN 79\]](#)

[Council, Multi-annual Strategic Programme, 1 December 2003](#)

[Commission, Legislative and Work Programme for 2004, October 2003 \[COM\(2003\) 645\]](#)

[Council decision of 22 July 2000 adopting the Council's Rules of procedure \[OJ L 230 of 28.8.2002\].](#)

[Euractiv](#)

[Brigid Laffan: Ireland and Europe: continuity and change, the 2004 Presidency, Notre Europe, December 2003](#)

'Agenda 2007'

In 2004, discussions will start on the new Financial Perspectives (2007-2013) which will determine the financial landscape of the Union up to 2013. A Communication similar to the 'Agenda 2000' of July 1997 is expected to be submitted by the Commission in January, in which the Commission will deal with the financing of the Community, and the effects of future enlargement on European policies, notably those having the larger financial implications i.e. it will deal with the reform of CAP and the future of economic and social cohesion (see Parallel Developments).

The Union's present Financial Perspectives will expire at the end of 2006. The calendar established by the Irish and Dutch presidencies is the following: in the first half of the 2004 the Commission is expected to present

a first Communication. Following discussion of this Communication, the expectation is that the new Commission (including the Commissioners from the new Member States) will present its entire package of financial and legislative proposals concerning the Financial Perspectives 2007-2013 and the review of common policies. In the second half of 2004 the Council will have to work towards reaching decisions on the principles and guidelines to be reflected in the Financial Perspectives at the December 2004 Summit. The summer summit of June 2005 will have as a major task the political agreement on new Financial Perspectives and finally by the end of 2005, they ought to be finally adopted. Negotiations on the next Financial Perspective, together with a review of relevant policies and legislative instruments must be concluded no later than by the end of 2005 to enable planning and programming of the Union's activities to proceed in 2006.

In any case, in 2004 a two-year process of negotiating the budget will be opened, when the dynamics and language of distributive politics will reappear. The negotiations on the forthcoming Perspectives are expected to be extremely difficult. If their adoption has been difficult in the past, the adoption at 25 will add an extra hurdle, especially as accession members will call for financial returns. In addition new policies (CFSP and ESDP) may in the near future involve larger financial commitments. If no agreement were reached by the end of 2005 the

previous Financial Perspectives would remain in force until a replacement were agreed.

8. News from the Constitution Project

Federal Trust/UACES Conference: Towards a European Constitution
1-2 July 2004, London

This conference will explore the constitutional dimension of the current round of Treaty reform. A major two-day event, the conference will provide a platform for debate on the Convention and the IGC and well as more general themes about the EU as a constitutional project. See our Call for Papers and other information on our Conference webpage: <http://www.fedtrust.co.uk/Conference2004>

UACES/Federal Trust Study Group: Workshop III, 16 December 2003

The [Report](#) on Workshop III will soon be available on our website.

New Constitutional Online Papers

Kalypso Nicolaïdis, 'The New Constitution as European Democracy?' [Paper no. 38/03](#)

Brendan Donnelly, 'Whither the Council?' [Paper no. 37/03](#)

Graduate Student Essay Competition

Terms and conditions of the competition are available on our [website](#).

9. Web Corner

Here is our selection of highlights on the web for this month:

Federal Trust Policy Briefs on [Defence](#) and the [Constitution](#)

Istituto Affari Internazionali (IAI) [Papers](#)

John Pinder, 'Only a federal European Union can respond effectively to the existential challenges that confront the world.' John Pinder looks back at the first UEF Congress in 1947 and draws some lessons for Europe's role in the world today. [Federal Union](#).

'The world in the stage: a global security strategy for the European Union' *Notre Europe*. Sven Biscop and Rik Collsaet, [Policy Papers no. 8](#), December 2003.

[Newsletter](#) of the Robert Schumann Foundation.

10. External Events

Round table discussion: Britain's Changing Role in Europe, Views from within.

9 January 2004, 2-7 pm, Institute of Directors

Contact: alice.meynell@sjberwin.com

A New Constitution for Europe?

14 January 2004, 6-7:15pm, Institute of Advanced Legal Studies

Contact: belinda.crothers@sas.ac.uk

The Federal Trust is a member of:

