

The European Union and the United States

Global partners, global responsibilities



EUROPEAN UNION

Delegation of the European Commission to the United States

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So if America is now listening to Europe more, I think it is because we have worked hard to be worth listening to. If America is increasingly defining EU–US relations by what we can do together to promote democracy and freedom, it is because we have shown we can deliver results on the world stage.

'The EU and the US: a declaration of interdependence', speech by Commission President José Manuel Barroso at the EU Centre of Excellence at the Johns Hopkins School of Advanced International Studies, Washington DC, 18 October 2005

A long and enduring relationship

The richness and diversity of American society owes much to successive waves of immigration from practically every European country during the past 500 years. This accounts for the extent to which European country during the past 500 years.



peans and Americans share common values and maintain close cultural, economic, social and political ties. Of course, this is reflected in close transatlantic relations. In addition, the USA has been a stalwart supporter of integration between the nations of Europe, which is today embodied in the European Union.

The USA has maintained diplomatic relations with the European Union and its forerunners since 1953. In 1961, the US mission to the European Communities — now the European Union — was established in Brussels. The European Commission is represented in the USA by a delegation in Washington, which was established in 1954. The delegation represents the Commission in its dealings with the US government. It reports on US developments to headquarters in Brussels, and acts

as a liaison with other international institutions in Washington DC. A delegation in New York, accredited as observer to the United Nations, was established in 1964.

A framework for transatlantic relations

To assess and develop transatlantic cooperation, the European Union and the USA hold regular presidential summits. They came into being as a result of the November 1990 transatlantic declaration which for the first time formalised the USA's contacts with what was then the European Community.

With the emergence of a European common foreign and security policy (CFSP) and the European security and defence policy (ESDP), the EU became an increasingly more solid international partner in many areas, beyond trade matters. In addition, a joint response by the USA and Europe to a growing number of external challenges was needed, for example, in relation to the threat of proliferation of weapons of mass destruction, and of international terrorism, to the fragile peace process in the Middle East, and to the need to safeguard economic growth and employment. It was thus necessary to go beyond the regular consultations introduced by the transatlantic declaration.

And so, on 3 December 1995, at the EU–US summit in Madrid, European Commission President Santer, Spanish Prime Minister González, as President of the European Council, and then US President Clinton signed the new transatlantic agenda (NTA), which provided for joint action in four major fields:

- promoting peace and stability, democracy and development around the world;
- responding to global challenges;
- contributing to the expansion of world trade and closer economic relations;
- building bridges across the Atlantic.

Within the framework of the NTA, a new initiative, creating the transatlantic economic partnership (TEP) was launched at the EU–US summit on 18 May 1998 in London.

More recently, the June 2005 EU–US economic summit launched the 'EU–US initiative to enhance transatlantic economic integration and growth', covering cooperation on a broad spectrum of areas with a view to promoting further economic integration across the Atlantic and maximising the potential for economic growth.

Did you know...?

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Benefits for both sides of the Atlantic

Under the TEP, the European Community and the USA have concluded agreements to remove technical barriers to trade by mutual recognition of conformity assessment, and to work together on customs procedures. The newly launched economic initiative (EI) will take this further through initiatives such as the high-level regulatory cooperation forum, the regulatory dialogue on financial markets and intellectual property rights enforcement action.

Other examples of recent agreements with direct impact on EU and US citizens are the OAA and Galileo.

- Open aviation area (OAA): Negotiations were launched at the EU-US summit on June 2003. The comprehensive EU-US agreement will create a sound legal and economic basis for transatlantic air services, opening up new business opportunities for EU and US airlines and creating consumer benefits and new employment on both sides of the Atlantic.
- Galileo: The EU and the USA at the June 2004 summit signed an agreement enabling the European satellite navigation system Galileo and the American global position system GPS to cooperate. They agreed to adopt a common signal for certain services and to preserve national security capabilities. This will open vast possibilities for combined applications of GPS and Galileo signals for the benefit of users worldwide.



Impact on the global community

The benefits of our close bilateral relations reach well beyond the EU and the USA. As powers of global significance, the EU and the USA have a responsibility to cooperate to provide leadership in the world. They share an outward-looking agenda with both partners committed to cooperating on issues of global importance. This applies as much to the field of foreign affairs and development as to the more traditional area of trade.

Did you know...?

The EU and the USA jointly represent 10 % of the world's population and account for roughly 40 % of world trade and over 60 % of world GDP.

Terrorist attacks in New York City, Madrid, London or elsewhere have demonstrated cruelly that we are facing common challenges in a global context. A lot has been done to address the threat of terrorism, from fighting the financing of terrorist organisation to judicial and police cooperation, from higher security standards for containers to cooperation on border controls, including the transfer of air passenger data.

The EU and the USA will continue to work together

to contribute to the advancement of accountable and representative government, the rule of law, and respect for human rights as strategic priorities as well as a moral necessity.

An intensive dialogue

This ambitious agenda of cooperation between the EU and the USA in a large number of areas requires intensive dialogue. The yearly summits between the Presidents of the European Commission and the European Council and the President of the United States are the apex of an intensive dialogue.

The summits are prepared by a group of senior-level representatives (SLG) (composed of senior officials from the European Commission, the EU Presidency, the Council Secretariat and the US State Department) which has been entrusted to oversee work under the NTA. The SLG meets four to six times a year and prepares reports to summit leaders on achievements and new priorities. It is supported in its work by a task force, which ensures the day-to-day implementation of decisions taken.



Dialogue beyond government

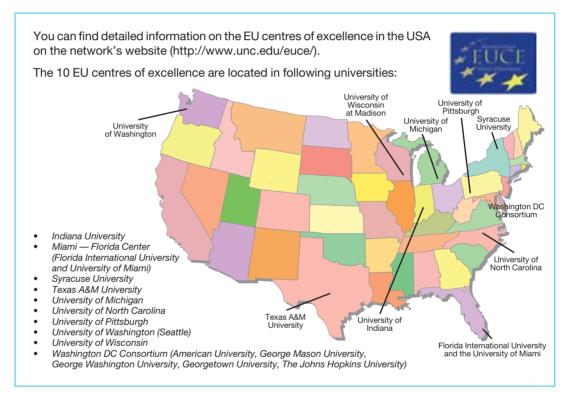
EU-US relations are not limited to contacts at government level; they are also about people. Our relationship is strengthened when our citizens are also involved, and establishing links between communities on either side of the Atlantic has been one of our fundamental aims. We have encouraged our parliamentarians, business people, scientists, academics, trade unionists and a broad range of citizens' groups to reinforce links with their transatlantic counterparts, to learn more about each other, to share experiences on the challenges faced, and to make their own input to pursuing our shared aims.

Understanding the European Union

The European Commission supports a number of innovative activities to reach out to American citizens and promote understanding of European integration and a shared vision of Europe's future. These include: activities organised by the EU and US 'think tank' community to promote debate about EU views on important policy issues, and about the EU–US relationship; actions to help familiarise future American decision-makers with the EU, its structures and policies; and to attract the media, local officials, the business community, legislators and other opinion leaders. American universities are playing an important role in this process.

A network of EU centres in the USA

In 1998, the Commission launched an ambitious initiative to establish a network of EU centres in American universities providing information and education about the European Union. The objectives of the EU centres are to increase awareness in the USA about the political, economic and cultural importance of the transatlantic relationship, to promote greater understanding in the United States of the European Union and its policies, and to disseminate information and publicise EU views on issues of transatlantic interest within regional communities.



The Commission now supports 10 such 'European Union centres of excellence' in universities across the USA in recognition of the high quality, variety and depth of their EU studies activities, which promote the study of the EU and EU–US relations through teaching programmes, scholarly research and outreach activities in their local and regional communities.





Transatlantic dialogue and civil society

As well as government-to-government dialogue on themes such as employment and health policy, we have promoted initiatives which bring together actors from the non-governmental, corporate, labour and non-profit sectors to discuss issues of common concern. Transatlantic conferences have been organised to address issues such as health and safety, biotechnology, consumer issues, international labour standards, work organisation, and the role of new technologies in promoting the role of disabled people in the workplace. We have also encouraged contacts between trade unions on both sides of the Atlantic.

Listening to the business community and consumers

A significant success in our efforts to build bridges between communities on both sides of the Atlantic is the transatlantic business dialogue (TABD). Launched in Seville in November 1995 by the European Commission and the US government, the TABD is now a business-driven process whereby business leaders from both sides of the Atlantic develop joint policy recommendations. Its aim is to boost transatlantic trade and investment opportunities by removing obstacles to the efficient conduct of international business. Each year the TABD brings together over 100 EU and US business leaders and high-level representatives of the European Commission and the US Administration in a two-day conference which provides substantial input to governments on a number of, mainly trade-related, areas. TABD is currently focusing on six 'priority issues' — regulatory cooperation, intellectual property rights, capital markets, trade and security, innovation and the WTO Doha round. The Transatlantic Consumers' Dialogue (TACD) which was launched in September 1998 contributes to the dialogs between EU and US authorities by transmitting consumers' views on policy issues of interest on both sides of the Atlantic.

Links between our legislators

The European Parliament brings together the democratically elected representatives of the European Union's 455 million citizens, whilst the US Senate and House of Representatives legislate on behalf of 291 million Americans. It is vital to the success of our common agenda that our legislators participate fully in shaping it. Working together, they can promote mutual understanding and seek solutions to common problems.



Members of the European Parliament and the US Congress meet regularly to exchange views on a wide range of issues relating to the new transatlantic agenda. For many years the EP/US Congress inter-parliamentary meeting has been one of the most relevant tools for discussion between legislators across the Atlantic. Parliament and Congress are also involved in exchanges of staff and the secondment of young diplomats.

The launching of the transatlantic legislators' dialogue (TLD) in January 1999 has provided a new impulse to relations between elected representatives. The TLD aims to strengthen and enhance interparliamentary relations, and its membership includes key legislators from both sides of the Atlantic.

Prospects for the future of transatlantic relations

Alongside these elements of coordination and cooperation, our dialogue structures provide us with a framework within which we can address our differences constructively. A partnership does not exclude tough talking on difficult issues. The strength of our relationship means that even thorny subjects such as climate change and differences over the application of international humanitarian law, the USA's extraterritorial legislation, or the different approaches to consumer protection on questions such as genetically modified food do not prevent progress in other areas. The ultimate goal is to optimise our partnership, making it even more fruitful and mutually beneficial, to increase prosperity and well-being on both sides of the Atlantic, and to enable the EU and the USA to contribute to increased security, stability and prosperity at global level.

Did you know...?

In 1954 a first information office was established in Washington, which in 1971 became a full diplomatic delegation. It is divided into eight sections, in which 80 members of staff work.

How to contact the delegation: **Delegation of the European**

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Unique bilateral economic relationship

The political relationship between us is underpinned by an immensely strong economic partnership. Trade and investment are the bedrock of transatlantic relations.

'Trade in the transatlantic relationship', speech by Peter Mandelson, European Commissioner with responsibility for trade, at the US Chamber of Commerce, Washington DC, 11 February 2005

A unique bilateral economic relationship

Strong economic integration



The EU and the USA are each other's main trading partners (taking goods and services together) and account for the largest bilateral trade relationship in the world: together, they account for almost 40 % of world trade. Every day, about EUR 1.7 billion of transatlantic trade (in goods and services) takes place. The transatlantic relationship defines the shape of the global economy as a whole as either the EU or the USA is also the largest trade and investment partner for almost all other countries.

The huge amount of bilateral trade and investment illustrates the high degree of interdependence of the two economies. Close to a quarter of all US–EU trade consists of transactions within firms based on their investments on either side of the Atlantic. Our mutual investment stocks add up to EUR 1.5 trillion, generating employment for about 12 million to 14 million workers.

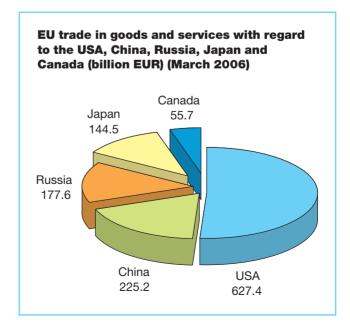
Bilateral trade and investment

The EU and the USA both account for around one fifth of each other's bilateral trade. The volume of trade in goods and services taken together amounted to more than EUR 627 billion in 2004.

In 2005, exports of goods from the EU-25 to the USA amounted to EUR 250 billion, while imports from the USA amounted to EUR 162.7 billion.

In services, EU imports from the USA were EUR 103 billion and EU exports to the USA amounted to EUR 111.7 in 2004.

The investment links are even more substantial. The EU and USA are each other's most important source for foreign direct investment (FDI). In 2004, the EU held an estimated total of EUR 702.9 billion in FDI in the USA, while the USA had EUR 802 billion of investment stocks in the EU; this adds up to a total of over EUR 1.5 trillion. This means that about two thirds of European and American companies' investments abroad go to the other side of the Atlantic.



The economic initiative

Following the commitment reached at the 2004 Dromoland summit to further transatlantic economic integration, spur innovation and job creation and realise the potential of both economies, the June 2005 EU–US economic summit launched the 'EU–US initiative to enhance transatlantic economic integration and growth'. This initiative covers the following areas: regulatory cooperation, capital markets, innovation, trade and transport security, energy efficiency, intellectual property rights, investment, competition, public procurement and services. In order to ensure that the economic initiative will be effectively implemented and good progress will be made, a joint detailed work programme was then developed and endorsed by the first ever EU–US informal economic ministerial meeting, held in Brussels on 30 November 2005.

The EU and US economies are continuing to grow together, rather than drifting apart. And we will contribute to make the framework conditions even better. The EU and the US economies already operate to a very large extent as one single transatlantic economy. Learned men tell us that 'globalisation is happening faster and reaching deeper between Europe and North America than between any other two continents in the world'. Indeed this is part of our strength and determines also the challenges we are facing together.

Günter Verheugen, Vice-President of the European Commission with responsibility for enterprise and industry, speaking to representatives of US industry, Washington DC, 21 June 2005



Multilateral trade issues

This EU–US bilateral trade relationship must also be placed in the broader multilateral context. The EU–US partnership was one of the key driving forces behind the launch of the Doha Development Agenda round of negotiations in November 2001, which aims at deepening trade liberalisation while ensuring integration of developing countries in the multilateral trading system. Although the failure of Cancun in September 2003 was obviously a setback in the process, it led to a period of global rethinking. The Hong Kong ministerial meeting in 2005 gave a new impetus to the round.

The European Community remains in favour of an ambitious round. EU–US cooperation on the round is ongoing. Both sides are willing to conclude the Doha Development Agenda (DDA) as soon as possible. The EU focus remains on agriculture, industrial tariffs, services, anti-dumping rules, geographical indications (Gls), development, and trade and environment.

Trade disputes

Despite such an impressive record in economic integration, a number of actual and potential trade disputes between the two transatlantic partners often dominate the headlines. Many of these problems arise because the EU and USA are not only partners, but also competitors on the global marketplace, or because of different regulatory systems and approaches, reflecting societal choices. They include trade issues such as the hormones and the GMO disputes, and the subsidisation of large civil aircraft industries.

Even if the economic impact of these disputes constitutes less than 2 % of the overall bilateral trade, they need to be managed. Both sides are committed to addressing the existing and future obstacles to trade and investment in the transatlantic market through the appropriate channels, i.e. bilaterally or through the WTO dispute settlement mechanism. Compliance with WTO rulings is of importance for the credibility of the multilateral trading system.

Regulatory cooperation

A dialogue on good regulatory practices has been set up between the European Commission and the US OIRA/OMB (Office of Information and Regulatory Affairs, Office of Management and Budget, Executive Office of the President). It covers discussions between the Commission and the US government on general regulatory policy issues, such as comparing the EU and US regulatory systems, and approaches to impact and risk assessments.

In addition, the 2005 economic initiative also set up a **high-level regulatory cooperation forum** to encourage EU and US regulators to exchange views, share experiences and learn from each other. The first meeting took place in Brussels on 26 January 2006 and focused on 'good regulatory practices', building on the EC–OMB dialogue on horizontal regulatory principles, including a discussion on the differences between our regulatory systems, and on impact assessment methodologies. A second event took place in the USA in May 2006 and focused on 'best cooperative practices and on regulatory work programmes'.

The **regulatory dialogue on financial markets** has proved to be a useful mechanism for managing tensions arising from conflicting approaches to financial regulation and for promoting upstream convergence on the principles of regulation. Regular exchanges between the respective regulatory agencies, mainly the European Commission, the US Treasury Department and the US Securities and Exchange Commission take place, focusing on issues such as the introduction of common international accounting standards in the USA or the required registration of European audit firms with the US Public Company Accounting Oversight Board.

Energy security

Global demand for oil and gas is increasing very rapidly, putting pressure on supply and leading to volatility and high prices. Oil dependency is a great concern for the EU. If current trends continue, the EU will import 70 % of its energy in 2030 compared with 50 % today. We share this concern with the USA, whose net imports of energy in 2030 are expected to constitute 33 % of energy consumption, up from 29 % in 2004. And of this, the US net petroleum imports are forecast to grow to 62 % of the demand by 2030. The Commission's Green Paper 'A European strategy for sustainable, competitive and secure energy', adopted in March 2006, and on the basis of which the European Council issued its conclusions soon after, represents a new beginning for energy policy in Europe. Energy is a challenge that can only be solved at the global level. Massive investment is needed throughout the global energy system to meet future energy demand. In Europe alone, this could be as much as EUR 1 trillion over the next 20 years. Globally, the requirement could be about USD 16 trillion. This concerns electricity systems and energy efficiency as well as fuels.

Unique bilateral economic relationship

I firmly believe that whatever action we take to further energy efficiency, we have to do so in close cooperation with our international partners. Energy efficiency is an issue in the interest of all energy-importing countries and should be integrated into our global strategy for security of energy supply.

Andris Piebalgs, European Commissioner with responsibility for energy, speaking on energy efficiency at an international conference, London, 2 November 2005



This energy challenge requires a global response: a new energy system, based on effective collaboration with both producers and consumers, and efforts to increase energy efficiency worldwide and to increase the production of renewable and low-carbon energy.

The decision by the EU and the USA at the June 2005 summit to intensify their collaboration on energy security, to set tighter goals for energy efficiency and to increase the share of alternative energy used is an important step in addressing the scarcity and unreliability of supplies of conventional energies.

Transportation safety

In the aviation safety field, the European Community and the USA have negociated a bilateral agreement on the reciprocal acceptance of certification findings in the field of civil aviation safety which will replace all existing agreements between the EU Member States and the USA. This follows the entry into force in 2002 of European legislation on common rules in the field of civil aviation and the establishment of a European Aviation Safety Agency (EASA).

There is also a European Community–US agreement on mutual recognition of certificates of conformity of marine equipment, aimed at increasing convergence of EU and US technical regulations for marine equipment.

Did you know...?

The United States is Europe's leading aviation partner, and vice versa. A study carried out for the European Commission at the end of 2002 estimated that an agreement creating an open aviation area would generate some 17 million extra passengers a year and consumer benefits of over USD 5 billion a year, not to mention new jobs on both sides of the Atlantic.

Jacques Barrot, Vice-President of the European Commission with responsibility for transport, speaking at the European Institute, Washington DC, 22 March 2005



Unique bilateral economic relationship

Consumer protection

Consumer protection problems are posed increasingly as being of a cross-border nature. This is linked to the ever increasing volume of trade in food and consumer goods, to travel and tourism and to mail order and Internet sales and scams. The Commission works closely with the US Food and Drug Administration, the US Federal Trade Commission and the US Consumer Product Safety Commission on matters of common interest such as food safety, nutrition and obesity, consumer product safety and international cooperation on enforcement of consumer protection laws. In addition, the European Commission encourages the work of the transatlantic consumer dialogue (TACD) which is a forum of US and EU consumer organisations created to promote consumer interests in EU and US policy-making.

Higher education and training

Educational activities are vital not only for strengthening the links between young people in Europe and in the USA but also for enhancing our economic relationship. At the EU–US summit in June 2005, leaders identified education cooperation as one of the tools 'to increase synergies across the Atlantic as we become more knowledge-based economies'.

The EU–US agreement on higher education and vocational training which was launched in 1995 has proved to be an excellent cooperation tool and accordingly it has been renewed in 2006 for a further eight-year period. The aim of the agreement is to encourage innovative cooperation projects between EU and US educational institutions, in particular through joint study programmes which provide a framework for mobility for students wishing to spend part of their studies on the other side of the Atlantic. These programmes provide also for the possibility of acquiring joint transatlantic degrees.

Educational links between the EU and the USA were strengthened further in 2004 with the launch of Erasmus Mundus. This programme supports the establishment of European Master's courses, provides scholarships for graduates and scholars from all over the world to participate in them and supports the establishment of partnerships and exchanges with higher education institutions outside the EU.

Space cooperation

The EU is building up a coherent approach to space activities in support of its economic, social and development policies, making use of technology development by the European Space Agency (ESA) and Member States. The EU-US economic initiative follows up on the mutual interest the EU and the USA have identified in cooperating on the use of civilian space-based technologies by establishing a structured dialogue between the two partners. The first meeting took place in March 2006, and meetings will continue on an annual basis. The dialogue is designed to: improve mutual understanding of how space policy issues are approached on both sides of the Atlantic and identify 'best practices'; promote cooperation in key areas such as earth observation, satellite navigation (Galileo, GPS), electronic communication, space science and exploration, and support to developing countries for space-related activities; and address regulatory issues in the creation of a properly functioning transatlantic market for the space industry.



uropean Union — United State

Unique bilateral economic relationship

Research and development

The EU–US science and technology agreement entered into force in 1998 and was renewed in 2004. It is a key instrument in expanding transatlantic scientific cooperation and complements the many bilateral arrangements with individual Member States and between individual scientists. The agreement provides a broad framework for collaboration in areas where the EU and the USA are doing some of the most advanced research in the world. Actions are undertaken through implementing arrangements on the following topics: environment, metrology, materials science (including nanotechnology), and non-nuclear and renewable energy (including hydrogen). There is also a task force on biotechnology.

What better subject than science and research to demonstrate how closely interdependent the world's two economic giants are! And to illustrate how our common challenges stimulate not only cooperation, but also competition, which in turn triggers innovation and results. Cooperation on science and research between our two continents goes back a long time, and has its natural, self-evolving reasons. We simply have had no other choice than to work together to tackle universal concerns without boundaries.

'Between cooperation and competition — Science and research as a transatlantic bridge builder', speech by Janez Potočnik, European Commissioner with responsibility for science and research, Brussels, 7 March 2006



The European research framework programme promotes transnational collaborative activities that are open to scientists and engineers from all parts of the world, and now includes fellowships to allow European researchers to work abroad and non-European researchers to work in Europe. Known as the Marie Curie actions, they involve researchers in all scientific and technological fields and at all career levels.

Under the aegis of the EU–US economic initiative, cooperation on basic science is being highlighted, recognising its importance as a driver of progress and wealth and of the role it can play in addressing global problems. January 2006 saw the launch of the 'Perspectives in the future of science and technology' transatlantic conference series. These informal brainstorming workshops, involving top scientists and policy-makers from Europe and the USA, aim to promote joint assessment of needs and developments in emerging science and technology fields, and common understanding of their societal and policy implications.

All of these activities contribute to the strengthening of EU–US scientific links. In addition, certain multilateral initiatives — in areas such as earth observation and hydrogen and fuel cell technologies — see the EU and the USA joining forces in leading substantial international coordination efforts involving several other partners.

June 2006







United by values

The European Union and the United States believe that the spread of accountable and representative government, the rule of law, and respect for human rights as enshrined in the Universal Declaration of Human Rights, are a strategic priority as well as a moral necessity.

We will continue to work together to advance these priorities around the world.

'Democracy, freedom and human rights', EU-US summit declaration, Washington DC, 20 June 2005

United by values



Values can sometimes be difficult to define, yet they govern behaviour and goals, priorities and actions. EU Member States hold that democracy is the best form of government and, therefore, the EU supports pluralistic societies with rights of free speech, religion and thought. The EU supports the rule of law, as expressed through democratic processes and implemented by independent judiciaries. It respects and promotes human rights, both within its Member States and around the world, including the rights of minorities and ethnic groups. It supports freemarket economies where development and growth are driven by the private sector and facilitated by governments.

The Member States of the EU — over 450 million people speaking far more than the Union's 20 official languages — are united by these fundamental values which have underpinned half a century of stability, peace and prosperity. They have strengthened Europe's voice in the world and served as a model for other nations.

The EU maintains that prosperous nations have an obligation to help less-developed countries share in the benefits of global integration. It believes strongly in dialogue among nations and in multilateralism as the best means to solve global problems.

It is the fundamental values that the EU shares with the USA that make us strong partners on the international stage. The EU and USA together provide almost 80 % of global development aid. When the EU and USA are united, they can be more persuasive in convincing other countries to develop common solutions and approaches, in line with shared values, to the many serious issues facing the global community. Like all partners, the EU and USA do not always agree, but in most instances, these disagreements are about tactics rather than the values that underpin their ongoing association.

Democracy and human rights

From the very beginning of European integration, democracy has been a requirement for membership. The prospect of EU accession helped smooth the transition to democratic rule in many European nations prior to their accession to the Union. The principle of human rights was first defined at the European level by the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms of the Council of Europe, an organisation made up of over 40 European countries. It was later expanded in the EU's own Charter of Fundamental Rights, proclaimed in December 2000 in Nice. The charter draws together for the first time all EU-protected personal, civil, political, economic and social rights into a single text. But it goes beyond simply restating a universal human rights by addressing contemporary issues such as bioethics and the protection of personal information and data.

The EU has also created a variety of instruments to support democracy promotion and human rights protection around the world and at home. The European Monitoring Centre on Racism and Xenophobia, which helps to inform policy-makers, will become the European Union Agency for Fundamental Rights in 2007.

European Union — United States

United by values

Did you know...?

... the milestones of protection of human rights in Europe?

The European Convention for the Protection of Human Rights and Fundamental Freedoms was adopted in 1950 and established the core principles to be respected by all 40 Member States of the Council of Europe. The Treaty on European Union (Maastricht Treaty) in 1993 provided the first treaty-based adoption of the Convention of the Council of Europe. In 2000 the European Council proclaimed the Charter of Fundamental Rights, setting out civil, political, economic and social rights of EU citizens and residents, and in 2005 the EU proposed the transformation and the extension of the mandate of the EU Monitoring Centre on Racism and Xenophobia (established in 1998) into an EU Agency for Fundamental Rights.

We have seen the development of a cooperative reflex with the USA in our dialogue on democracy promotion, both in the long term and with more immediate focus. Intense exchanges take place on countries in the Middle East, central Europe, Africa and Asia. In each case the nature and level of our dialogue varies, from high-level political exchanges to working-level desk-to-desk contacts and cooperation on the ground in ensuring coherence in assistance programmes. We are convinced of the importance and strength of delivering the same political messages.

Effective multilateralism

This basically means for us that together we can address the challenges at hand better than alone. This principle lies at the core of the foundation of the European Union itself, but in some sense also of the United States. In a world of global threats and challenges, global markets and global media, our security and prosperity increasingly depend on an effective multilateral system.

Dr Benita Ferrero-Waldner, European Commissioner with responsibility for external relations and European neighbourhood policy, speaking on effective multilateralism, European Union Studies Centre, City University of New York, 15 September 2005



The EU's core values are the foundation of its relations with the rest of the world. The EU recognises that values are a subject on which societies can legitimately differ, for instance, by placing varying degrees of emphasis on the role of science, labour and environmental standards in the formulation of policy.

United by values

The EU is committed to reaching its foreign policy goals through diplomacy — that is, by the force of its arguments and ideas. Economic sanctions and military operations are considered only as a last resort, to be used when diplomacy has been exhausted. Multilateralism is at the core of EU foreign policy.

- In support of democracy, the EU provides direct assistance to countries making the transition from authoritarian to democratic governments. The Union helps emerging democracies develop good governance procedures, supports the strengthening of civil society, and works to ensure open and fair elections
- 2. To advance human rights around the world, since 1992, the EU has included a human rights clause in all trade and cooperation agreements with non-EU countries, most of which provide aid and preferential trade access to the Union, as well as regular political dialogue and conflict resolution. Failure to comply can result in a suspension of EU aid or preferential market access.
- 3. In promoting sustainable development, the EU's ability to rally the world around a consensus of sound action rests first on its ability to implement sustainable policies at home. The EU is, for example, strictly implementing its obligations under the Kyoto Agreement.



Europe, with its mosaic of geographic, ethnic, cultural, religious and language diversity, is a microcosm of the world community. Its half-century of experience sharing sovereignty to pursue common interests while respecting differences provides a sound basis for using the tools of diplomacy and negotiation in dealing with the international community.

EU and the death penalty

The European Union is opposed to the death penalty in all cases and in all countries, a stance rooted in the inherent dignity of all human beings and the inviolability of the human person, regardless of the crime committed.

The Union works in support of universal death penalty abolition and raises the issue in political dialogue with all countries where it exists, including the United States. The EU involves itself in individual capital cases when violations of minimum standards are at issue, for example imposition of the death penalty on minors or persons with mental disabilities. The EU also cooperates with multilateral organisations, including the United Nations Commission on Human Rights and in future the Human Rights Council, as it works to put an end to the death penalty.



Abolition of the death penalty is a requirement for all countries seeking EU membership, which must sign on to Protocol No 6 to the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR).

The EU does not extradite any individual to a country where the death penalty could be imposed for the crime being alleged. The EU and USA have in place an extradition agreement under which the USA waives the death penalty for any individual in Europe being sought by US authorities.

Respect for human rights

The EU has a good human rights record but recognises that there is always more to do. The Union is particularly concerned about the need to fight racism, anti-Semitism, xenophobia and discrimination against minorities and women in the EU. Human rights concerns in the area of asylum and migration, led notable efforts such as the establishment of a European Refugee Fund to provide support to displaced persons, and the use of cross-border programmes with local police, judicial and law enforcement authorities to stop illegal trafficking and sexual exploitation of women and children.

ropean Union — United States

United by values

Did you know...?

... that election observer missions are an important EU democracy promotion tool?

The EU believes that genuine elections are an essential basis for sustainable development and a functioning democracy, and that actions supporting the right to participate in genuine elections can make a major contribution to peace, security and conflict prevention. EU election observation is based on the principles of independence, impartiality, transparency, long-term observation and professionalism. The election observer missions (EOMs) not only have the ambitious task of observing and reporting on elections, they also enhance the transparency of the process and the confidence of voters. They can serve as a conflict prevention mechanism, providing an impartial assessment of the election process, defusing tension and, by their presence, deterring or reporting fraud.

The EU has been active in election observation since 1993 and has carried out approximately 8 to 10 EOMs each year for a financial allocation of some EUR 13 million per year. In 2005 and 2006, the number increased to 13 EOMs per year for approximately EUR 27 million for each year.

In promoting respect for human rights worldwide, the EU focuses on the following specific areas:

- strengthening democracy, good governance and the rule of law by advocating political pluralism, free elections, a free media, independent judicial systems and strong civil societies;
- combating torture and other forms of inhumane treatment through preventive measures, such as police and military training and education programmes, as well as prosecuting those employing repressive measures, including through international tribunals;
- fighting racism, xenophobia and discrimination on the basis of sex, religion, race, ethnic origin, disability, age or sexual orientation;
- promoting gender equality and the rights of children around the world, including working to end child labour and protecting children living in conflict zones;
- combating the trafficking of human beings;
- sending election observer missions to non-EU countries to increase public confidence in the electoral process, deter fraud, strengthen respect for human rights and provide an impartial assessment;
- providing support to global organisations involved in the defence of human rights, such as the International Committee of the Red Cross, the Organisation for Security and Cooperation in Europe (OSCE), several United Nations agencies and other non-governmental organisations;
- supporting the International Criminal Court (ICC). The EU believes the creation of the ICC is a significant achievement that will strengthen the rule of law, remove impunity for those who have committed atrocities, and advance global peace and justice.

June 2006







Cooperation with the United States figures particularly prominently in our external relations strategy because our societies are based on common values such as democracy, the rule of law and respect for human rights and fundamental freedoms. The transatlantic security partnership has a long-standing history and will remain a pillar of our policy. By working together with our transatlantic partners, we will make it as difficult as possible for the terrorists to operate.

Franco Frattini, Commission Vice-President with responsibility for justice, freedom and security, and the internal and external dimension of fighting terrorism, Fourth Congress on European Defence, Berlin, 28 November 2005

Justice, freedom and security

Cooperation in the fields of counterterrorism and justice and home affairs

The Treaty of Amsterdam on the European Union (EU) which came into force on 1 May 1999 states that the EU must be maintained: as an area of freedom, security and justice, in which the free movement of persons is assured whilst ensuring that appropriate measures with respect to external border controls, asylum, immigration are deployed to prevent and combat crime.



The Tampere European Council in October 1999 agreed an ambitious programme to improve the protection of persons in the exercise of their fundamental rights, to develop an integrated border management system and visa policy, to promote a common policy of management of migratory flows, to develop a common European asylum policy, to promote coherence in criminal justice, to strengthen the efficacy of police and customs action, to promote stronger action for crime prevention and to develop a multidisciplinary mobilisation to combat drugs.

The programme also identified 'action to prevent and combat terrorism' as a key priority. But the terrorist attacks on New York and Washington in 2001, on Madrid in 2004 and London in 2005 taught democracies on both sides of the Atlantic brutal lessons about their vulnerabilities. Europeans understood that this new, virulent strain of terrorism demanded a broader and more comprehensive strategy. In an action

plan developed just 10 days after September 11, 2001, the European Union expressed its solidarity with the United States and demanded greater cooperation among its Member States and within the multi-lateral framework. Since 2001, the EU has built steadily on that foundation in developing a multifaceted campaign to thwart terrorism. The EU adopted a revised counter-terrorism strategy in December 2005 which included actions to prevent, protect, pursue and respond to terrorist threats.

I am a firm believer in that European dream, and in the potential we have for promoting democracy, freedom and justice throughout the world. But we can only fulfil that potential if we work ever more closely with our closest, most natural partner, the United States.

Dr Benita Ferrero-Waldner, European Commissioner with responsibility for external relations and European neighbourhood policy, European Union Studies Centre, City University of New York, 15 September 2005



The EU understands that the development of an area of freedom, security and justice within the EU can only be successful if it is underpinned by a partnership with third countries. Therefore the EU also adopted in December 2005 a strategy for the external dimension of justice, freedom and security, which seeks to confront the inter-linked threat and challenges posed by terrorism, organised crime, corruption and drugs and migration flows. It promotes the respect of human rights, the rule of law and international obligations, strengthens judicial and law enforcement capacities and cooperation and supports multilateral approaches to strengthen policies in the area of freedom, security and justice. Partnership with the USA is an integral part of this strategy.

Shared values, common action

The threat of global terrorism has demonstrated the depth of European–American shared values and interests like no other issue since the Cold War. Transatlantic cooperation has been robust and is growing stronger. The following topics are among the key measures on which the EU and USA work together.

- Extradition and mutual legal assistance: The EU and the USA have concluded agreements on extradition and mutual legal assistance that will speed extradition procedures through direct contacts between
 - US and European agencies. Extradition will be possible for more offences and authorities will have access to bank accounts on the other side of the Atlantic for the investigation of serious crimes. For this purpose, joint EU–US investigative teams can also be created.
- Transport security: The EU and the USA have made significant improvements to the security of transatlantic air and sea transportation, including agreements on the transfer of PNR (passenger name records) data held by airlines to US Customs and Border Protection (CBP) as well as the expansion of customs cooperation to cover container security.



- Secure travel documents: The EU and the USA are consulting closely on the adoption of secure passports incorporating biometric data such as facial imagery. All EU Member States will begin issuing biometric passports by 28 August 2006. The USA hopes to begin issuing its e-passports containing biometric identifiers by the end of 2006.
- Visa reciprocity: All US citizens are allowed visa-free travel to the EU for purposes of business and tourism. But 10 EU Member States (') do not currently enjoy full reciprocal visa-free travel rights to the USA. The EU is working to achieve full reciprocity for the citizens of all 25 of its Member States.
- Global standards: The EU and the USA have worked together to establish global security standards such as the International Ship and Port Facility Security Code at the International Maritime Organisation (IMO). Efforts are ongoing in the areas of passenger name records and in-flight security at the International Civil Aviation Organisation (ICAO) and container security and seals at the World Customs Organisation (WCO).
- **Information sharing:** Europol and US law enforcement agencies have signed two agreements on intelligence and personal data sharing.
- Cutting the flow of terrorist financing: EU and US measures to choke off financing of terrorist
 activities, including the freezing of suspect assets, have been in place for years. Now, they are being
 strengthened in a number of ways, including increasing scrutiny of alternative remittance systems,
 wire transfers and cross-border cash movements.
- Judicial cooperation: There is regular dialogue between Eurojust (the EU body for judicial cooperation in criminal matters) and the US Justice Department.



The overall agenda for future cooperation is now set out in the joint EU–US declaration on combating terrorism, adopted in June 2004 at the EU–US summit at Dromoland Castle, Ireland. The transatlantic partners have learned a great deal about working together in recent years. Mechanisms for dialogue and consultation are now well established between Washington and Brussels, allowing early discussions on issues that could create political or economic problems in either the EU or the

USA before actions are taken or initiatives are finalised.



A consistent theme in the EU's counterterrorism policies is the need to confront the terror threat in a comprehensive manner. It is also vital to understand the root causes of terrorism and address them effectively and with sufficient resources. Failure to do so will provide terrorists with a ready supply of new recruits.

EU efforts to address the factors contributing to terrorism include support for democratic institutions, economic development, poverty reduction, and improved education systems in developing nations around the world. This important work is undertaken by the EU's external assistance programmes. The EU is responsible for 55 % of official development assistance globally.

The EU's development assistance has a positive impact in communities where terrorist groups operate. It can erode support for these networks and movements by reducing poverty, promoting land reform, minority rights and good governance, fighting corruption and supporting post-conflict activities. It promotes participatory political and social development at the grassroots level. EU foreign assistance is also a tool to counter the flow of funds from extremist organisations which are used by terrorists to increase their influence, recruit, and spread extremist views and ideologies.

Fighting terrorism, defending human rights

The EU and the USA share the belief that the fight against terrorism must be anchored in a legal framework that assures respect for fundamental human rights and international humanitarian law and which is built on the principles of democracy, good governance and the rule of law. Despite the common values which underpin EU–US cooperation in the fight against terrorism and other international criminal activity, there remain some differences between us. Some of these differences relate to differing attitudes to aspects of domestic legislation such as the USA's continued use of the death penalty (the EU is committed to work towards universal abolition of the death penalty). The EU and the USA also differ in their interpretation of some aspects of international humanitarian law. The adoption of the McCain amendment to the Defense Appropriations Bill 2006, formally outlawing cruel, inhuman and degrading treatment, was a positive step from an EU perspective. In addition there have been individual cases of malpractice, such as those occurring in the Abu Ghraib prison near Baghdad, which have been condemned both by the USA and the EU. Consultations between the EU and the United States have involved frank discussions on issues including the treatment and status of detainees held by the USA at Guantánamo Bay, Cuba, as well as 'extraordinary renditions' of terror suspects to other countries.

Did you know...?

As many as 91 % of European citizens believe that the EU, rather than their national governments, should make decisions about the fight against terrorism.

Source: Eurobarometer.

The fight against drugs

Drug abuse and the trade in illicit drugs are worldwide phenomena that are threatening health and social stability. They lead to death, disease, crime and corruption. There are millions of drug addicts on both sides of the Atlantic. Revenues from drugs have fuelled the weakening of state structures in several drug-producing countries. These activities undermine both the rule of law and social order itself.

The EU drugs strategy 2005–12, approved in December 2004, aims to tackle drug abuse within the EU but also the trafficking and supply of illegal drugs from outside. EU–US cooperation has focused on some of the key areas of production — notably Afghanistan — and on key supply routes such as the Balkans. Parallel activities by the EU and the USA include assisting third countries in crop eradication and substitution measures, developing alternative livelihoods for narcotics producers, and strengthening local police and border security forces. In addition the EC and the USA continue to work to implement the 1997 EC–US agreement to prevent the diversion of substances frequently used in the illicit manufacture of narcotic drugs.











Europe needs the US and the US needs Europe. When we speak with a common voice, no challenge is too great. When we speak with a common voice, we are truly an indispensable partnership.

José Manuel Barroso, President of the European Commission, speaking at Georgetown University, Washington DC, 9 February 2006

Foreign policy cooperation

The steady increase in the breadth and depth of transatlantic foreign policy cooperation has been one of the most striking developments in recent years.

Enhanced EU–US communication has been essential in developing a closer understanding of our respective policy positions and the better coordination of our activities. The Transatlantic Declaration (1990) introduced 'structured political dialogues' to allow for EU–US discussion on a great variety of regional and horizontal themes in the area of external relations. In recent years though, it has been the development of more informal and operational ad hoc contacts which have allowed for a more detailed understanding of our respective priorities and policies, provided early warning of potential problems and improved the coordination of policy planning and assistance.

We need an internationally active Europe, a Europe that assumes its responsibility on the world stage, a Europe that forges an even stronger foreign policy to promote peace and human security.

Europe has no choice but to be a global actor: this must be part of the new political 'Euro-vision'.

Dr Benita Ferrero-Waldner, Member of the European Commission with responsibility for external relations and neighbourhood policy, speaking at the inauguration of the Berta-von-Suttner building, Brussels, 8 March 2006



The Balkans

Following the conclusion of the Dayton peace agreement in 1995 the EU has worked alongside the USA in providing humanitarian and emergency aid, including mine-clearing and reconstruction activities such as rebuilding schools, hospitals, roads and other infrastructure. It also fostered political reconciliation and facilitated the return of refugees. Since 1991, the EU has provided more than EUR 7 billion in aid to the Western Balkans, in addition to bilateral contributions from EU Member States. EU aid is currently focused on developing public institutions, reinforcing Balkan economies, improving police and legal systems, developing an independent media, facilitating the return of refugees, and building respect for human rights. The EU's stabilisation and association process provides assistance and encourages reform within a framework that can lead to eventual EU membership.

The Balkan conflict gave additional impetus to the development of the EU's common foreign and security policy (CFSP) and the creation of civilian and military instruments to prevent and address future crises. The EU has undertaken a number of military and police operations in Bosnia and the former Yugoslav Republic of Macedonia. In December 2004, the EU, with UN backing, took over from NATO mission responsibilities for peace-keeping across Bosnia. The largest operation launched by the EU to date, involves 7 000 troops from 33 countries, including 22 EU Member States.

Since the outset of the crisis, the European Union has taken the lead in the enormous effort of the reconstruction of Kosovo. The European Union is by far the single largest donor providing assistance to Kosovo. Since 1999 this has totalled over EUR 1.6 billion. The main priorities are **democratic stabilisation**, **good governance and institution building**, and **economic and social development**. The European Agency for Reconstruction manages these programmes. The amount committed for 2005 is EUR 59.5 million, and EUR 54.5 million has been earmarked for 2006. Furthermore, with its funding of Pillar IV of the United Nations Mission in Kosovo (UNMIK), the EU is supporting the revitalisation of economic activity in Kosovo and creating the conditions for a modern, open economy.

By becoming a stronger and more capable international actor, we will be a better partner for the United States. The Balkans are a good case in point. Through our concerted efforts, with the US and NATO, we have ensured that the stability of the region is no longer threatened by the outbreak of a major conflict.

Javier Solana, EU High Representative for Foreign and Security Policy, speaking on 'Europe's international role', Bratislava, 9 November 2005



Afghanistan

Since the fall of the Taliban in 2001, the EU and the USA have been the principal providers of aid and reconstruction assistance to Afghanistan. The EU has committed to providing EUR 2.2 billion from 2004–06. Twenty-three of the EU's 25 Member States contribute to the UN-mandated international security assistance force (ISAF) that helps Afghan authorities maintain security in Kabul and surrounding areas. Several EU Member States provide troops to the US-led coalition and Operation Enduring Freedom that is continuing anti-terrorist operations as well as the training of the Afghan national army and national police.

EU assistance in Afghanistan is concentrated on health, rural recovery, infrastructure and public administration reform. The EU is engaged in de-mining activities, building civil society, fostering human rights

and supporting elections. The EU is also helping fight the drug trade in Afghanistan, which is responsible for more than 80 % of global heroin production, much of it ending up in Europe. The EU is working to help farmers' transition from growing opium poppies to alternative sustainable livelihoods.

The Mediterranean and the Middle Fast

The European Union has long been involved in efforts to promote peace, prosperity and stability in the Mediterranean region. The Barcelona process launched in 1995 brings together EU Member States and their Mediterranean neighbours. Through the Barcelona process, the EU provides EUR 3 billion annually in loans and grants to its neighbours to promote good governance, rule of law, the development of civil society, effective social, educational and environmental policies, and support to local entrepreneurs and regional integration. This agenda has been taken up by the G8's Forum for the Future in which the EU, the USA and other key international partners are seeking to promote parallel and mutually reinforcing strategies in the Mediterranean and the wider Middle East.

The EU and the USA have coordinated closely in their efforts to support democratic processes in Egypt and Lebanon. We have also maintained close contacts in encouraging Libya in its efforts to re-engage with the international community.

As a member of the international quartet (with the USA, the UN and Russia) that drafted the Middle East roadmap, the EU is directly engaged in efforts to end the conflict between Israel and the Palestinians. The EU is the leading donor to the peace process and to Palestinian preparations for statehood, as well as Israel's biggest trading partner.

The EU is providing a variety of humanitarian, reconstruction, and political transition assistance to Iraq. The Union has funded aid to restore public services such as education, healthcare and sanitation, supported election processes and is working to strengthen democratic institutions. In



February 2005, the EU launched EUJUST LEX, a European security and defence policy (ESDP) integrated rule of law mission to Iraq tasked with training more than 500 judges, magistrates, police and prison officials, and 250 investigators and police officials in a one-year period. In July 2005 the EU and the USA jointly sponsored an international conference on the future of Iraq, at which more than 80 countries pledged their support for the physical and political reconstruction of a democratic Iraq.

Africa

The EU is at the forefront of the international community's efforts to assist Africa's governments in fighting the intertwined threats of poverty, disease, corruption and internal and cross-border conflict. The EU and its Member States provide 55 % of overseas development assistance to sub-Saharan Africa. The EU and the USA are committed to strengthening the capacity of regional bodies such as the African Union. We are also undertaking projects to encourage regional economic integration.

In response to the conflict in the Democratic Republic of the Congo (DRC) in June 2003, the EU launched its first military deployment outside Europe, involving 2 000 peacekeeping troops from six EU Member States as well as South Africa, Brazil and Canada. The EU has since launched additional ESDP missions aimed at strengthening DRC police forces, providing assistance for security sector reform and contributing to a successful integration of the Congolese army. The EU also provided financial and technical support, including training 32 000 police officers in further preparation for national elections. There will also be an ESDP military mission in support of the UN contingent, in order to prevent violence before, during and shortly after the elections.

Since the crisis in Darfur, Sudan, erupted in 2003, the EU and the USA have maintained close contacts in attempting to bring all sides to the negotiating table and to support efforts by African Union (AU) peacekeeping forces to stabilise the situation. In May 2005, the EU expanded support to the AU efforts by providing equipment and assets, training, military observers and transport resources, including airlifts, in the military sphere, and providing training and support for the development of new police units on the civilian side.

The EU and its Member States have contributed EUR 570 million in total toward alleviating the effects of and resolving the Darfur conflict.

Asia

The EU's widening international horizons have been demonstrated by its increasingly active role in East Asia. In Indonesia the EU, together with contributing countries from the Association of South-East Asian Nations (ASEAN), Norway and Switzerland, sent a monitoring mission to Aceh in September 2005 to monitor aspects of the peace agreement between the Government of Indonesia (GOI) and the Free Aceh Movement (GAM). The Aceh monitoring mission (AMM), which includes 219 international personnel, is the EU's first in East Asia.

The EU and the USA worked closely in responding to the devastating natural disasters caused by the Indian Ocean tsunami and the Pakistan earthquake. The EU pledged over EUR 2 billion to assist with post-tsunami reconstruction. Rapid financial assistance from the European Commission was crucial in meeting the immediate needs for post-quake response in terms of essential supplies and the transport to get supplies to those most in need.

In addition to responding to short-term imperatives, the EU and the USA are looking ahead at key strategic developments in the region. The east Asia strategic dialogue, established in 2005, allows senior EU and US policy-makers to exchange views on key issues such as the emergence of China as a global political and economic actor and the prospects for the Korean peninsula.



EU-NATO cooperation

In developing its global role the EU has been fully conscious of the continuing importance of NATO as a guarantor of European security, as an important tie which binds Europe and the USA and as a force

Did you know...?

In Afghanistan, some 80 % of the troops in the NATO-led international security assistance force come from EU Member States. for good in the wider world. The EU has established regular consultation and cooperative military mechanisms with NATO to enable it to use NATO's common assets while ensuring enhanced transatlantic security and mutual decision-making autonomy. The NATO-EU link was formalised in the 2003 Berlin Plus arrangements, through which the EU can have 'ready access ... to the collective assets and capabilities of the Alliance, for operations in which the Alliance as a whole is not engaged militarily' (Washington summit declaration 1999). The EU has established a planning cell at NATO's

Supreme Headquarters Allied Powers Europe (SHAPE) to coordinate Berlin Plus missions.

June 2006







Development policy is at the heart of EU external action. It serves as the Union's best advertisement and reflects its identity as a global player and partner, striving to further its values, strengthen democracy, the rule of law, respect for human rights and the principles of international law, preserve peace and prevent conflicts, support sustainable development, and promote good world governance.

'Will Europe make a difference? Future of the European development policy', speech by Louis Michel, European Commissioner with responsibility for development and humanitarian aid,

Brussels, 1 September 2005

Promote development

The European Commission and Member States address global development challenges by promoting economic and social advancement, supporting regional integration, addressing humanitarian needs, facilitating trade and encouraging democracy and transparency in government.



On 20 December 2005, the presidents of the European Commission, of the European Parliament, and of the EU Council, signed the first joint development policy statement (DPS). This 'European consensus' provides the European Union, for the first time in 50 years of development cooperation, with a common vision of values, objectives, principles and means for development.

With the adoption of this statement by the three EU institutions, the 25 Member States and the European Commission will share a single framework for a more efficient and more coordinated development policy. The EU is the biggest aid donor in the world, accounting for 55 % of official development assistance, 20 % of which is managed by the Commission.

The development policy statement

builds on the strong international consensus that exists on the UN millennium development goals of 2005 and puts poverty eradication at the centre. It highlights the importance of the partnership with developing countries and the promotion of good governance, human rights and democracy as a means of harnessing globalisation.

This 'European consensus' sets development as a key element of the EU's external action along with the common foreign and security policy and trade policy. It also establishes links between development policy and other related policy areas such as migration, environment and employment. It recognises that the EU's relations with its developing partners require an ad hoc 'policy mix' of aid, trade and other policies tailored to the needs of each partnership.

Millennium development goals

The international community agreed to a set of ambitious objectives — the millennium development goals (MDGs) — at the United Nations millennium summit in 2000.

- 1. Eradicate extreme poverty and hunger Target: reduce global population living on less than USD 1 a day by 50 %.
- 2. Achieve universal primary education

 Target: ensure all boys and girls complete primary school.
- 3. Promote gender equality and empower women

 Target: eliminate gender disparities in primary and secondary education by 2010,
 all levels by 2015.
- 4. Reduce child mortality

 Target: reduce global child mortality rate by two thirds.
- 5. Improve maternal health Target: reduce women dying in childbirth by three quarters.
- 6. Combat HIV/AIDS, malaria, tuberculosis and other diseases Target: halt and reverse the spread of HIV/AIDS, malaria, TB and other diseases.
- 7. Ensure environmental sustainability

 Target: incorporate sustainable development into country policies; halve the proportion of world population without clean water and sanitation.
- 8. Develop a global partnership for development Target: make progress on a set of targets relating to debt relief, good governance, access to medications, access to new technologies, and employment for young people.

Official development aid

To scale up its support toward reaching the MDGs, the EU has committed to meeting an ambitious collective target of increasing official development assistance (ODA) to 0.56 % of gross national income by 2010 (up from 0.36 % in 2004), then rising to 0.7 % by 2015, bringing EU development aid to EUR 90 billion annually. The EU is striving to align its non-aid policies, such as trade, environment, fisheries and agriculture, with the eight MDGs while reinforcing its work on the African continent.



African, Caribbean, and Pacific countries (ACP)

Sub-Saharan Africa is farther from the MDGs than any other part of the world. Over 40 % of the population lives below the poverty line. In coming years, the EU will direct more than 50 % of all additional aid to Africa — totalling an added USD 10 billion per year by 2010 and an extra USD 22 billion annually as of 2015.

The EU's MDG package proposes to accelerate the EU's actions on the continent in a number of areas and in close collaboration with the African Union/New Partnership for Africa's Development. The package outlines plans to:

- improve African governance,
- invest in infrastructure, especially transport and telecommunications, to improve connections across
 the continent.
- foster equitable societies with equal access to services and promotion of environmental sustainability.

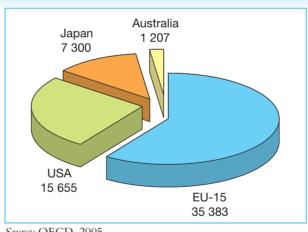
The Cotonou Agreement (signed in 2000) is a 20-year partnership between the EU and 79 countries representing more than 650 million people. It encompasses aid as well as preferential trade access to the EU market negotiated with regional groupings of ACP countries. Regular political dialogue and a consultation and conflict resolution mechanism aim to foster the fundamental and essential elements of the partnership — democracy, human rights, the rule of law, and good governance.

Did you know...?

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Official development aid spent by the EU-15, the USA, Japan and Australia in 2004 (million EUR)



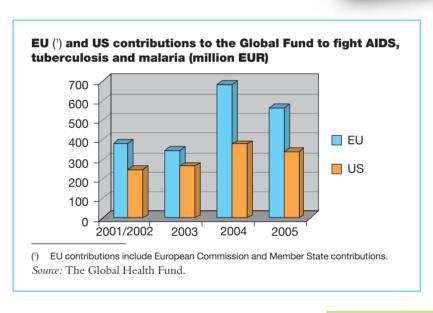
Source: OECD, 2005.

Aid under the Cotonou Agreement is jointly managed by the European Commission and the recipient country, to enhance ownership and sustainability. With nearly USD 13.5 billion in funding for 2000–07, the EC is one of the two largest donors in most ACP countries. In each country, the EC concentrates on two priority sectors determined by an evaluation of existing support programmes. The largest share of aid goes to economic reform, social services, and road infrastructure. The European Investment Bank implements a USD 2.037 billion investment facility to support the expansion of the private sector. Special initiatives announced at the 2002 World Summit on Sustainable Development, in Johannesburg, include the EU water initiative, backed by USD 600 million to improve water supplies, and the EU energy initiative, providing USD 300 million to expand sustainable energy services.

Confronting HIV/AIDS, malaria and tuberculosis in Africa

In an era dominated by the HIV/AIDS pandemic, the connection between global health and development issues is clear. The EU and the USA have both committed substantial resources to the fight against communicable diseases, and consult each other regularly to coordinate their efforts, both bilaterally and in the context of the Global Fund to fight AIDS, tuberculosis and malaria. The European Commission contributes roughly USD 240 million annually to this fund administered by the United Nations to combat the illnesses, making it the second largest individual donor after the United States. In addition to the money committed by its Member States, the European Community has committed a further EUR 1 billion to the fight against AIDS, TB and malaria for the period 2003–06.





EU-US cooperation in development: shared goals and values

The European Union and the United States together account for 80 % of official development assistance and an even larger share of global humanitarian assistance. They are both dedicated to fighting poverty and helping developing countries reach the millennium development goals by 2015.

Both the European Union and the United States are committed to supporting country 'ownership' of the development process as a requisite for development success.

During his visit to Washington in January 2005, Louis Michel, EU Commissioner with responsibility for development and humanitarian aid, underlined the importance of working together, stressing the close interrelationship between development and security. The EU and the USA coordinate closely in post-conflict reconstruction efforts in countries in Asia, Africa, and the Middle East and jointly support countries in their endeavours to achieve democratic reforms and enhance governance.

Trade: a powerful economic development tool

Trade and development are crucial and deeply intertwined issues — to eradicate extreme poverty, both must be addressed simultaneously. Because trade liberalisation leads to greater economic growth, it is a vital tool to supplement official development assistance.

Did you know...?

The EU is the main trade partner of poorest countries: 40 % of EU imports come from developing countries. The Union is the main importer of developing countries' agricultural products, more than the USA, Japan and Canada together. In 2003, more than 80 % of all exports from developing countries entered the EU duty-free or at greatly reduced duty rates.

Globalisation can bring economic benefits to all, including developing countries, provided appropriate rules are in place and special efforts are made to integrate developing economies. The EU is a strong supporter of the World Trade Organisation (WTO) and is working for a successful round of trade negotiations under the Doha Development Agenda, which specifically addresses issues of crucial importance to developing countries.

Migration and development

Migration is an increasingly important phenomenon at the global level. It is estimated that international migrants represent almost 3 % of the world's population. In some countries, however, these figures are much higher. The consequences of such flows on home countries' development prospects can no longer be neglected. Migration can sometimes be detrimental in development terms, for example when it leads to skill shortages - a situation that has occurred in the healthcare sector of some African countries. But its potential positive contribution must not be underestimated. Migrants' remittances represent a major source of foreign exchange for developing countries. Globally, they exceed by far the volume of official development assistance. Whilst it is private money, migrant remittances can nonetheless make a significant contribution to development efforts.



European Union — United States

Promote development

Similarly, migrants and the broader diasporas can make significant contributions to home countries' development — not only by returning after completing their employment in developed countries, but also by investing, by participating in schemes to share their skills and know-how and, more generally, through various forms of 'brain circulation'.



The European Commission, in its 1 September 2005 communication on migration and development, identified a number of concrete orientations for: action on cheaper remittance flows and facilitating the use of remittances for development-friendly use; involvement of willing diaspora members in the development of countries of origin; facilitating 'brain circulation' (e.g. by encouraging temporary migration) and limiting the impact of brain drain (e.g. by encouraging Member States to limit recruitment in countries and sectors suffering from skill shortages). These orientations will be reflected in the dialogue between the EU and interested developing countries, which may lead to targeted EU assistance to these countries. The EU will engage with a series of African countries on these issues in 2006. Discussions on these issues will also take place in the UN context with the high-level dialogue on migrational development on 14 and 15 September in New York.

June 2006







The European reaction to the terrible flooding and destruction inflicted by Hurricane Katrina went beyond the natural shock and intense sympathy for any disaster on this scale. It reminded me of Le Monde's headline after 9/11, 'Nous sommes tous Américains' — we are all Americans. We feel a special solidarity for each other. And just as Americans have been there for us at difficult moments of our history, we have mobilised our civilian protection coordination to send assistance from across Europe.

Speech by Dr Benita Ferrero-Waldner, European Commissioner with responsibility for external relations and European neighbourhood policy, European Union Studies Centre, City University of New York, 15 September 2005

Global challenges

The European Union and the United States share concerns about global challenges which cut across national boundaries and which threaten the safety and quality of life of our citizens. These include the degradation of the environment, the reduction of greenhouse gases, the assistance after natural disasters, the limited energy resources available and the risk of pandemics.

Environmental protection

Environment is a common good and it is the collective responsibility of all nations to make an effort in ensuring the respect of high environmental standards. We must do this for the future generations.

We have only taken the first hesitant steps to stop climate change, and much deeper emission cuts are needed. Biodiversity loss continues. Pollution in air, water and from chemicals continues to damage our nature and ruin human health. A lot still needs to be done.

The Commission is committed to achieving a high level of environmental protection, as shown by the ambitious environmental agenda set out in the environmental action plan 2002–12.



But tackling the global environmental challenges requires leadership and commitment from all key powers. We therefore do our utmost to have a constructive dialogue with our partners in bilateral and multilateral forums.

The relationship with the USA is marked by important policy differences: on climate change, the US rejection of the Kyoto Protocol and the reluctance of the US Administration to participate actively in discussions under the UN Framework Convention on Climate Change; and on biodiversity loss, the US refusal to ratify the Convention on Biological Diversity and the related Biosafety Protocol. The lack of commitment to international efforts by the USA remains a serious cause of concern for the EU, and other international partners, and risks unwarranted and unaffordable delay in concrete action at a global level to address environmental problems.

However, the EU and the USA maintain regular bilateral contacts on a number of environmental issues. Our aim is to promote a better understanding of each other's policies and legislation. This is the case, for instance, in the area of air pollution.

Greenhouse gas reduction

According to a US-sponsored study (') on the impact of global warming on the Arctic ice cap, melting is progressing much quicker than envisaged and will lead to an increase in global water level by up to 90 cm within the next 100 years.

Europe's responsibility is evident; we counted for 14 % of total greenhouse gas emissions in 2000. So is the USA's responsibility, since their share of emissions in the same year was 20 %.



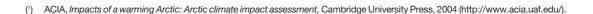
Europe is acting. Based on the scientific findings of the last report of the Intergovernmental Panel on Climate Change, the EU agreed to the ambitious target of limiting the temperature increase to 2 °C as compared to pre-industrial levels. This means that global greenhouse gas emissions should peak no later than 2025, and then be reduced by at least 15 %, but perhaps by as much as 50 % compared with 1990 levels.

The year 2005 was important in the European fight against global warming. In January, the EU emissions trading scheme took off, covering close to 11 500 installations

in the 25 Member States and accounting for around 45 % of the EU's total CO $_2$ emissions or about 30 % of its overall greenhouse gas emissions. And more sectors and emissions are intended to be covered in the future.

- In February, the Kyoto Protocol entered into force, compelling European countries to reduce greenhouse gas emissions by 8 % below the 1990 level by 2008–12.
- In July, the G8 agreed to act with resolve and urgency, that greenhouse gas emissions need to slow, peak and reverse, and that G8 countries need to make 'substantial cuts' in emissions.
- In September, the EU entered into new partnerships with India and China on climate change and clean technologies.
- In December (at the Montreal climate change conference) the international community made another step forward in international climate politics when they agreed to identify further emission reductions for developed countries within the framework of the Kyoto Protocol for the period after 2012.

Under the UN Framework Convention on Climate Change we agreed a second track of negotiations which includes all countries around the globe exploring innovative ideas on how to combat climate change. Future international climate policies must be based on broad participation in the global reduction effort — by all major emitters, including the USA and rapidly developing countries.



Did you know...?

... EU-15 emissions were down by 1.7 % compared to base-year levels in 2003, while our economy grew by 28 % from 1990–03. Projections show that based on measures in the pipeline and the use of the Kyoto flexible mechanisms, the EU-15 will reach a 9.3 % reduction in 2010, the median year of the 2008–12 period.

Stavros Dimas, European Commissioner with responsibility for the environment, in a press conference, Montreal, 8 December 2005



Post-disaster assistance

When the tsunami hit southern Asia, the EU immediately sprang into action and offered extensive assistance. The Commission immediately responded with humanitarian aid and committed, on day 1, EUR 3 million on humanitarian aid. The total contribution of the European Commission was EUR 473 million, to address humanitarian assistance as well as the longer-term rehabilitation and rebuilding phase. And the European

Did you know...?

The European Commission together with EU Member States pledged more than EUR 2 billion for tsunami-affected countries.

Commission together with its Member States pledged more than EUR 2 billion for tsunami-affected countries (EUR 566 million for humanitarian aid and EUR 1.5 billion for reconstruction assistance).

When Hurricane Katrina hit the USA, the EU stood ready to assist. The Commission, through the EU's civil protection mechanism, was able to respond to a request made by the USA and coordinate the offers of assistance put forward by the 30 European countries participating in

the mechanism. Offers, matching precise demands, were delivered in close coordination with the US authorities to ensure targeted and well-designed aid by EU Member States.



European Union — United States

Global challenges

Energy

Security of energy supply is a key issue for the EU for which the dependence is expected to count for as much as 90 % for oil by 2030 and 80 % for gas. The high energy prices are likely to remain. Making efforts to save energy will not only reduce our dependence but will bring us substantial financial savings.

In order to address this issue we intend to strengthen the dialogue with the producer and transit countries, to maximise the efficient use of energy and increase the share of alternative energies.



The European Commission's Green Paper on energy efficiency, adopted in 2005, identifies ways in which the EU could save up to 20 % of its energy consumption by 2020, equivalent to spending as much as EUR 60 billion less on energy, as well as making a major contribution to energy security and creating up to a million new jobs. The EU has gone a long way already down the path of increasing energy efficiency in most of the pertinent sectors. The main instruments to achieve the 20 % reduction are the directive on the energy performance of buildings, the eco-design directive and the directive on energy services, which sets a target for Member States to save 9 % of their energy consumption over a period of nine years. In 2006 the European Commission will propose an action plan on energy efficiency to reach the 20 % potential by 2020.

The development of renewable energy is a central aim of the European Commission's energy policy. Since 1990 the EU has been engaged in an ambitious and successful plan to become world leader in renewable energy. The EU has now installed wind energy capacity equivalent to 50 coal-fired power stations. The EU's renewable energy market has an annual turnover of EUR 15 billion (half of the world market), employs some 300 000 people and is a major exporter. Renewable energy is starting to compete on price with fossil fuels. In 1997, the Commission's White Paper on renewable energy set the target to double

the share of renewable energy from 6 % to 12 % by 2010. In 2001, the EU agreed that the share of electricity from renewable energy sources in the EU consumption should reach 21 % by 2010. In 2003, it agreed that at least 5.75 % of all petrol and diesel should be biofuels. The full potential of renewable energy will only be realised through a long-term commitment to develop and install renewable energy. The Commission therefore intends to bring forward a renewable energy roadmap covering the key aspects for an effective policy on renewables.



The EU intends to intensify its cooperation with the USA on the use of energy security, energy efficiency and the use of alternative sources. Already the EU–US summit in 2005 issued a declaration on energy security, energy efficiency, renewables and economic development, which identified specific areas for joint work. The 2006 summit will give a further stimulus to our bilateral dialogue.

Hydrogen and fuel cell technology

The EU is committed to efforts to facilitate and accelerate the development and deployment of cost-competitive, world class European hydrogen and fuel cell-based energy systems and component technologies for applications in transport, stationary and portable power. The European Commission has facilitated the establishment of a European hydrogen and fuel cell technology platform aimed at accelerating the development and deployment of these key technologies in Europe. The platform should assist in the efficient coordination of European, national, regional and local research, development and deployment programmes and initiatives and ensure a balanced and active participation of the major stakeholders (i.e. industry, scientific community, public authorities, users, civil society). It will help to develop awareness of fuel cell and hydrogen market opportunities and energy scenarios and foster future cooperation, both within the EU and on a global scale.

At the EU–US summit in June 2003, the EU and US leaders issued a joint statement committing the EU and the USA 'to collaborate on accelerating the development of the hydrogen economy as part of our broadening cooperation on energy. In November 2003, the European Commission (along with Germany, France, Italy and the United Kingdom) participated in the inaugural meeting of the International Partnership on the Hydrogen Economy (IPHE), which aims to serve as a mechanism to organise and implement effective, efficient and focused international research, development, demonstration and commercial utilisation activities related to hydrogen and fuel cell technologies. It also provides a forum for advancing policies and common codes and standards that can accelerate the cost-effective transition to a global hydrogen economy to enhance energy security and environmental protection.

Developing fusion energy

Scientists and engineers from China, Europe, Japan, Korea, Russia and the USA are working in unprecedented international collaboration on the next major step for the development of fusion — International Thermonuclear Experimental Reactor (ITER: which means 'the way' in Latin).

ITER's mission as an experimental fusion reactor is to demonstrate the scientific and technological feasibility of fusion energy for peaceful purposes. To do this, ITER will demonstrate moderate power multiplication, demonstrate essential fusion energy technologies in a system integrating the appropriate physics and technology, and test key elements required to use fusion as a practical energy source.

ITER will be the first fusion device to produce thermal energy at the level of an electricity-producing power station. It will provide the next major step for the advancement of fusion science and technology, and is the key element in the strategy to reach the following demonstration electricity-generating power plant (DEMO) in a single experimental step.

After negotiations with Canada, China, Japan, the Republic of Korea, the Russian Federation and the USA it has been agreed that Cadarache (France) will be the site hosting ITER, with a special role for Spain, where the organisation managing Europe's participation in ITER will be established.



Pandemics

The development of the avian flu epidemic poses a new and unprecedented challenge for the EU and the world. Over the past year, the EU has taken action against avian influenza, based on two priorities.

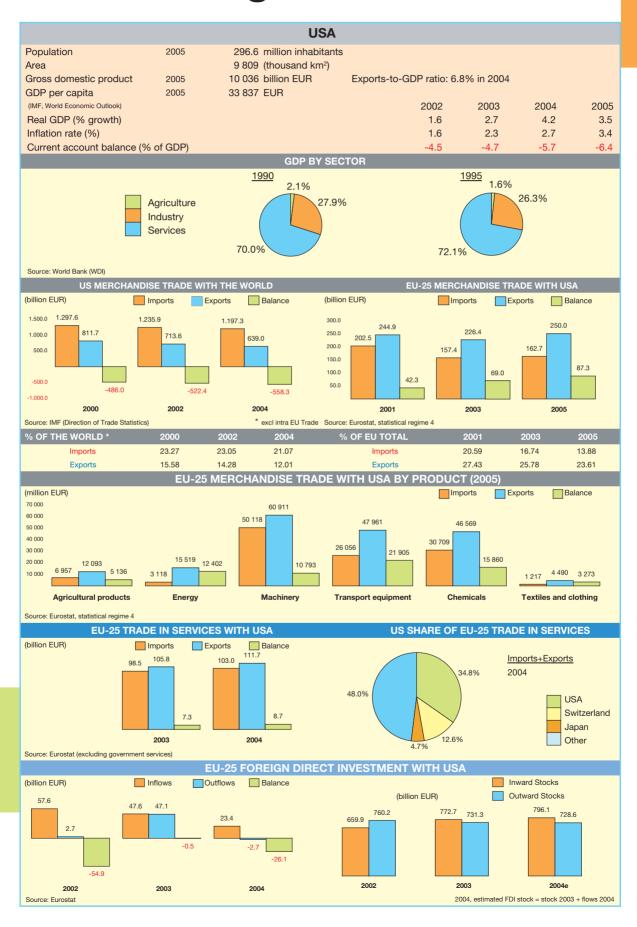
- Preventing the spread of the disease
 The EU has worked intensively with affected countries to help them cope with the situation, providing laboratory testing and technical assistance aimed at containment of outbreaks in bird populations.
 The European Commission and the Member States have provided aid directly and were instrumental in helping the World Bank establish a multi-donor trust fund for avian flu.
- 2. Preparation and response in the event of spread In recent years, the EU has acted to improve readiness and response capabilities within the EU. Moreover, the European Commission co-sponsored the Beijing International Conference on Avian Flu, in January 2006. The conference raised USD 1.9 billion for the fight against avian influenza. The participants committed to a coordinated, long-term partnership to control avian influenza, including sharing technical and scientific expertise and resources. The EU will work for an open and multilateral partnership that is owned by the partners themselves. The EU and US working groups on avian flu remain in close contact. The European Commission has monthly videoconferences with US authorities, and technical contacts take place daily between the relevant services. The EU and the USA also work closely together on assessment and technical assistance in international organisations, such as the WHO and FAO.

June 2006





Facts and figures



-100 000 -150 000

2000

2001

2002

2003

2004



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