

The International Situation and Danish Foreign Policy 2003

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In my contribution to the *Yearbook* 2002, I noted that the Danish Government had initiated a process to adapt the foreign policy to a changing reality in international affairs. Denmark has traditionally conducted an engaged and active foreign policy, but obviously, in a rapidly changing world, we need to be ready and able to adjust objectives and priorities. We must be forward-looking, if we have an ambition of exerting influence on the world around us, and of contributing to the shaping of how the international community works.

In June 2003 therefore, the Danish Government presented *A Changing World – The Government's Vision for New Priorities in Denmark's Foreign Policy*. This strategy defines the primary goal of Danish foreign policy as the promotion of Denmark's security and prosperity based on a set of fundamental values. The central ones are the individual, the community, freedom, democracy and security. The strategy emphasises that Denmark should exert maximum influence on the world around us, based on these fundamental values. Such an influence obviously requires focus, involvement, action, consistency and perseverance now and in the years to come.

June 2003 also marked the presentation of *A World of Difference: The Government's Vision for New Priorities in Danish Development Assistance 2004-2008*. As is the case for the strategy *A Changing World*, the plan for development assistance takes its starting point in the basic precondition that the world has been changing dramatically in recent years. New possibilities have emerged, but so have new challenges. The new plan is therefore an element in the continued efforts to ensure that Danish development assistance remains focused and efficient.

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Poverty is still one of the fundamental threats against stability and development, and the developing countries are particularly vulnerable to the consequences of terrorism. With *A World of Difference*, the Danish Government has put focus on how development assistance can be used as an instrument in the fight against terrorism. I will go more into detail on this issue later in the article.

Looking back on 2003, two issues were at the very centre of Danish foreign policy. I am referring to the situation in Iraq and the efforts of the European Convention and later the Intergovernmental Conference in preparing a constitutional treaty for the enlarged European Union. But other issues were in the headlines as well: the situation in the Middle East, the fight against terrorism and the relations between the USA and Europe. Below I intend to provide an outline of these and related issues and the implications for Danish foreign policy. I shall also comment on the status of one of the very high priorities for Denmark, i.e. the campaign to be elected as a non-permanent member of the United Nations Security Council for the term 2005-2006.

Finally, I will make some observations on the challenges in the coming year for Danish foreign policy and for the Danish Foreign Service.

THE NEW EUROPE – AN EFFICIENT UNION POST ENLARGEMENT

Ensuring an Efficient Union with 25 Members: the Convention and the IGC

The historic decision at the European Council in December 2002 to admit 10 new Member States presented the EU with a new challenge: to ensure efficiency in a Union with 25 members. It is of pivotal importance to ensure that the EU does not lose its dynamic in the future.

The process towards creating a more efficient and democratic framework for European co-operation started back in February 2002 when the European Convention convened for the first time. The basis of its work was the Laeken Declaration adopted by the European Council in December 2001. In the summer of 2003 the European Convention finished its work. After 15 months of deliberations the President of the Convention, Mr. Valéry Giscard d'Estaing, delivered a draft Constitutional Treaty to the heads of state and government in the EU. If expectations were moderate

from the outset, the result produced in the end was impressively balanced and comprehensive. And at the same time the draft Constitutional Treaty was a compromise package. It therefore relatively easily became the basis for the Intergovernmental Conference that began at an extraordinary meeting in the European Council on 4 October 2003.

It was the ambition of the Italian Presidency to conclude the negotiations in December 2003. In spite of the broad support for the Convention's draft, and a skilful effort by the Italian Presidency up till the European Council in Brussels in December, it was not possible to reach an agreement. In the end the central actors lacked the necessary political will to tackle the most contentious issue of the definition of a qualified majority in the Council.

The breakdown of the negotiations in the Intergovernmental Conference was somewhat surprising and sad, but not a disaster. It is important to remember that the Convention as well as the Intergovernmental Conference had made remarkable progress. The work done so far certainly appears not to have been in vain. The Convention managed to establish broad agreement on a number of important issues such as simplification, fundamental rights, transparency and the strengthening of the Common Foreign and Security Policy and the field of Justice and Home Affairs.

The deliberations in the Intergovernmental Conference were mainly focused on institutional issues such as the future of the rotating Council Presidency, the EU Minister of Foreign Affairs, the size and composition of the Commission, the European Council and its President and – last but not least – the definition of qualified majority in the Council.

Two issues proved to be particularly difficult to agree upon:

With regard to voting procedures the Convention suggested introducing a new definition of qualified majority in the Council, the so-called 'double majority'. The Nice decision on voting weights in the Council will be upheld until 1 November 2009. After this date a qualified majority will consist of a majority of the Member States representing at least two-thirds of the populations. From a Danish perspective the 'double majority' strengthens the EU's ability to take decisions by reducing the possibility of a small minority blocking necessary decisions. Furthermore, it has the virtue of simplicity compared with the present system of voting weights and at the same time to be genuine democratic in its nature.

The Convention suggested introducing a smaller Commission after 1 November 2009. The deliberations in the Intergovernmental Conference in

2003 have shown that most countries, including Denmark, wish to uphold the principle of one commissioner with full voting rights per Member State.

Especially these two issues will be on the top of the agenda of the Intergovernmental Conference in 2004. The issue of 'double majority' appears to be the most difficult issue to agree upon. However, when tackling these issues it is important to remember that the Intergovernmental Conference actually managed to find common ground between 25 countries on a number of issues, such as the future of the rotating Presidency and the job-description for the EU Minister of Foreign Affairs. The idea of introducing a team Presidency consisting of three countries for 12 months strikes the right balance between efficiency and the national aspect of EU policy.

It is now up to the Irish Presidency to continue the negotiations. Denmark shares the wish of most Member States to reach an agreement on the Constitutional Treaty before the end of 2004. The final result should be as close as possible to the Convention's draft Constitutional Treaty with the improvements that were agreed upon during the Intergovernmental Conference in 2003.

The EU as a Global Actor – New Responsibilities and Enhanced Ambitions

In 2003, developments in Iraq were at the centre of attention. On this issue, we saw significant disagreement in the international community and within the European Union. But the EU did not just take note of these differences among the Member States. Now a widespread expectation has emerged that Europe should be better at handling such situations in a concerted manner – and such an expectation is new.

The political structures of the CFSP have become apparent, and today we have a clearer idea of where the Union's external policies are heading. These developments are proving that the Union is getting itself in place to play a distinct and significant global role with regard to common foreign and security policy, just as it has done for years within development assistance and trade policy.

One outcome of the ambition of Europe acting together, was the elaboration of the European Security Strategy. For the first time the Union has drawn up a collective understanding of the threats facing Europe, and how they should be countered. The Security Strategy emphasises the global responsibility of the Union and underscores the importance of prevention in its work. Now, Europe must develop better ways of countering threats by

ensuring full coherence between the Union's different external instruments, from aid to trade, and from diplomacy to crisis management, including ultimately the use of military means.

The next step is to formulate concrete action plans for the implementation of the strategy. One of these action plans will focus on the Unions relations to the Middle East region, adopting a comprehensive approach covering a variety of foreign policy tools. I will return to this issue in more detail in the chapter on the Middle East below.

The Western Balkans are another priority area of the CFSP. In 2003, the EU embarked on its first crisis management operations – the well-intended words of previous years became reality. In January 2003, the first independent EU crisis management operation was launched in Bosnia with the EU police mission. Soon after, the EU launched its first two military operations in FYROM ('Concordia') and in DR Congo ('Artemis'). As the year came to an end, the police mission in FYROM ('Proxima') commenced. Due to the Danish defence opt-out, Denmark cannot participate in operations involving military capabilities. Thus, when the NATO mission in FYROM was taken over by the EU, the Danish soldiers had to be withdrawn from FYROM.

The operation 'Concordia' was the first time, where the EU in practice made use of the so-called Berlin-plus arrangement. This arrangement allows the EU to carry out operations with the use of NATO capabilities, including planning facilities at SHAPE.

The work on the future constitutional treaty in the Convention and later in the Intergovernmental conference show broad consensus on a 'double-hatted' EU Foreign Minister, tasked with co-ordinating all aspects of the Union's external policies. This will contribute to a stronger and more effective common foreign and security policy of Europe and improve the conditions for a more comprehensive approach and a more efficient dialogue with our global partners, such as Russia, India, Japan, China and USA.

The Lisbon Agenda: New Dynamic of the Enlargement

In 2003 the EU made progress with the Lisbon Agenda, the framework for sustainable knowledge-based growth. The Greek and Italian Presidencies ensured a number of results that will benefit businesses and consumers. The Growth Initiative on infrastructure, telecommunication and research/development, the Second Railway Package, the Erasmus-Mundus

programme and the presentation of an action plan on investment in research are a few examples.

But progress was not fast enough. The EU still lags behind in competitiveness. The EU has clearly set the targets and agreed on most of the framework for action. But now it is time for Member States to deliver with regard to the Lisbon goals. This point has repeatedly been underlined by the Commission and it is supported by Denmark. We need to close the delivery gap at the national level. And we must accelerate the sometimes tough, but necessary structural reforms – in all Member States – if we still want to match the US as the world's leading knowledge-based economy by 2010.

At the spring summit in March 2003, a main Danish priority was to connect the enlarged Europe. This was emphasised by the summit, which also stressed the need to integrate the new Member States fully in the Lisbon Agenda and to take full advantage of the benefits of enlargement.

In the coming years EU needs to push the Lisbon Agenda much faster forward, especially with regard to investing more in knowledge. Europe is simply not competitive enough when it comes to generating new knowledge, nor exploiting it.

New Commercial Opportunities – EU Enlargement and Danish Exports

From the early stages of the enlargement process it was clear that membership of the EU could be an engine for the economic development in the new member countries. A study from 2002² demonstrated a potential for a 6 times increase in Danish exports to the new EU countries before 2015, but with large variations from country to country. Later updates of the study have confirmed the potential. The major potential for Denmark is within agriculture, food industry, environmental and energy business, construction and housing industry, IT and telecom, and consumer goods.

We have used the historically good relations with the accession countries to improve our co-operation, political and commercial ties. A number of Danish pre-accession programmes have aimed at improving regulatory and business infrastructure in the new EU member countries. These programmes have been followed up with initiatives establishing business relations between the new member countries and Denmark.

² Danish Trade Council, May 2002.

As a consequence, the Danish representations in the new EU member countries have been strengthened to assist Danish businesses benefiting from the extended possibilities for trade. At the same time the Danish Ministry of Foreign Affairs have through the enlargement process informed business organisations and companies about the demand for Danish services and products and the possibilities for trade and sourcing.

THE MIDDLE EAST – DEVELOPMENTS IN A REGION AND THE GLOBAL IMPLICATIONS

Iraq at the Centre of International Politics

Iraq dominated the headlines in 2003. After several inconclusive rounds of debates at the UN Security Council, a military intervention under American leadership was undertaken. Several countries participated in the campaign, which by April led to the downfall of the Saddam Hussein regime.

The Danish Government supported the military intervention. After thorough and lengthy debate in the Danish Parliament, Denmark offered two military vessels and a small medical unit to the international coalition. The decision to participate actively was based on the fact that Saddam Hussein – whom the world community had afforded a final opportunity to co-operate – would still not co-operate immediately, unconditionally and actively with the UN weapons inspectors. The legal basis for the military intervention was provided for in the UN Security Council resolutions 678 (1990), 687 (1991) and 1441 (2002). Also, Denmark offered significant contributions to the subsequent multinational security force authorised by the UN Security Council. By the end of 2003 500 Danish soldiers remained posted to the British-led sector in the south of Iraq.

Since April 2003 Denmark has played an active role in the reconstruction of Iraq and was among the first countries to send civil liaison officers to the US-led Administration of the Iraq Coalition Provisional Authority (CPA) in Baghdad. Denmark offered to undertake the role as regional co-ordinator for CPA in the Basra-region in South Iraq, one of the four administrative units of Iraq. Danish liaison officers were also centrally placed at the CPA office in Baghdad and Basra.

On 9 April 2003, the Danish Parliament approved an appropriation regarding humanitarian and reconstruction assistance to Iraq in 2003-2004 for a total of 350 million DKK. 180 million DKK will be provided for

humanitarian assistance, and 170 million DKK for reconstruction. The reconstruction efforts are focused on areas such as democratisation, good governance, health and civil infrastructure including basic services as water and sanitation. Most of the Danish projects are located in the southern provinces close to Basra.

One prominent Danish project aims at training Iraqi police officers with the purpose of educating the officers to discharge their duties in a democratic society and to introduce modern means of investigation. In 2003, 180 police officers have participated in the programme and results are already visible. The newly trained officers have taken charge of the local law and order situation.

The overall impact of the reconstruction efforts varies in different regions of Iraq. The northern Kurdish dominated area and the southern region with a Shia majority have experienced a positive development since the end of the military campaign. In the central part of Iraq – the Sunni triangle – the reconstruction has faced hurdles. The coalition forces are still experiencing opposition and violent incidents. Nevertheless, it is hoped that the capture of Saddam Hussein in December 2003 will facilitate the reconstruction efforts in the central part of Iraq.

Saddam Hussein will be brought to justice and tried by the Iraqi people and in Iraq. The international community should ensure that he and other leading members of his regime are tried in accordance with international rule of law standards. In this regard it is also positive that the Iraqis have taken the first step to initiate a general judicial settlement with the former regime. The Iraqi Governing Council passed a law to this end on December 10, 2003, and it is expected that this important task will gain more progress when the transfer of authority has taken place.

In July 2003 the Iraqi Governing Council was appointed. It consists of 25 members representing the different religious and ethnic groups of Iraq. The Shia Muslims have 13 members, the Kurds five, the Sunni Arabs five, the Christian and the Turkoman each have one. An interim Cabinet was appointed on September 1 by the Governing Council with a total of 25 ministers. The Cabinet has the same religious and ethnic composition as the Governing Council. Each ministry has senior CPA advisors attached.

The single most important issue is to ensure a swift transfer of authority to the Iraqis. An agreement of 15 November between CPA and the Iraqi Governing Council has outlined five key elements and a timeline for the future process. By the end of February 2004 a Fundamental Law on basic

rights and on the federal arrangement should be completed. A provisional national assembly should be in place by 31 May 2004. By 30 June 2004 the assembly will appoint a new Government, which will assume full sovereign powers for governing Iraq. At the same time the CPA will dissolve. The agreement also envisages the adoption of a constitution. Elections for a constitutional convention will be held no later than 15 March 2005. The constitution will be subject to a referendum. Direct elections for a new Iraqi Government will be held no later than end December 2005.

The rebuilding of Iraq is going to be an immense reconstruction task and necessitates an active involvement of the private sector. Danish companies have the expertise and the knowledge to participate in this important task. From the very beginning Denmark has been in the front line supporting the reconstruction of Iraq. Already in May 2003 the Danish Ministry of Foreign Affairs deployed a full-time representative to Iraq in order to increase economic co-operation and to identify commercial potentials for Danish companies. This was the starting point for a commercial effort by Denmark in full collaboration with among others the Confederation of Danish Industries and the Danish Agricultural Council.

Due to this co-ordinated effort, Danish companies have been successful in getting reconstruction orders in the range of 2-3 billion DKK. Before the first Gulf War, Iraq was the second most important market in the Middle East for Danish companies and in the coming years the Danish exports to Iraq will probably reach 2-3 billion DKK annually. Hence the future Iraqi market with 25 million consumers is also interesting for Danish companies.

The economic co-operation and commercial Danish involvement is just one element in Denmark's active Iraq policy. Other elements are our military and political involvement as well as the humanitarian assistance. The combination of these instruments has ensured Denmark an active role in Iraq.

Danish Wider Middle East Initiative

– Strengthened Dialogue with Countries in the Region

In June 2003, the Danish Government launched the Wider Middle East Initiative as part of the new strategy *A Changing World*. The main objective of the initiative is to establish the basis for a strengthened dialogue with the countries of the wider Middle East – from Morocco in the west to Iran in the east. The policy has three components: Developing an overall EU strategy for the region of the Middle East, building a bilateral partnership

programme with countries in the wider Middle East, and supporting the efforts to develop a regional security charter for the region.

With support from the other Nordic and the Baltic countries, Denmark has promoted the drafting of a report by the European Commission and High Representative Javier Solana on how to strengthen relations between the Arab World and the European Union. The initiative was launched at the European Council in Thessaloniki in June 2003 containing a new closer economic and political co-operation with countries in the Arab World. The report "Strengthening Relations with the Arab World" was endorsed by the European Council in December 2003 with the view to developing an overall strategy for the Middle East region as part of the implementation of the European Security Strategy. It is important to engage other countries, including those in the Middle East region in the further deliberations to develop such an overall strategy. The strategy is expected to be presented at the European Council in June 2004. The strategy should build on existing EU instruments. The EU could assist the region in achieving progress and prosperity. This will be based on an incremental approach by developing bilateral relations taking differences among countries into account. The assistance should be implemented as bilateral partnerships based on local ownership in the region. The EU should also consider widening the geographical scope by increasing co-operation with countries in the Gulf region.

With a view to supporting the modernisation process initiated in a number of countries in the region, Denmark has decided to develop a bilateral programme, which in accordance with the recommendations of UNDP's Arab Human Development Reports will help in promoting good governance and contribute to expanding human capabilities and freedom of choice as well as addressing the empowerment of women in society. The Danish Government will work with governments and with existing civil society structures in the region, to assist the countries in overcoming the great challenges facing them. Presently the Danish Government is working on establishing a Danish-Egyptian Dialogue Institute in Cairo, which we envisage as a focal point for a strengthened dialogue between Egypt and Denmark, just as it could develop a regional dimension. The Danish Government is also working on a concrete proposal to assist in organising an Ombudsman Conference in Jordan. The organisers expect the conference to come up with a firm proposal on how to establish an Ombudsman institution in Jordan.

The many conflicts in the Middle East region makes it worthwhile to consider establishing a regional security forum for the Middle East. With inspiration from the so-called Helsinki Process in Europe, an academic group with participants from most of the countries in the region, as well as some from outside the region, have held a number of private seminars. The project is being promoted by Canada and Denmark. The most recent seminar took place in Copenhagen 3-4 October 2003, where a proposal for a regional security charter for the Middle East region was discussed. The idea is to create a more permanent dialogue within the region on a number of economic, social and security related issues. The general principles of the charter are based on among others the principles of the UN charter (i.a. peaceful co-existence, sovereignty, non-intervention, respect for human rights). Once the drafting has been completed informal consultations are foreseen in the region.

THE NEW SECURITY AGENDA: THE FIGHT AGAINST TERRORISM

2003 did not give us any indication that the threat from terrorism is decreasing. In Europe and the USA a strong, co-ordinated effort from police and intelligence successfully prevented several planned attacks. But the terrorists were not put to rest. Rather they sought out weaker and more vulnerable goals. The terrorist acts in 2003 in Indonesia, Morocco and Turkey underlined that international terrorism is in constant development. The fight against terrorism therefore remains high on the Danish foreign policy agenda – as part of our multilateral as well as our bilateral initiatives.

Fighting terrorism calls for perseverance and resolve but also farsightedness. The international efforts must aim at countering the threats against our citizens here and now, as well as undertaking more long-term measures focusing on the root causes. Multilaterally, the effort to fight terrorism was further broadened, developed and strengthened in 2003.

In the EU the adoption of the European Security Strategy will help translate the comprehensive EU anti-terrorism measures into a common strategy. On the basis of the Plan of Action and the Road Map on anti-terrorism the EU will aim to secure more operational and efficient implementation.

Also NATO plays an important role in the international combating of terrorism. On the operational side the NATO maritime fleet has since October 2001 carried out Operation Active Endeavour – a comprehensive patrol of the Mediterranean Sea specifically aimed at protecting this important commercial route from terrorism. In February 2003 the scope of the operation was expanded to include the escort of commercial vessels through the Strait of Gibraltar with the possibility to board and search vessels suspected of being part of terrorist activity. Denmark participated in 2003 in the operation with two patrol vessels.

In addition, in August 2003 NATO took over command and co-ordination of the International Security Assistance Forces, ISAF, in Afghanistan. ISAF forces patrol the Afghan capital Kabul and surroundings securing stability in the area. Denmark has contributed to ISAF with e.g. mine engineers, communication specialists and surgeons. It is essential for ISAF to facilitate workable conditions for the new Afghan authorities to rebuild the country. Alongside the ISAF operation, a number of other forces concentrate on tracking the remainders of the former Taliban regime and al-Qaeda forces in Afghanistan.

The Danish priority on non-proliferation of Weapons of Mass Destruction (WMD) has a clear link to the international fight against terrorism. The threat from possible WMD in the hands of terrorists is particularly terrifying. Non-proliferation, disarmament and arms control can therefore make an important contribution in the global fight against terrorism by reducing the risk of non-state actors gaining access to WMD. The EU has in 2003 adopted a strategy against the growing threat from proliferation of WMD underlining the need to act with resolve, using all instruments and policies at its disposal. Proliferation of WMD is also identified as a key threat in the European Security Strategy.

Denmark strongly supports efforts of enhanced controlling of proliferation e.g. by the UN International Atomic Energy Association, IAEA. In 2003 the Danish Government has also decided to participate in the 'Proliferation Security Initiative' – a US-led international co-operation to prevent proliferation of WMD and related materials to and from states as well as non-state actors.

How to Get to the Roots of Terrorism?

Development Assistance as an Active Foreign Policy Tool.

As mentioned in the introduction to the article, the Danish Government has with its new development policy plan *A World of Difference* put focus on how development assistance can be used as a tool to fight terrorism. The policy plan reflects the reasoning that if terrorism is to be defeated in the long run, it is necessary with a long-term strategy on how to tackle the root causes of extreme fundamentalism and terrorism. In this respect development assistance is an active foreign policy instrument.

Development co-operation has a potential to impede suffering, and to restore hope and human dignity. Development assistance can therefore help countering the sympathy and remove the recruiting ground of terrorism in poor countries, where there are indications of a noticeable radicalisation of society.

Concrete development efforts to counter the root causes of terrorism are linked to the support of democracy, rule of law, and human rights as well as inter-cultural dialogue and religious tolerance. It is through such positive measures that Denmark can best help people in poor countries to fight the threat of terrorism themselves. In the coming year, Denmark will present principles for the development effort against terrorism and put them into practice through concrete activities in selected countries in Africa, Asia and the Middle East.

In the EU, the group of personal advisors to the foreign ministers, which was established during the Danish EU presidency to examine the relation between extreme fundamentalism and terrorism, concluded their work in 2003. The final report pointed to a number of ways to prevent terrorism, in the long term, by means of supporting political, economic and social development. Denmark has subsequently worked to take forward several of the ideas, not least in the context of the Wider Middle East Initiative referred to earlier in the article.

EUROPE AND THE USA: A TROUBLED PARTNERSHIP?

In 2003, differences about how to proceed in the face of Iraqi non-compliance with UN Security Council resolutions gave rise to what was described as the worst transatlantic rift ever.

A closer look reveals that the split was complex. The dividing lines ran not only between US and Europe, but also through Europe and between other nations. But Iraq was a painful lesson of the costs when there is no unity across the Atlantic and within the EU on issues of vital global interests. The US and Europe have obvious common strategic interests in the fields of economy and security. A failure to appreciate the depth of our common interest or a misinterpretation of the true nature of our partnership could have severe consequences.

More than any other two continents, Europe and the US are knit together in a tight web of common interests and values. The United States and the European Union have by far the largest combined trade and investment relationship in the world. The total output of US foreign affiliates in Europe and of European affiliates in the US is greater than the total gross domestic output of most nations. Europe and the US are more integrated and interdependent today, than we have been ever before. Decisions related to our respective economies and how we regulate them have serious repercussions on the opposite side of the Atlantic. In such an intense partnership it is no wonder that frictions and tensions arise from time to time. But things must be judged in their right context: Only a minor part of the transatlantic trade is contested, while the overwhelming part is completely unproblematic.

The horrendous attacks of 11 September 2001 demonstrated the enormous common new challenges before us: Terrorism and weapons of mass destruction respect no borders, and effective international co-operation is indispensable to meet the security threats of today. To a strikingly large degree, the EU and the US share a common assessment of the nature of these new threats. We may differ on some aspects, including on some of the means to reach our goals. But the fact remains that we need close co-operation between us to do away with terrorism and its root causes. In the long run we cannot do it alone. Transatlantic co-operation is key to extending economic development, democracy and good governance to parts of the world that do not yet enjoy these universal rights.

TRADE POLICY – THE FATE OF THE DOHA ROUND

2003 was an eventful year in trade policy. The most important trade negotiations took place in the Doha Round. In September 2003 all 146

WTO Member States met in Cancun, Mexico, to take stock of progress and to send negotiations into their second phase. Leading up to Cancun there had been difficult preparatory negotiations. In response to other Member States' wishes, the EU and the US put forward a common paper on agriculture – a key area in the negotiations. The EU-US paper came just before Cancun and contained important concessions. In the paper the EU was ready to remove export subsidies on products of particular interest to developing countries.

Meanwhile, due to the unfolding of the negotiations in Cancun, the so-called Singapore Issues (investment, competition, trade facilitation and public procurement) came to be the dividing issues between WTO members. On the one side there were delegations that did not want negotiations on the Singapore issues. On the other side EU Member States including Denmark that preferred negotiations on the four issues. For example, an international agreement on competition could regulate the behaviour of multinational corporations, monopolies and cartels.

In order to make progress in Cancun the EU showed flexibility. But still delegations could not bridge differences in particular between a number of developing countries opposing the Singapore issues, and certain Asian countries in favour of opening negotiations. The Cancun meeting therefore ended without a result.

Cancun is a serious setback. But it is not the end of the Doha Round. Denmark and the EU firmly believe that there is no alternative to the multilateral track. The WTO has international legitimacy, and it provides the necessary guarantees for all actors in the global economy. Therefore, and as a consequence of the Cancun deadlock, Denmark and the EU have made a number of efforts to revive the Doha negotiations. After Cancun the EU has underlined its continued commitment to the Doha Round by showing flexibility on the Singapore issues in proposing that negotiations are brought forward on a voluntary basis, where those WTO countries that so wish, may participate.

Denmark has supported the flexible EU approach. As part of the same efforts, Denmark has launched a number of bilateral 'outreach' initiatives vis-à-vis the developing countries. The aim is to strengthen the bilateral dialogue on Doha Round issues with developing countries that are members of the WTO. Among these initiatives Denmark plans a minister conference and seminar on trade issues in Africa. This will be carried out in co-operation with the other Nordic countries.

A GREAT CHALLENGE IN DANISH FOREIGN POLICY: MEMBERSHIP OF THE UN SECURITY COUNCIL

Denmark is a candidate for a non-permanent seat on the Security Council in 2005-2006. The election to the Security Council will take place during the 59th General Assembly, i.e. in the autumn of 2004. To be elected Denmark needs the vote from two thirds of the members of the General Assembly present and voting.

In August 2003 the regional election group, of which Denmark is a member, the so called Western European and Other States Group (WEOG), endorsed Denmark and Greece as its candidates for the two non-permanent seats of the Security Council designated to WEOG in 2005-2006. The endorsement was a milestone for the Danish campaign, which ruled out a contested race within the regional group.

In each of its three previous terms of Security Council membership – in 1953-54, 1967-68 and 1985-86 – Denmark has actively promoted the principles of the United Nations and worked towards the fulfilment of the primary responsibility of the Security Council: upholding international peace and security.

Denmark's strong commitment to the UN's efforts to maintain peace and security is also demonstrated by active participation in the United Nations' efforts in this field. Denmark has contributed personnel to most of the United Nations peacekeeping missions over the last fifty years for assignments in Africa, the Middle East, Asia, and Europe. If Denmark, hopefully, becomes elected as a member of the Security Council, Denmark will bring to its work the perspective of a Nordic country committed to international co-operation and to the United Nations. We will maintain our foreign policy priorities and traditions by focusing on efficiently upholding the rule of international law, on conflict prevention and crisis management, on rapid reaction capability in crisis situations, on the humanitarian aspects of international interventions and on post-conflict management.

CHALLENGES IN THE COMING YEAR

So what will be the main challenges for Danish foreign policy in the years to come?

Clearly, a very central issue will be ensuring the adoption of the Constitutional Treaty for the European Union. From a Danish perspective the draft Constitutional Treaty provides the right framework for European co-operation in the future, and the adoption of the Constitutional Treaty is the best way of making sure that European co-operation can remain open, dynamic and effective in the future and of realising the priority of the Danish EU Presidency in 2002 of 'One Europe'.

The second important challenge will be to establish the financial perspectives for the EU for the period 2007-2013. In 2004 an expectedly long and difficult negotiation process will start. The starting point of the negotiations should be a discussion of the EU's strategic priorities. Or put in other words: on what should the EU spend its money? The basic Danish position will be to ensure that the EU's resources are focused on those tasks, where an EU effort can make a real difference and create added value.

Another important issue with regard to the European co-operation in 2004 and onwards, will be to integrate the new Member States in the Lisbon Agenda and to gain full benefit of enlargement. The economy in Europe is picking up, and on 1 May 2004 we will have 10 new members of the EU in a reform mode'. For more than 10 years they have reformed their economies and the reforms continue. The new Member States can provide valuable input and dynamic to the slower economies in Europe, e.g. on entrepreneurship and adaptability.

Enlarging the European zone of stability remains a strategic priority for Denmark. All enlargements of the European Union so far have been tremendously successful – for the existing member and the new members alike. Closer association and integration with the European Union – be it politically, in trade, or in dealing with cross-border problems – is the key driver for reform and development on the continent. Those European countries that so wish should be offered a perspective to associate and integrate closer with the Union – and eventually, when they fulfil the criteria, to become members.

Currently, apart from the 10 countries joining on 1 May 2004, the EU has three candidates that are preparing energetically for membership:

Bulgaria and Romania where the target date for membership is 1 January 2007 – and Turkey, where the European Council in December 2004 will decide, whether conditions are met for Turkey to start accession negotiations. Furthermore the EU will be working still more closely together with the Countries of the Western Balkans – with whom the EU has made Stabilisation and Association Agreements. Likewise, developing ever closer relations and effective co-operation with the countries included in the EU's Wider Europe/New Neighbourhood Initiative, for instance Ukraine, Belarus and Moldova and the three Caucasian republics are important strategic challenges for the coming decade.

Obviously, the also wider Middle East region will in 2004 continue to be at the centre of international politics. The military intervention in Iraq seems to have had implications for the dynamic in the region. We now see a number of important developments: In Libya the International Atomic Energy Agency has been allowed, for the first time, to carry out inspections of Libya's nuclear facilities. Iran has also started co-operating with IAEA. Countries in the region that have had no or limited contact, have now taken the first steps towards regional dialogue. Iran and Egypt are considering a resumption of diplomatic relations. Syria and Turkey, two countries that were close to war in 1998, have now increased their co-operation. However, the continued success of these regional developments will to a large extent be influenced by the future course of events in Iraq. Much is therefore at stake in Iraq.

Many things have been achieved in Iraq already, but the further reconstruction and stabilisation is a huge challenge that requires hard work and political will. In order to get there, it is of the utmost importance that all Iraqis join hands and work together as one nation. The Western countries should be ready to take their share of responsibility and back the reconstruction effort leaving aside their differences. Whether under the auspices of the UN or the EU, we have to work together for the improvement of the conditions for the Iraqi population. With a new sovereign Iraqi Government expected to be in place by 1 July 2004, we now have a unique chance to join in a common effort aimed at creating and developing modern social and democratic structures in Iraq.

The culmination of the Danish campaign to be elected as a nonpermanent member of the United Nations Security Council will take place in 2004. Central for the Danish campaign up to the election in the autumn of 2004 will be to continue to focus on getting as many indications of support

from other UN Member States as possible – building further on the many positive indications already received. There is still a lot of work and preparations that have to be done before Denmark, hopefully, will be able to take on the challenge of two years as member of the Security Council.

The ambition that Danish foreign policy should be ready to adapt to the conditions in a rapidly changing international system, is very much reflected in the way we are organising the Danish Foreign Ministry. A process of modernising the organisation is well under way. One important element in this process is the introduction of joint target and performance management.

Target and performance management will be key to ensuring that allocation and use of resources reflect a clear prioritisation of the tasks performed by the entire service, by the individual unit, and by the individual employee. This instrument will place more emphasis on strategic goals rather than on on-the-spot crisis management. The resources assigned must correspond to the tasks and must quickly and flexibly be adapted in accordance with altered priorities.

I am confident that with these elements, joint target and performance management will be a good instrument in enabling the Foreign Service to achieve even better and more efficient results and thereby contributing to fulfilling the ambition of an active Danish foreign policy that makes a difference.

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