

## The EU's Diplomatic Debacle at the UN What else and what next?

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The EU hoped to get the new diplomatic season off to a flying start by proposing a resolution (reproduced in Annex 1) to the United Nations General Assembly (UNGA) that would give the EU, post-Lisbon, enhanced participation rights and transform its status from that of a multitude of ordinary observers to an observer with virtually full participation rights, able to make pronouncements and proposals and so on. This would have permitted Herman Van Rompuy to address the Assembly soon in a manner equal to his function as President of the European Council. The initiative failed when tabled on September 12-13<sup>th</sup>, and in so doing raises a much broader and more fundamental issue for the EU's foreign policy.

The EU had hoped to get its resolution accepted by consensus. Instead a counter-resolution was presented for the EU's resolution to be deferred and not put to the vote. The counter-resolution passed by 76 votes to 71, with 26 abstentions.<sup>1</sup> Since the 76 included most of the Africa, Caribbean and Pacific beneficiaries of EU aid, something seems to have gone badly wrong. Only the Europeans (with the exception of Russia) voted en masse for the EU position. In any event the initiative is still grounded. The objections seem mainly to have been on matters of diplomatic process rather than substance, so the chances are that it may pass in due course when tabled again after more thorough consultations. Still, this is at the very least a warning to the EU that it cannot take broad majority support in the UN for granted.

The UNGA set-back is just the tip of the iceberg, however. Also ongoing are negotiations to revise the governance of the IMF's Executive Board, with pressure from the BRICs (Brazil, Russia, India and China) and developing countries to be more strongly represented in seats and votes, and with Europe presumed to make the compensating concessions. The EU or eurozone should surely be strongly represented at the IMF, but with a single seat, whereas today the European Central Bank has no more than partial observer status.

<sup>1</sup> Interestingly, from the voting record on the resolution, no very strict voting patterns are discernable among the members of the G-77 developing countries (72 votes in favour, 20 against, and 20 abstentions), nor among the members of Non-Aligned Movement (59 votes in favour, 15 against, and 16 abstentions), nor among the members of the Organisation of the Islamic Conference (30 votes in favour, 9 against, and 7 abstentions). See Annex 2 for more details.

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The US has proposed that the Board slim down from 24 to 20 seats, with the smaller EU member states in the firing line. With the European side not yet responding, the US now plays hard ball with the Europeans, since in the absence of agreement IMF rules of procedure will have the Executive Board revert automatically to 20 seats in any case. But the further turn of the screw here is that these rules require that the countries with the smallest number of votes on the Board are ejected, which would mean Brazil, India, Argentina and a constituency of francophone African states.

The European problems go further still. According to the Articles of Agreement of the IMF, the five top Board seats go to the countries with the highest quota, which at present are the US (19.74%), Japan (6.01%), Germany (5.87%), France (4.85%) and the UK (also 4.85%), with China still lagging behind in sixth place (3.65%). China will obviously soon accede to a place among the top five, with France or the UK having to make room. At this point the logical solution would be for the eurozone to take over the seats of Germany and France, as well as of the other eurozone member states in other constituencies, which would trigger a useful reform of the constituency system more generally.

The time horizon for this cannot be too far away, so Germany, France with the EU and eurozone should take a lead now, rather than lose control of the agenda amid mounting anti-European pressures from the rest of the world. For example, on September 24<sup>th</sup> the Brazilian executive director published an article in the *Financial Times* blaming Europe for blocking reform of the IMF.<sup>2</sup> At the World Bank it is only a slightly different story. There were some minor changes in voting weights made in 2010, but the constituencies are not changed, and the EU, as the world's leading donor bloc, is not even present as observer in its Executive Board.

There is still more cause for concern. The EU is party to a great many (no less than 249) multilateral treaties, but in most cases this is alongside the presence of the EU member states which are also parties, because the treaty touches areas of 'shared competence'. How must the EU be represented in meetings concerning these treaties, after Lisbon? And how must it be represented when new negotiations for multilateral agreements touching on shared competences are conducted? The protracted internal discussions to ensure EU representation at the Stockholm meeting in June of this year about a new multilateral treaty on phasing out the use of mercury has seen a stand-off between the Commission and Council, which apparently will have to be fought out before the European Court of Justice. The impasse led to the rather stunning statement by the Commission in Stockholm that due to the absence of "formal authorisation to negotiate", the EU and its member states would be unable to engage in negotiations. Meanwhile there is no sign that the lessons of the disastrous Copenhagen climate change summit of December 2009 have been digested. The next summit in this series, in Cancun this December, promises to see the same confusion of EU and member state presences and representation.

Some might suppose that these legal-institutional questions could be left to evolve gradually over years and decades. Indeed, the millstones of international and European law grind surely but slowly. But this attitude is no longer feasible. World events are now confronting the EU urgently with the need to face up to new realities, or – as our American friends say with blunt clarity – slide into irrelevance in global affairs.

The three examples – Copenhagen, UNGA and IMF – illustrate perfectly the triple tensions at play. The EU strives for higher status in world affairs, corresponding to the development of EU competences. The BRICs want more power, and complain about EU member state overrepresentation. The EU member states are under pressure to cede seats and votes, but are unwilling to cede their national seats to a single EU seat. Meanwhile, the US bypasses the EU and the BRICS and developing countries block the EU. The result is impasse, with a sizeable portion of the blame aimed at the EU and its member states together. This is not how it was meant to be: rather, the EU was to be the world's best friend of enlightened multilateralism. The imbroglio is going to get worse unless the EU does two things.

First, and fundamentally, it has to engage in a comprehensive and strategic review of how it should position itself in the multilateral system, notably as regards the distribution of roles between the EU itself and the member states. Up to now, it has been going along with the EU adding a seat to the world's top tables, with increasing hybrid presences, some of which work perfectly well (e.g. at the WTO). But this approach is running out of credit, as the BRICs and developing countries push for reduced European representation, and without this, refuse additional EU presence. This is a highly complex legal and political task. A basic review should be set into motion now by the European Council at a next summit meeting of the type just held on

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<sup>2</sup> P. Nogueira Batista, "Europe must make way for a modern IMF", *Financial Times*, 24 September 2010.

September 16<sup>th</sup>, and undertaken by the new External Action Service and Commission. The EU and its member states will need to work out a proper strategic plan, and provide for trade-offs between them (more EU and fewer member states) and between the various international fora (gain ground here, cede seats there).

Second, and as and when the EU has worked out its strategy, it must do its diplomatic homework better. More communication and lobbying by the EU and its member states, working together with the world's 192 UN member states as well as the G20, is indispensable. It is too costly for the reputation and credibility of the EU to go to the UNGA and be surprised when its proposal, intended for consensus, is shot down by the very states that are its main aid beneficiaries. This is particularly so because the EU is actually in a position to build consensus through measured diplomatic effort. After all, the debacle at the UNGA came just days after the EU scored a major diplomatic success in that very same forum without its own vote, when the UNGA passed the resolution the EU had worked out with Serbia on Kosovo.

## **Annex 1. Draft Resolution A/64/L67 of the UN General Assembly – Participation of the European Union in the work of the United Nations**

*The General Assembly,*

*Bearing in mind* the role and authority of the General Assembly as a principal organ of the United Nations and the importance of its effectiveness and efficiency in fulfilling its functions under the UN Charter,

*Recognizing*, further, that the current interdependent international environment requires the strengthening of the multilateral system in accordance with the purposes and principles of the United Nations and then principles of international law,

*Acknowledging* that, when an organisation for regional integration develops common external policies and establishes permanent structures for their conduct and representation, the General Assembly may benefit from the effective participation in its deliberations of that organisation's external representatives speaking on behalf of the organisation and its member states, without prejudice to the ability of each organisation to define the modalities of its external representation,

*Recalling* the long standing relations between the European Union and the United Nations,

*Noting* the entry into force on 1 December 2009 of the Treaty of Lisbon, through which the European Union has made changes to its institutional system, in particular as regards its external representation,

*Noting* that in the Treaty of Lisbon, the European Union reaffirms *inter alia* its commitment to the purposes and principles of the United Nations Charter and to the promotion of multilateral solutions to common problems, in particular in the framework of the United Nations,

*Noting* also that under the Treaty of Lisbon, the Member States of the European Union have entrusted the external representation of the European Union, with regard to the exercise of the competences of the European Union provided for by the Treaty of Lisbon, to the following institutional representatives: the President of the European Council; the High Representative of the European Union for Foreign Affairs and Security Policy; and the European Commission and European Union Delegations,

*Noting* that the representatives of the European Union referred to above have assumed the role, previously performed by the representatives of the Member State holding the rotating Presidency of the Council of the European Union, of acting on behalf of the European Union at the UN in the exercise of the competences conferred by its member states,

*Recalling* that, by virtue of the Lisbon Treaty, the European Union has replaced the European Community, as notified to the Secretary-General of the United Nations by a letter dated 30 November 2009

*Noting* that the European Union is a party to many instruments concluded under the auspices of the United Nations, is a member of several United Nations specialised agencies and is a full participant in several United Nations bodies,

*Noting* that the European Union retains observer status in the General Assembly

1. *Decides* that the representatives of the European Union for the purpose of participating effectively in the sessions and work of the General Assembly, including in the general debate, and its committees and working groups, in international meetings and conferences convened under the auspices of the Assembly, as well as in United Nations conferences, and in order to present positions of the European Union, shall be invited to speak in a timely manner, similar to the established practice for representatives of major groups, without prejudice to the intergovernmental nature of the United Nations, shall be permitted to circulate documents, to make proposals and submit amendments, the right to raise points of order, but not to challenge decisions of the presiding officer, and to exercise the right of reply, and be afforded seating arrangements which are adequate for the exercise of the aforementioned actions; the European Union shall not have the right to vote or to put forward candidates in the General Assembly;

2. *Decides* that when a regional organisation representing Member States has reached a level of integration that enables that organisation to speak with one voice, the General assembly may adopt modalities, in the spirit of this resolution, for the participation in its deliberations of that organisation's external representatives speaking on behalf of the organisation and its Member States;

3. *Requests* the Secretary-General to take any measures necessary to ensure the implementation of this decision.

[Note: this includes the amendments made by the European Union on 13 September 2010 to its initial text].

**Annex 2. Votes on motion to adjourn the debate of participation of the EU  
in the UN General Assembly, 14 September 2010**

<b>Regions</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Africa	Algeria Angola Benin Botswana Burkina Faso Chad Comoros Congo Côte D'Ivoire Djibouti Equatorial-Guinea Eritrea Ethiopia Ghana Kenya Lesotho Libya Mali Mauritania Mozambique Namibia Nigeria Seychelles Somalia South Africa Sudan Togo Uganda Tanzania Zambia Zimbabwe	Liberia Morocco Malawi Tunisia	Burundi Gambia Cameroon Rwanda Central African- Republic Democratic- Republic of Congo Senegal
Americas	Antigua Barbuda Barbados Belize Bolivia Cuba Dominica Ecuador El Salvador Grenada Guyana Haiti Jamaica Nicaragua St Knitts-Levis St Lucia St Vincent-Gren Suriname Trinidad-Tobago Venezuela	Chile Colombia Costa Rica Guatemala Mexico Panama Paraguay Peru United States Uruguay	Argentina Brazil Canada Dominican- Rep. Honduras
Asia	China DPR Korea India Indonesia Malaysia Philippines Singapore Thailand Turkmenistan	Afghanistan Bangladesh Cambodia Kazakhstan Rep. of Korea Timór Leste Uzbekistan	Armenia Bhutan Brunei Darussalam Mongolia Nepal Pakistan Sri Lanka
Europe	Russian Federation	Albania Andorra Austria Belgium Bosnia and Herz. Bulgaria Croatia Cyprus Czech Rep. Denmark Estonia Finland FYROM France Georgia Germany Greece Hungary Iceland Ireland Italy Latvia Liechtenstein Lithuania Luxembourg Malta Monaco Montenegro Netherlands Norway Poland Portugal Rep. of- Moldova Romania San Marino Serbia Slovakia Slovenia Spain Sweden Switzerland Turkey Ukraine	Belarus
Middle East	Bahrain Iran Iraq Kuwait Lebanon Qatar Saudi Arabia Syria Yemen	Israel Jordan	Oman UA Emirates
Oceania	Fiji Marshall- Islands Micronesia Nauru Palau Solomon Islands	Papua N- Guinea Tonga Tuvalu	Australia New Zealand Samoa
<b>Total</b>	<b>76</b>	<b>71</b>	<b>26</b>