

SPEECH

Speech (introductory remarks – length/duration: 10-15 minutes)

Ladies and Gentlemen,

I am very glad to have this opportunity for an exchange of views with you at a very topical moment for the European Neighbourhood Policy. Events in the South Mediterranean over the past few months have brought to the fore the importance of this policy for the European Union.

The EU Commission and High Representative just brought to a conclusion a broad review of the European Neighbourhood Policy with a Joint Communication on a new response to a changing neighbourhood, which we discussed in the Commission College yesterday and which will be released shortly. Cathy Ashton and I will present it to the press later this morning!

I am not planning on giving you a long presentation, because I would rather have a discussion with you. In my short remarks, I would like to cover two points: first, the impact of the revolutions in the South Mediterranean on the neighbourhood policy, and second, the new approach to the European Neighbourhood Policy after our policy review.

First, the South Mediterranean. The recent upheavals there have historic proportions. Events in North Africa and in the Middle East have clearly demonstrated that there can be real, durable stability and prosperity only based on democracy, rule of law and respect of human rights.

In the past, we have not always been very clear about this in our relations with our partners. We have tended to tolerate authoritarian regimes for the sake of stability in the region. But that stability was illusory. We must now put our core values of democracy, rule of law and

respect of human rights firmly at the centre of our neighbourhood policy. We must support democratic developments in our neighbourhood and underpin new democratic institutions. This is not only a moral imperative, it is also in our enlightened self-interest.

As you know, the Commission and the High Representative adopted a Communication on a Partnership for Democracy and Shared Prosperity with the South Mediterranean on 8 March, which was broadly welcomed by the European Council of 11 March.

The Communication recognises this historic moment and sets out three main areas for action:

- First, we should offer robust packages to **support the democratic transition and political reforms**.
- Second, we must strengthen our contacts with and support for **civil society**. To achieve this, **facilitation of mobility** may be necessary.
- Third, we must offer significant support to **economic recovery and development**.

We have already started offering concrete support to our partners, to **societies** and to **people** and in our Southern neighbourhood. In particular:

- In **Tunisia**, our priority is to support to elections for constituent assembly on 24 July. EU experts on electoral legislation are on the ground. We will also deploy an election observation mission. We have prepared an immediate package of more than 3 million euro for supporting civil society organisations and a 20 million euro targeting

regional and local development in the region of the Centre and South of Tunisia where the revolution originated. During my visit to Tunisia in April, I announced an additional amount of €140 million for cooperation under the ENPI programme.

- **In Egypt**, currently we are reviewing and refocusing our funding to meet the needs and demands of the transitional government. We have offered the Egyptian authorities support with election preparation and election observation (and we hope to receive a positive answer soon). In the meantime, we are launching a civil society package of approx. €18 million, to help Egyptian NGOs play an active role in the ongoing transition.

Let me also say that we have been swift in our **replies against the violent crackdowns** in Libya and Syria. The External Action Service and the Commission have been very active in preparing comprehensive sanctions against the leadership of these countries. We are constantly reviewing the situation and adapting these sanctions in order to ensure that they are effective. Just two days ago, the meeting of the Foreign Affairs Ministers adopted new sanctions against Syria, including the suspension of the signature process of the Association Agreement, the listing of President Al Assad and the suspension of our bilateral assistance. All this shows that we will not accept similar unacceptable behaviours by regimes in the region

Second, the **review of the European Neighbourhood Policy** as a whole has now come to its conclusion. This review concerns both the Eastern and the Southern neighbourhood of the EU.

Overall, our new approach aims for a new level of ambition and commitment, particularly as regards stronger partnership with societies, greater differentiation, and being ready to go farther with our neighbours implementing ambitious political and economic reforms.

The **new approach** proposed here aims to:

1. provide greater support to partners engaged in building democratic societies;
2. support more effectively inclusive economic development;
3. strengthen the two regional dimensions of the European Neighbourhood Policy, namely the *Eastern Partnership* and the *Partnership for Democracy and shared Prosperity*
4. provide the mechanisms and instruments fit to deliver the above objectives.

The new approach will involve a much higher level of **differentiation** allowing each partner country to develop its links with the EU as far as its own aspirations, needs and capacities allow. The EU should be ready to respond on the basis of a more for more approach.

But increased EU support to its neighbours should be **conditional**. It will depend on progress in building and consolidating democracy and respect for the rule of law. This is not just high-minded idealism: we have seen how illusory stability can be if it is not built on democratic foundations. The more and the faster a country progresses in its internal reforms, the more support it will get from the EU. The need for greater

consistency in this regard is something that most stakeholders have underlined in the ENP review.

Enhanced EU support will come in various forms, including increased funding, ambitious programmes for institution-building, greater market access, increased EIB financing in support of investments; and greater facilitation of mobility.

- The Communication also provides detail on how the four broad objectives of the new approach will be pursued in practice. There are numerous concrete proposals -- too many to mention here, but I would like to thank all the services concerned for their inputs. They concern, in particular:
 - developing a real partnership with societies, not just with governments, and supporting more effectively civil society organisations;
 - intensifying our political and security cooperation, in line with the Lisbon Treaty;
 - promoting sustainable growth and job creation;
 - strengthening trade ties (e.g. through Deep and Comprehensive Free Trade Areas);
 - easing mobility (e.g. through the conclusion of visa liberalisation agreements or mobility partnerships),
 - deepening sector integration (e.g. through the integration in a pan-European energy market or participation in EU programmes and agencies) and closer cooperation in critical areas such as environment protection and climate change, information and communication technologies, transport and security.

Let me give more details on some of our proposals.

We need to support what we call '**deep democracy**', which includes not only pro-forma elections, but truly free and fair elections; freedoms of association, assembly and speech, including free press; rule of law and impartial judiciary; public transparency; democratic control over army and police.

We seek to move from relations with governments to relations with people and civil society in our neighbourhood. I am keen to increase support for civil society.

The Communication includes the proposal to establish a special **Civil Society Facility** for the Neighbourhood. This Facility will help CSOs develop their advocacy capacity, their ability to monitor reform and their role in implementing and evaluating EU programmes. We will make extra money available, and we will build on the instruments already in place, in particular the European Instrument for Human Rights and Democracy and the Non-State Actors thematic programme.

The Communication also supports the establishment of a new **European Endowment for Democracy**. This Endowment will help support political actors striving for democratic change in third countries, including political parties and non-registered NGOs or trade unions that have not been able to access EU funding so far.

We are also convinced that more needs to be done on **Market access** which is essential for our partners' economic and social development. The EU should conclude Deep and Comprehensive Free Trade Areas with our partners as soon as the relevant conditions are fulfilled. Such

Deep and Comprehensive Free Trade Areas will pave the way for our partners to integrate gradually into the EU internal market.

Improving **Mobility of people** is also crucial not only because it has an important symbolic value but also because it is necessary to achieve our economic objectives and our vision of a region at peace. The Commission and EEAS will pursue the idea of “mobility partnerships” put forward in the 8 March Communication on the South Mediterranean. To start with, the Commission will seek to negotiate such partnerships with Tunisia, Morocco and Egypt. It will also seek to conclude swiftly a Mobility Partnership with another Eastern neighbour, Armenia.

In a spirit of partnership, we need to ensure that our partners cooperate on the management of their borders and fight against irregular migration. Readmission agreements are also important and we propose that they should be concluded in parallel with visa facilitation agreements. Visa facilitation and liberalisation are not only incentives for governments to carry out reforms, but tools to increase people-to-people contacts and to promote reform from the bottom up. That is why we need to improve mobility of people also with those partners that are lagging behind in reform, including Belarus.

Given the importance of events in the region and the need for effective EU reply, we are proposing to allocate substantially larger funds. **Money** is of course essential for the implementation of the ENP. We need to find a mechanism to provide funding in a flexible way based on needs and conditionality according to real progress in reform, which we will have to be able to measure. We need to find workable ways to do this, which has proved difficult in practice so far. I believe we need to be as flexible as to reward the reform performance of each individual partner, based

on objective criteria, regardless of its geographic location to the South or to the East of the EU.

The Communication proposes to adapt our instruments to make them more flexible and more focussed, and to allocate, in 2011-2013, **well over EUR 1 billion** (EUR 1242 million to be exact) in grant money to support the initiatives it outlined. This would in addition to the funds that are already earmarked for our neighbourhood in 2011-2013, which amount to EUR 5.7 billion. This means that the EU would offer support to our partners for around **EUR 7 billion** in grant money in 2011-2013!

We also aim to engage in more intensive **political steering** with our partners, to ensure a more effective setting of priorities. This means that my fellow Commissioners and I will meet very frequently with my counterparts from partner countries to monitor closely and provide political guidance for the implementation of the ENP. I will not impose anything to our partners but will work jointly with them, in a spirit of **mutual accountability**.

The **long-term vision**, for those neighbours that will advance the farthest on the path set out in this Communication, includes a high degree of political cooperation and economic integration leading to progressive economic integration in the EU's Internal Market. I believe that such a vision can help our neighbours to mobilise their efforts.

Ladies and Gentlemen,

The EU is at a critical juncture in its relations with its neighbourhood. In the coming months, it will have to take important measures to make this policy more flexible, to concentrate on a small number of key priorities and to ensure that this policy is implemented effectively in cooperation with each partner to achieve the greatest possible impact. There is a need for pro-active, original and creative thinking.

I look forward to our discussion and to your ideas!