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THE PRESIDENT**



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**Speech by President Herman Van Rompuy at the Annual
Conference of EU Heads of Delegation,
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It's a pleasure to speak again at your Annual Conference, already for the fourth time. I enjoyed our discussion last year, and look forward to our dialogue today.

Since last September, I have met many of you again – in your host capitals or here in Brussels. I should like to thank you and your teams warmly once again for all the support you have given me – with reports and advice, with hospitality and assistance, and always with irreplaceable insights! Merci à toutes et à tous !

Today I should like to open with how I assess the current state of play in Europe, economically and politically, before moving to how the European Council sees Europe's role in the world. So first on where we stand internally.

In dealing with the crisis, the last twelve months have made a difference. Unlike a year ago, it is now widely recognised that the eurozone will remain intact. It is even expanding, with the admission of Latvia! National efforts, our collective work (not least to establish a banking union), and also the commitments taken by the ECB – all this helped bring back confidence.

Our partners in the world, who often underestimated in the past our political will to maintain the euro and the Union, now acknowledge this too. In a sense, as I've said since last October, the "existential crisis" of the eurozone is over. But the economic crisis, that of growth and employment, is still with us. So jobs and growth remain the top priority. Stability was always only a precondition.

P R E S S

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EUCO 178/13

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The determination, the common purpose of European leaders in fighting the crisis have been very clear throughout all our summits. All along, we shared four central objectives:

First, restoring and preserving financial stability;

Secondly, making our economies more resilient, through sound public finances and structural reforms;

Thirdly, immediate measures to help spur growth and employment, especially for young people;

Fourth and finally, strengthening the architecture of the Economic and Monetary Union (not least with the banking union).

Our tenacity has helped strengthen our credibility, and we're starting to see concrete results. Positive signs, in the past few weeks, pointing towards recovery; uneven across countries, modest, perhaps fragile, yet positive.

I'm all in favour of joining the voices who warn in chorus: "No complacency!" Absolutely: light-heartedness could even put past efforts and achievements at risk. We all have the duty to remain alert, to keep pushing forward reforms that support growth and jobs and help ensure sound public finances. That's why the European Council intends to take further decisions on growth, and for the Economic and Monetary Union. Yet I am a simple mind, and faced with the choice, I somehow prefer positive signs to negative ones... There are green shoots and we must nurture them with care.

Words matter, provided they are credible. All the more since the economic crisis is in part (and certainly in the west of Europe) a crisis of confidence. It's impacted everyone's growth. Not surprisingly, if you consider how bad two pillars of our economies were shaken, the banks and currency. It's normal confidence takes time to return. As a Dutch proverb says: "*Confidence leaves on horseback, and returns on foot.*" Indeed. But even on foot, it is coming back. And we are working hard to support it, all across Europe.

I'm aware that these considerations on the recovery in Europe may seem out-of-synch. For there's a time-lag before growth starts translating into jobs, into salaries, into better living standards. Nor does it translate easily into support for the European idea by the public at large.

Paradoxically, as immediate dangers are receding, discontent towards Europe comes to the fore. In this respect, the European elections next year will be an important test. To regain the public's trust, we need first of all the economic recovery, we need results in terms of stability, growth and jobs, and people to realise again that Europe is not the problem, but part of the solution.

It's precisely in times of rising euro-scepticism that we need to convince people that, given today's challenges at home and abroad, we must work much more closely together, not less, especially in the eurozone. Europe is the best way for us to weigh in the world. And your work, representing the Union across the globe, is a key element in that story.

I do know this diplomatic work is far from easy, and I shall stop my high note here. The events at our southern borders of the past few weeks and months painfully remind us of some of the limits of our political and military action, of our influence. A matter for reflection for the democracies of the West.

I was struck, when I visited Egypt this January, by the polarisation of positions. The shocking killings in August took over 1000 lives. This could have been avoided.

After those violent events, the space for politics has further reduced. I applaud Catherine Ashton's efforts to mediate between parties. We must do all we can to revive dialogue, to avoid that the political spirit of Tahir is put back in the bottle. The country needs to find the path towards reconciliation. The economic situation threatens to complicate matters further and needs to be addressed structurally.

The situation is even darker in Syria. A hundred thousand dead, two million refugees. The cynical use of chemical weapons against civilians: a blatant violation of international law and a crime against humanity. The international community cannot allow this dreadful precedent to be set: there can be no impunity.

But even in such tumultuous days, calls for responsible action must include the long-term view. All outside parties agree that there is no military solution to the Syrian conflict. Only a political solution can end the terrible bloodshed, the destruction of Syria. It is time for the international community to put aside their differences and bring the parties to the conflict to the negotiations table. As the largest donor, we the European Union will uphold our commitment to provide aid and assistance to those in need in Syria and in the region.

More generally, the situation Northern Africa and the Middle East will no doubt remain a main concern for us. I continue to believe it is in our interest, short-term and long-term, to support democracy in the Arab world. The whole region is undergoing a tectonic shift. It will take time to find a stable equilibrium. But the people will not accept a return to dictatorship. Peace and democracy can only come through reconciliation and dialogue. This is what is sorely needed these days.

There's talk of negotiations between Israel and Palestine, in Egypt, in Syria, with Iran... In all cases, it takes more than just accepting to speak, it takes the will to accept the existence of the other side, the will to find common solutions. Throughout the whole of Africa, the EU is thoroughly involved – from piracy fighting and state-building in Somalia to stabilising Mali and the wider Sahel, just to take two issues on which I'm personally engaged. Africa is changing fast, democratically and economically. There are success-stories but also new areas of instability and terrorism.

Next Spring we'll see the fourth EU-Africa Summit here in Brussels, the first ever multilateral Leaders Summit hosted by the EU. Quite an organisational challenge! I know many of you will be directly involved and, as the chair and host, I am grateful for this work that will bring together so many strands of political, development-, humanitarian and economic action.

Turning east, to the neighbours on our own continent, we feel our common strength even more clearly. In particular for enlargement towards the Balkans, 2013 will have been a good year. Croatia became the Union's 28th member. The agreement our High Representative brokered between Belgrade and Pristina helped unlock the accession process for Serbia, brought Kosovo closer to the EU and placed Kosovo/Serbia relations on a path towards normalisation. Of course this spirit has to be maintained.

I traveled to both capitals immediately after the important decision at the June European Council, to convey our political message at the highest level. The welcoming I received leaves no doubt that it was well understood and appreciated. A page has been turned, and hopefully it will trigger a positive dynamic elsewhere in the region.

Between the Middle-East and the Balkans: Turkey remains a key partner for the European Union. I visited Ankara last May – in fact right before the Taksim events. The Turkish call for a solid relation with us was very clear. Prime Minister Erdogan summarised his requests with the following words: "Chapters, chapters, chapters". – The accession process is indeed a key motor for reform. The government's reaction to popular protests last June has affected our already complex relations. Post-Taksim, we need to see where things stand and be ready for re-engagement (following the decision by ministers on the conditional opening of chapter 22). Here as well, I remain ready to play my role.

The Eastern Partnership summit that we will hold in Vilnius in November could be highly significant. The signing of the partnership agreement with Ukraine, a real test for the Eastern Partnership as a whole, will be on the table. It requires further important steps from Ukraine. It's an historic opportunity for them, and we will remain in contact with President Yanukovich on this issue.

It is not my intention to take you on a full tour d'horizon. Let me just briefly mention three further issues of particular interest to the Presidents and Prime Ministers in the European Council: trade; defence; and our key strategic partners.

On trade, in the absence of real multilateral progress, the Union is promoting ambitious bilateral ties with world trading powers. Foreign trade resonates in all our member states as a motor for growth. I know it requires much of your time and attention, from Japan to Canada, Vietnam to India, and in many South-American countries, including through Mercosur.

Then there's the trade negotiations with the United States. Their impact will go way beyond the Atlantic shores. And the Atlantic is not just an ocean of past glories; it's also full of promises for the future.

Europe is more than a trade bloc. Upon my proposal, the upcoming December European Council will look in depth at Defence – in fact for the first time in six years. We will do so both from a growth-and-employment perspective and to improve Europe's defence capabilities, for member states individually and collectively. We all know the dual challenges behind this: national defence budgets have been decreasing for the last ten years and, clearly, the world is not becoming a safer place. Although I'm convinced that only political solutions can truly last, and that military strength plays another role now than it did in Cold War days, we need to be able to deal with crises and play our role.

A word, to conclude, on our relations with strategic partners. I have been meeting and working with world leaders for the last three years and have established personal relations with many of them. The post-Lisbon stability of EU institutions helps bring clarity and continuity.

In my experience, relations with the EU continue to be central for most leaders. This is true for big powers such as China and Russia. For his very last summit, Wen Jiabao came to Brussels, bringing a proposal to shape EU-China relations for the next decade. We have twice yearly summits with Russia; and with President Obama, last June, we opened the Transatlantic trade negotiations.

It is also true for other strategic partners such as Korea, Mexico, South Africa (with a recent summit on Nelson Mandela's birthday this summer), and Japan (with a new encounter scheduled for November). And this is of course but the top of the iceberg, of all the work and interaction carried out by you and your teams.

Encore beaucoup plus devrait être dit sur nos relations avec l'Asie, l'Afrique ou l'Amérique, mais dans l'intérêt de nos échanges dans un instant, je vous dois d'être bref. Je me suis donc limité à rappeler les quelques lignes de force de notre action commune, du point de vue du Conseil européen: notre vaste voisinage, nos relations commerciales mondiales, notre capacité de défense et d'action face aux crises, nos rapports avec les autres grandes puissances.

Fin 2012, en acceptant le Prix Nobel de la Paix au nom de l'Union européenne, nous avons pu dire encore une fois, au monde entier, le sens profond de notre projet européen et de sa projection internationale. Et je remercie tous ceux d'entre vous qui avez fait partager ce moment autour de vous dans les pays où vous représentez notre Union.

Ce sens profond de notre projet s'ancre dans un passé tragique, mais il puise ses forces dans les défis énormes qu'offre le monde d'aujourd'hui. Dans un monde où le poids économique de l'Occident diminue d'année en année, nos valeurs continuent de s'universaliser. C'est un autre paradoxe, qui est aussi notre chance. Je peux, moi, en parler, mais en fin de compte, c'est votre action, Excellences, qui contribue de façon éloquente à rendre ce sens et ces forces visibles, à tous nos citoyens, et en particulier aux générations futures.

Je compte sur vous. Merci.
