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Opening Speech

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

European Neighbourhood Policy Conference

Brussels, 3 September 2007

The purpose of today's conference is to exchange views on what has been learnt from the first years of ENP and what we can jointly do to strengthen it for the future.

The Commission's commitment is clear, and the proposals in last December's communication are designed to make ENP as attractive as possible.

Today we want to hear your response. We particularly want to hear from our neighbours: what is *your reaction* to our suggestions for strengthening the policy. Please give us *your ideas* so we can explore the individual paths our differentiated relations will take.

Let me start the discussion by outlining some of the key areas where we think it would be beneficial to go further, and where I would like to hear your views: economic integration, mobility, energy and more financial and technical assistance.

1) Economic Integration

Our vision is of an economically integrated area which spans the whole of the EU and its closest European and Mediterranean partners. An area where goods, services and capital flow freely, opening up new possibilities and greater opportunities for us all.

The chance to integrate into the EU's internal market is an immensely important opportunity, and an unprecedented offer from the EU. I know our neighbours are aware of the power of this offer – a market of 500 million consumers opening itself up to you. But it is also worth reminding ourselves of the other benefits ENP will bring: improved administrative capacities, a more stable business environment, and increased foreign investment.

However, as we all know, economic integration is not a glamorous process. Quite the reverse. Making a reality of free trade throughout this vast geographic area entails an enormous quantity of reforms and sometimes difficult decisions. And it cannot happen overnight.

What can we do to facilitate this process and obtain the right results?

This is one of the principal elements of the strengthened ENP.

We want to lay the groundwork for the conclusion of deep and comprehensive free trade agreements. These should go beyond the level of tariffs and tackle "beyond the border" issues - as well as services and investment.

We need to make sure that, whether it is construction products or toys, potatoes or pharmaceuticals, *all* products, - including those of most interest to our neighbours - really can enter our markets, without being stopped by phyto-sanitary, safety or quality standards.

We are currently working out the most sensible approach. In particular, we need to make sure that such deep and comprehensive FTAs are introduced in the right way and at the right speed. The situation of every partner country is different, and for some a certain level of asymmetry may be needed.

The Commission will continue to push hard on economic integration, and I look forward to hearing your thoughts in a moment.

2) Mobility

We know that mobility, the freedom for people to travel to the EU, is enormously important.

So in “strengthening ENP” we want to do as much as we can to increase mobility. As my EU colleagues can testify, we have pushed our Member States hard on visa facilitation. We are beginning to get results - by the end of this year Moldova and Ukraine should see the practical impact of the visa facilitation agreements we have signed with them.

We want simpler, cheaper and faster visa procedures for business, government, and educational travellers throughout our neighbourhood. A lot of that simply requires making more flexible use of the provisions already available to the EU.

We will continue to push our Member States on people-to-people contacts in border areas and greater use of common application centres. I also want to mention our launch of a new scholarship scheme for ENP students and professors up to 1,000 of whom will shortly be taking their places in universities across the EU.

But most radically of all, the Commission has proposed a new system of Mobility Partnerships, which we hope we can pilot with ENP countries. The idea, as the name suggests, is to focus on the joint responsibility of all countries to tackle the challenges posed by migration. So it will cover both steps to combat illegal migration *and* more opportunities for legal migration from third countries to the EU. We ask for commitments on readmission and to promote productive employment and decent work. And we propose ways of facilitating access to our Member States’ labour markets such as labour quotas, short stay visas, and practical instruments to match job offers with job seekers.

Such proposals represent a striking development for the EU, and the Commission will continue to push this difficult but vitally important issue. We are focusing on practical steps we can take to make a difference, and I would like to hear your constructive suggestions for what else we could be doing.

3) Energy

My third point, which we will be coming back to later, is energy security.

Based on our own experience, we believe integrated energy markets work in everyone’s favour – whether as a producer, transit or consumer country. At a bilateral level, we have our energy agreements with Azerbaijan, Morocco and Ukraine and President Barroso referred to our hopes for Memoranda of Understanding with Algeria and Egypt.

A regional-level energy agreement would bring additional benefits, such as increasing competition; enhancing environmental and safety standards over a wider area; and providing a more stable investment framework.

That’s why we are launching a feasibility study to examine where the existing legal arrangements in the EU and its neighbours’ energy sectors fall short, and how to strengthen them. The study will look into whether a new “neighbourhood energy agreement” or legal framework would be the best solution for making energy markets work more efficiently for everyone - consumers, producers and transit countries.

Another idea is to focus on renewable energies and energy efficiency. This is an area where the ENP countries have huge potential, especially in solar and wind power and biofuels. We know our partners are interested in exporting renewable energy to the EU. And that matches with our own interest in finding ways of meeting our targets on renewable energies. So, in addition to the projects we are already running with several countries, we have proposed developing a truly “green” energy market in the EU-ENP area. I look forward to discussing this further at an important energy event with the EU, our southern ENP partners, the Middle East and Africa at the beginning of November.

We think this is a natural way of realising our partners’ potential and maximising the benefits of a 500-million-strong market on their doorstep. But please take today’s opportunity to tell us what you think should be the most effective focus for ENP.

4) Technical and Financial Assistance

Before I close there is one other important point of our proposals to strengthen ENP, and that is increased technical and financial assistance.

The momentum of ENP has already enabled us to mobilise the best expertise from the Commission and Member States, sharing our know-how and best practices, whether that be in customs or veterinary laboratories or banks.

I know our partners’ administrations have been working hard to make the most of this opportunity and I am delighted so many have taken us up on our offer of Twinning and TAIEX. We have had a tremendous response, with 800 participants in TAIEX seminars in the second half of 2006 alone, and “twins” in place from Morocco to Ukraine in areas as diverse as veterinary services, maritime safety and consumer protection.

On the financial side we have proposed two innovative mechanisms, the Neighbourhood Infrastructure Facility and the Governance Facility. The purpose of the Infrastructure Facility is to use the EU’s funds to leverage a larger sum of money from other international financial institutions and so provide you with a higher level of financial support to amortise the costs of transition. We expect the Facility to be established by the end of the year.

The Governance Facility is an additional source of ENP money awarded to those who make the greatest progress in meeting their governance objectives. The first awards will be made this autumn and we hope countries will see it as a recognition of the enormous effort we know it takes to make some of the complex reforms we are demanding.

Dear friends,

As you can see the Commission is doing its utmost to maximise our offer under ENP. We want to give our neighbours as many different options as possible to pursue a differentiated relationship with us. Above all, we want to *work together* to pursue our mutual interests, involving all levels of society in this process. Which is why I am particularly pleased that we have civil society, business, journalists and academics in this room together with government representatives.

The vision contained in ENP is a radical change in the way the EU relates to its nearest friends and its nearest friends relate to us. And this Commission is fully committed to making that vision a reality.