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BRUSSELS FORUM

The European Neighborhood Policy

Craig Kennedy: So, welcome back. Radek Sikorski, a longtime participant here in Brussels Forum. Very actively involved in past forums in various ways at various sessions. This year, as I mentioned earlier, we're especially pleased the Minister of Foreign Affairs of Poland is part of our support for the Brussels Forum and we're especially pleased to have the Minister here to frame this final session for this afternoon. So with that I'm going to turn it over to Radek Sikorski, minister.

The Hon. Radek Sikorski: Great. Ladies and gentlemen, friends. Thanks to wonders of technology many things these days are more virtual than real. I'm here wearing two invisible virtual hats. One is my own that as Poland's foreign minister. The other is the hat

worn by the Prime Minister Donald Tusk who sent me here. As a member of Donald Tusk's government and on his personal behalf, I'm honored to be with you today. For two reasons.

First, is that in July Poland takes on the six months presidency of the Council of the European Union. Many countries are very familiar with running an EU presidency. Maybe for them it's even a chore. For Poland, it's absolutely not that. It symbolizes the fact that in the mere 1,000 or so weeks since Poland had its first free elections after the end of communism, we have joined the modern European family and shown ourselves fit and ready to shoulder the responsibility for modern European leadership.

Second, is a pleasure to be here at the invitation of The German Marshall Fund. The original Marshall Fund was a visionary and magnanimous American initiative led by George Marshall, a soldier who saw for himself European slaughtering each other in France in the first World War. A soldier who rose to become Chief of Staff

of the U.S. Army and then Secretary of State. George Marshall knew that the United States should make strategic investments in Europe for a better shared future. His wisdom mobilized generous U.S. support which helped much of Europe stand tall again. Twenty-five years later at Harvard University on June 5, 1972 Germany's chancellor Willy Brandt announced the creation of The German Marshall Fund, an expression of European and German gratitude.

His words on that day ring true today. The Marshall Plan was productive proof that America needs a self-confident Europe capable of forming a common political will. Nearly 40 years later that project is still a work in progress. But huge steps have been taken. Above all, Europe is no longer a continent divided. Poland's EU presidency shows that the return on that farsighted U.S. investment has been truly colossal. I hope you all know the famous solidarity logo created in 1980 by a young Polish artist, Jerzy Janiszewski, which shows the name solidarity formed like people marching in a

demonstration. It became a global design icon of freedom and unity.

The U.S. Marshall Fund was a towering example of the force of sustained, purposeful, responsible solidarity. People say that we both take this idea of solidarity very seriously. And they are right. We plan to use our EU presidency to do what we can to mobilize Europe in that very sense. Our presidency comes just as the pace of international events is accelerating. Across the Middle East millions of people are demanding a voice in their own destiny and finding new options for networked protest and organization.

Over a million Egyptians have joined Facebook in January '11. And in January and February 450,000 Saudi citizens have joined. These are societies on the move. Redefining themselves, gaining new voice, new courage, new determination, losing fear. They may not yet know what they want. But they know what they don't want: oppressive, incompetent, frequently vicious stagnation.

How are we in Europe responding to that? Not too well, I'm afraid. The Libya crisis shows once again just how hard it is to mobilize common European positions. This is partly down to the way the EU institutions work. We face the old problems of, for example selecting an operational command. We are scrambling around creating new planning and command structures, while a mission involving some, but not all EU member states unfolds. Even if we eventually do settle on a command center in Brussels, it must be strengthened.

Currently it is just eight people and you can't run a serious operation with that. We find ourselves debating whether the flagship capabilities of CSDP battle groups are even ready to be deployed. One of the most significant weaknesses exposed by the Libyan crisis--and let's face it--we could see new crises flaring up across the region, is the poor common threat assessment and the lack of hardnosed joint planning for crisis response.

The crisis in Libya forces us to confront dangerous weaknesses in the EU common security and defense policy. Poland will do what it can during our presidency to identify and lead reforms in this area. However, even if all these capabilities were beautifully designed, well-oiled and poised for action, Europe would still need to act in a united way. Having a high representative for foreign affairs and security policy is an important new institutional move. But if EU members states flatly disagree on what the best policy is when things get difficult and dangerous, no shared institutional arrangements or the fine team that Catherine Ashton is putting together will get us good results.

Poland is not taking part in the current military action in Libya. However, we do believe in firm, united EU policies and strong EU military and civilian capabilities. We are going to do everything we can as president of the EU council to unite European resources and policies behind sustained purposeful and

responsible solidarity towards the people of the Middle East. Earlier this month in Washington at the Atlantic Council I delivered the second lecture in honor of Bronislaw Geremek, my predecessor. I said that Poland is ready to lead Europe as an active partner for the United States in exporting the technology of democracy wherever it is needed and welcomed.

This idea I think can drive Europe's response to the dramatic events across the Middle East. One example is Poland's proposal to create a new European endowment for democracy, supporting democratization and training future policy leaders. It's not enough for countries suddenly to win their freedom, they need help to get ready for freedom. They need to learn fast from Poland and other countries which have made this journey how to pace themselves. How to avoid basic mistakes. How to sequence key reforms. How to keep national discipline on the long and difficult way ahead. Perhaps above all, how to tackle the very hardest transition issue, reconciliation.

Reconciliation is the moral heart of modern Europe's solidarity. Reconciliation allows a society to stop looking back in hatred and mistrust and look to the future instead. It's easy enough to say in broad terms what needs to be done. Exactly what will it involve and practice across the Middle East no one knows. The situation is still fluid and confused. However, we do know that having important new business does not mean giving upon important old unfinished business. Europe has a large pile of unfinished business. In Belarus people are arrested for peacefully celebrating the Day of Freedom, which is exactly today; an anniversary of Independence Declaration in 1918.

Presidential candidates are beaten and kidnapped. Their staff are tortured and asked to spy on the opposition. EU neighborhood policies we feel need to look to both east and south. We expect the European commission's spring proposals to make that clear. The problem in Belarus, in Transnistria, Nagorno-Karabakh have not gone away just because media attention is

focused on North Africa and the tragic earthquake problems in Japan. If anything, the pace of events to the south should compel Europe to move all the faster to get its own eastern house in order in all respects. Division and dithering are luxuries we just cannot afford. We intend to push hard to conclude the association agreement talks with Ukraine during the Polish presidency.

Poland will want to lead the EU in closer engagement with Russia. Many ENP issues to the east and south alike will benefit from frank but constructive dialogue with Moscow. More generally a reformed European neighborhood policy should reward real progress. We want more from all. The faster the reforms, the greater the openness to European processes in the countries concerned, the faster the European Union should respond. Countries that respect EU values and do the hard work needed to embed them should get priority in their political and economic relations with the EU. That needs to be reflected in practice, not

just in paper declarations. Mobility, financing and other measures which help success breed success.

We want the eastern partnership to be more effective. We'll organize an eastern partnership summit in the autumn to push this along.

The enlargement agenda is more unfinished business. Enlargement is the right and wise thing to do and it shows our own confidence in the European project itself. We want to see Croatia's accession negotiations finalized and negotiations with Turkey continued.

Finally, a word on the EU's favorite subject, money. Our presidency will help open the negotiations on the post-2013 financial framework. We plan to create a credible, bold and disciplined offer for the EU as a whole. Yes, this is not the best time to press for an ambitious new budget but this makes it all the more important for EU member states to be flexible and creative.

Cohesion policy is all about implementing Europe 2020 strategy goals. The days go by and 31st of

September, 2019 is not so far away. Cohesion policy is Europe's own Marshall Fund. It defines the EU's own sustained, purposeful, responsible solidarity. It is and needs to stay the key formal shared investment in our shared future.

This is not just about the recipient countries, the entire European economy benefits. Solidarity needs the right internal market framework. Sixty percent of trans-border transactions cannot, as of today, be carried out online. By removing these footling barriers and opening up a common digital market, Europe would give innovative policy leadership and mobilize its own talent and energy, perhaps giving us an extra four percent of GDP by 2020.

We'll be pushing to enhance links between universities and research centers across Europe to get the best out of Europe's intellectual potential there, too. Looking outward, Poland will support efforts to conclude the WTO Doha Round negotiations. We want to get the growth we need to manage the troubles across

the Eurozone and in non-Eurozone Europe alike, without more trade liberalization.

In 1947, when the Marshall Plan was launched, Poland was already clasped in Stalin's iron grip. Poles who had fought for freedom were being persecuted or murdered.

Two decades after the Cold War finally ended, many countries are still trapped in Cold War thinking; Libya, Egypt, Tunisia, Yemen, Syria, Belarus, North Korea, and Cuba. These countries and more need solidarity, that generous investment in a shared democratic future, which the Marshall Plan gave Europe.

Getting all this right on the EU's own borders to the east and south, while delivering the continuing solidarity of mutual investment within the European Union, too, that, we believe, is the way to go.

Poland was not allowed to take part in the Marshall Plan. Poland can never get back the lost wealth which we would have enjoyed as part of that magnificent program. But we are pressing ahead using all the

opportunities which EU membership has given us. We are poised to take our proud place at the head of the European family. We are ready to tackle internal and external challenges facing the European Union with the courage and determination that Jerzy Janiszewski's solidarity banner so powerfully represents. Thank you for your attention.

Craig Kennedy: So now, we're gonna do just a quick set change and I've got a couple of housekeeping announcements. First, tonight, the clocks change. So be sure to set your--let's see, it's spring ahead, right? Be sure to set your clocks right, so you can be there at the early-morning sessions bright and shiny and ready to go. Second, I just want to, one last time, say thank you to the people that make this conference possible; the government of Belgium and Daimler, our long-standing major partners, the European Union delegation to the United States, BMP, Paribas Fortis, who have been so helpful to us for many years, and then our new partners this year, Deloitte, BP, and The

Ministry of Foreign Affairs of Poland.

And now, we're ready to talk about Europe's future and we've asked Anton LaGuardia of The Economist to moderate this session. Anton:

Mr. Anton La Guardia: Well, thank you very much. Can everybody hear me? Can you hear me? Yeah, okay. I can't hear myself much usually. You've heard a fascinating exposition by Radek Sikorski of the ambitions and all the things that the Polish presidency want to achieve when they take it over later this year. So, good luck to him.

My task here is to focus the discussion on the neighborhood policy, and particularly, obviously, on the eastern partnership, given the patterns that we have. It's, you know, difficult these days not to be riveted by what's happening in Libya and it tells us when you see the Arab Spring, I think it tells us how little the neighborhood policy has actually achieved.

And possibly, similarly, a similar (inaudible) can be made of parts of eastern Europe. But (technical

difficulty) Foreign Minister Stefan Fuele, the European Commissioner for The Neighborhood Policy. The Neighborhood Policy--events in Libya and Tunisia and Egypt, in some ways, are reminiscent of events of 1989. You tend to draw that comparison quite easily. You also think that in the wider context of Europe, some of the revolutions have not gone as happily. One thinks, obviously, of Belarus.

So, there's this sort of promise and fear about what may happen in the Middle East and it sort of reminds me of the joke, you know, the psychiatrist joke and the light bulb; how many psychiatrists does it take to change a light bulb? You know, only one but the light bulb really has to want to change.

So, the problem the problem in North Africa, in the Middle East and some parts of Eastern Europe is if countries do not want to democratize, what can Europe do about it and what can Europe do in partnership with The United States?

Stefan Fuele, the European Commission is coming up

with a new proposal on revising the partnership and revising The Neighborhood Policy. And the buzzword that we heard from Radek today is: more for more. Would you like to tell us a little bit about what more would be on offer? And also, does more for more also mean less for less, which means is Europe willing to take things away from countries it deems not to be performing properly?

Hon. Stefan Fuele: Let me start with the second part of your question. Yes, it does. It means also less for less. But it not necessarily means automatic penalization.

But more for more is just a principal which reflects our efforts to differentiate more and to put conditionality where it belongs, to make sure that our interest and our values are best served in one policy. And we sort of are in no need to pursue a separate one.

We already agreed on one communication, on the Partnership for Democracy on the South Mediterranean, 8 of March. It was about the easy questions. It was about

answering easy questions. What are you going to do with those countries who would like to cooperate, who embark already on a democratic transition? You're absolutely right, alluding to the review of European neighborhood policy, which we're going to put on the table on the 11th of May or the beginning of May.

And this is where we have to answer a more difficult question, what to do with those who are embarking on a gradual reform process, which is run by the authorities, but not necessarily answering legitimate demands of the citizens. What to do with those who have no willingness to transform at this point of the time, whose reflection period on what's going on in the south is still is going on.

So, as a result of this review process, you're going to have still one neighborhood policy covering both damage into east and south, but you will have a much bigger differentiation, not only between the south and the east but also within the south and within the east, with a minimum of benchmarks and with individual

programs for each and every of our partners. We hope to put forward this more for more.

And what kind of instruments are there? I think this communication of 8 of March gave, already, some flavor. There has been a 25 or either strongly beef-up instrument; a completely new instrument, which are available to the south. Most of them are going to be also available for the east, and the work is going on to have specifically designed those for the east because, indeed, we would like to make that distinction between the south and the east.

And this is also one of those many things this review policy is going to bring. More clarity about the end game of our neighborhood policy. Because so far, we're talking about the Neighborhood Policy, we're talking about that not delivering. But we're talking about the instrument. We have never defined the end game.

Mr. Anton La Guardia: May I interrupt you? In spirit of clarity, because I think it would help the

audience, can you sort of be specific about what all this actually means and what, you know, given a state that doesn't want to sort of democratize or goes backward, what would the EU do as a result of this policy that it hasn't been doing already?

Hon. Stefan Fuele: The first thing, what the European Neighborhood Policy review process is going to do is just to shift the relationship we're having with our partners, from the EU authorities' relationship to the EU civic society authorities. The citizens, whether it's south, where it has a particular role, but also as the east is concerned. I mean, I could talk about Belarus, where this is indeed an important challenge, number one.

Number two, the same values but less compromises in putting the programs in practice.

And third, without cooperation of the member states, we could hardly do it because if the EU would push for some programs and push for less, and we have a member state doing their business as if nothing is

going on, that's going to be difficult.

Is it going to be different now? I think it's going to be different because the shift we have done from the real politics within the European Union to be indeed more focused on the values and how to transform them in the reality is going on, number one. And this is the most important thing.

The second more important things, that you have the south and hopefully, more and more also east, ready to absorb this kind of thing. And the third thing is that we have instrument right now, although Radek was saying that all of that is up on the construction. But for the first time, we have a high representative and vice-president of the commission.

So for the first time, we could actually put our Euro where our interest is. What I am saying, we have the policy, the inter-government approach and the community approach for the first time, sort of following the one goal and being coordinated.

We have external action service, we have EU

embassies abroad. We did not have until very recently. We have representative of The Commission. Now, we have political tools to deal with our partners.

Mr. Anton La Guardia: Phil, I should have introduced your title properly, earlier, I apologize. Phil is the Under Secretary for European and Eurasian Affairs.

Phil, you hear that the Europeans say things are going to be different. They've got a high representative. They've got embassies. Do you feel this difference? Does it give you a sense that things are changing? And does it mean that the United States no longer need worry about Europe's neighborhood?

Hon. Phil Gordon: Well, thanks, Anton. Let me first say I'm pleased to be back here at the Brussels Forum. This place gets more and more remarkable and impressive every year. On that question, have we noticed difference, the answer is yes. We get this question and, you know, maybe some people had expectations that everything would be transformed when the Lisbon Treaty

was up and running and from one day to the next we would no longer be dealing with member states but just dealing with Brussels. We never imagined that. It was unrealistic to imagine. In the real world, there has been a difference. The partnership with High Representative Ashton works. Secretary Clinton has an excellent working relationship with her and it doesn't in any way mean that we're no longer working with member states as we always will, but given the challenges of starting from scratch in a tough budgetary climate with no structure, no bureaucracy. I mean, I sometimes point out when we in the United States from one administration to another, it takes us more than a year to get our people in place and that's just going with the institutions and the Constitution, all of that in place. It's a year, 18 months before we have our team in place and can function--well, you can debate whether we're fully effective even now. So, given that, it's actually to us very impressive the

degree to which the post-Lisbon European Union has organized itself on foreign policy.

And that segues, Anton, into the second part of your question about, you know, the neighborhood and partnership with Europe. I think that piece of our mutual partnership is working very well. Our support for the goals and processes of the Eastern Partnership and the neighborhood policy, you've mentioned Belarus in the first section here. Look at how the United States and the European Union together handled Belarus. We issued several joint statements; Clinton, Ashton, the United States, European Union. We coordinated our measures which included the negative consequences. On January 31st we jointly announced pretty much the same set of measures in terms of travel bans, visa bans, asset freezes and sanctions. And we did that together to send a message, but equally we worked together on the positive side, thanks in part to Minister Sikorski pulling together those who wanted to stand by civil society in Belarus and we came together and raised a

very significant amount of money in Warsaw. The United States showed up and increased our support for civil society and the opposition in Belarus by more than a third. And so that to me is an example. There are plenty of others in the rest of the region, but just to focus on that one most recent and most dramatic case of how we worked very closely with the European Union for a common objective in the neighborhood.

Mr. Anton La Guardia: Thank you very much. Mr. Gryshchenko, do you have concerns that the idea of conditionality is creeping into the European discourse? That, you know, more for more, yes, but also less for less; that we'll impose tougher conditions. Stefan Fuele has in the past spoken about the fact that Europe has not demanded enough of its partners. Now Ukraine is often accused of perhaps going backwards a little bit. I'm sure you'll want to address that accusation. But do you worry that what is happening in North Africa may also change the nature of Europe's relationship with Ukraine?

Hon. Kostyantyn Gryshchenko: Well, first let me also join my colleagues in saying that I'm very pleased to be here. It's not the first time. And what is important that representatives of both government in place and opposition in place do participate in these meetings. That is important because Ukraine would like to join EU as a whole as a country. Not simply the government, not simply some part of civil society. It is something that unites Ukraine as a nation.

That's why when we calibrate our approach to the policies, including the instant partnership, we see the whole picture and whole goal. For us, European integration, full membership is something that we have agreed upon and have established in the law on our foundations of internal and foreign policy. Clearly, we see that there are different priorities which reflect the evolution of situation close to European borders.

But we understand that essentially today more and more people come to the conclusion that Europe needs to have fresh blood, fresh approaches. We are for the time

being in the process of deep modernization in our country. The program of reform which are aligned to the values and to the standards of Europe is the priority for the government, and it is not an easy process. We see the need for support for that. You know, when the countries have the previous wave of enlargement started on that bus and were accepted the potential candidates. Approximately 30 Euros per inhabitant were given as support for the transformation process. What we are getting is closer to three Euros at most. Well, we are not complaining. We understand that for us the train with exceptional tickets has already gone. We need to be tough to work very hard inside the country to bring the country and the nation as a whole closer to these standards.

But we see that the partnership, the Eastern partnership, the neighborhood policy, as only one of the tools that might be useful if it really gets enough steam in it. If it is not getting enough resources and only is fed by ideas--noble as they are, and purpose-

oriented as they might seem--it will not be something that we would find useful to achieve at least our goal. Because our goal is very clear. It is very well formulated and has a very clear plan of action which is associated with it.

Now, whether we need to be worried about more attention to the south, I don't believe so. I think that transformations that are happening there are inevitable and what we would like to see is the end result the democratic government that would be efficient and will be attuned to European values. If it comes to life, then we would only benefit from the enlarged space of common values and more opportunities will evolve in the economic area.

We are well represented in this particular part of the world and Ukraine has at least one of the answers to the major problems that this part of the world faces: it is the need for affordable foodstuff, including the wheat which is the major staple for this particular area. And today that is something where we

do not really have the answer. We can provide part of that answer because Ukraine is the most productive, potentially, agriculture in this part of the world. But we need to have a more clear policy which we would like to discuss and help formulate with European Union in that respect, because we believe that the agricultural policy as an example of EU is still being conducted as if we are living in the '60s or '70s, at best at '80s. Thank you.

Mr. Anton La Guardia: Can I ask you just to hold that thought on agriculture but just answer, perhaps briefly, the specific point of the accusation that Ukraine is going backwards in terms of its democratic ambitions. You spoke about your European ambitions, your desire to join the EU, but the perception is that Ukraine is going backwards.

Hon. Kostyantyn Gryshcenko: Well, you know, for me being here at this particular conference is something which is exceptionally, I would say, exceptionally easy because what any member of government--and Ukraine

needs to face--is a growing and very active life discussion on TV weekly. Not everyone obviously goes there but very often so many people do.

We have a permanent and very interactive discussion of all the major problems that society faces between government and different opposition figures, different opposition parties. It is alive and very competitive democracy. And there is no way it can backslide back to non-democratic way of either governments or intercourse with society. We understand that to be efficient, to be modern, to have opportunity to join Europe as a full-fledged and acceptable member, democracy needs to be preserved and reinforced in Ukraine and that is what is happening.

Mr. Anton La Guardia: Thank you. I'm just going to ask one more question of Radek Sikorski before we open it up to the floor, so feel free to start catching my eye.

Minister, you spoke about the need for Europe to put its sort of the eastern house in order. Can you be a little bit more specific and tell us what sorts of policy mix you'd like to see that you adopt? Is it more carrot, is it more stick, is it sanctions, is it engagement? What should be done?

Hon. Radek Sikorski: Well, I believe that we've run out of steam on the model that brought us in Central Europe into the EU. And the model was this: we give you a very large carrot--membership--at the end of a grueling period of reform, which requires a sort of national obsession on the part of the candidate countries. Since we are not prepared to give that big promise to the Eastern partnership countries, we should create a system of small carrots spaced out in synch with their political calendars, so that particular governments are incentivized to make reforms from which they themselves can benefit. And this requires a more political approach.

And this, I think, is my second recommendation; that in the entire neighborhood we should become less legalistic and more political. And more one-sided. We should grant privileges to some of those countries. More, because you've done something good; less, because we've decided you're backsliding. But that would be a change of approach on our part.

Let me give you an example. We would like to do something for the Belarus civil society, right? For example, cheaper visas, Schengen visas. That requires us to negotiate a visa facilitation agreement with the regime. It's crazy. We should just grant that. I've done it with Polish national visas. Why can't we do it for Europe as a whole?

Mr. Anton La Guardia: And just very briefly, given that we have the Ukrainian foreign minister here, what do you think European Union's policy in the specific context of the Ukraine should be?

Hon. Radek Sikorski: Well, we're negotiating a deeply comprehensive trade agreement and that's a good thing. But Ukraine knows very well that if it wants and it has set itself the national goal of membership, they know that they won't make it unless we are all, current members, comfortable with their status as a democracy.

In fact, their status as a free country is Ukraine's biggest strategic asset because out of the post-Soviet states, Ukraine is a free country and they must not give up that strategic asset.

Mr. Anton La Guardia: Thank you. I think I saw Charles Grant first, but please catch my eye.

Mr. Charles Grant: Charles Grant from the Centre for European Reform. Delighted to hear Stefan Fuele say that the new neighborhood policy will really apply conditionality but what can you say reassure us that the governments will let you do that? Because the last neighborhood policy was supposed to be conditional, but governments in the EU insisted in giving aid to the North African countries despite their human rights and

democratic record because of commercial reasons or cooperation on counterterrorism or corporation immigration. So, this time do you really mean it? Will the governments mean it? And finally, could not the external action service or the commission try and develop some objective indicators for governance? You can publish them once a year so that every year you publish these indicators which make it much harder for the--for the E.U. to actually give aid to a country that was locking up journalists or restricting media freedom.

Mr. Anton La Guardia: Thank you. Let's take one more here.

Unidentified Man: (Inaudible) to International Affairs in Rome. I understand that the focus is mostly eastern dimension, but still Mr. Sikorski made several references also to the southern dimension. So I'm encouraged to ask a question that probably relates more to this southern dimension at least in one.

It's clear that our partners in the south have been already very interested in the regional dimension and regional corporation. So not only on the bilateral one. In fact the European Naval Policies mostly developed on a bilateral basis. So, my question is we have now still this Union for Mediterranean almost there that's been a failure. At same time we need another workable and effective regional framework of corporation. The Union for Mediterranean was essentially based on the assumption that the democracy promotion agenda should be sidelined, so we should we reconsider this aspect. We should take into consideration again the need to have a democracy promotion agenda and support for the internal processes in those countries. And this should also be done at regional level in regional framework in addition to the bilateral aspects that have been developed in the framework of the European Neighborhood Policy.

So, my question is we need to also review, and a deep review of this aspect, and I would like to ask you

what are he plans to revise specifically of this aspect?

Mr. Anton La Guardia: Thank you. Let's take those before we forget them all. You had a question on whether the conditionality is serious this time. Should there be a scoreboard? You know, scoreboards are very popular now with the euro macro-economics surveillance. We need a scoreboard for democratic surveillance and finally question the Union for the Mediterranean? I think Stefan Fuele should probably start.

Hon. Stefan Fuele: Charles, I cannot give you guarantees that we will be one hundredth person to (inaudible) for. I can give you guarantees that we will do everything to use the current political environment both in the south and in the European Union, because what's really important to understand that while we are observing and trying to understand and also answering to the historical changes in the south, we're changing ourselves. And as it was said quite rightly, it also has a clear implication on the East. So, that's first.

Second, we were thinking about this approach of a rival geometry and a number of highly developed system of benchmarks and moving country from this group to another. You commit to the free and fair elections, you're in this group; you do not, in this group. If you have some limited freedom of expression, you're fine. If you have some problems you move to the third group.

It gets so complicated, with so many countries that what we have--where we are sort of moving right now. It's a set of the basic benchmarks really determine the reformers and those who are not going in the direction of transition.

And second, should the individual approach metrics system, I mean, the one we have developed with Ukraine, which would be made available to the public, so at each and every time everybody could see where we are--what are the relationships between the European Union and that specific country. Metrics, meaning on the left side what are the reform and transition steps? The timing, what does it mean? What needs to be done? On

the right side, what the European Union is ready to do in peril, in support and as a follow-up to that. And that's a need as Radek quite frankly said. It needs a political steering. It needs to be a system which is being crowned not by an expert and the commission, but by the politicians; through our cooperation, visit external action service.

Another point is I talked a little bit about it, Radek also. The post-Lisbon does not only mean (inaudible) the high representative; does not only mean external action service. It doesn't mean only EU embassies. It also means that you external actions EU foreign policy. It's not in the hands of the six-month presidency. You would agree with me that there is hardly any condition for really consistent, sustainable and transparent EU policy. If it's around six time with this member state, maybe smaller and with certain priorities, and another time with much bigger with a highly-developed interest here or there.

And it is through that policy, through this political steering we hope to use the momentum created now to deliver through the conceptual--the command, through forming a consensus already at that stage conditions for delivering on conditionalities.

Mr. Anton La Guardia: I'm going to ask Radek--just pick up that point; maybe if you could answer the question about the Union for the Mediterranean. Is it, you know, is it dead? Should it be killed? Should it be revived?

Hon. Radek Sikorski: Happy to. I disagree that democratization or democratic status should be precondition for talking to countries. If we had applied that standard we would never have founded not only the United Nations but even NATO.

We need to talk to neighbors because they're neighbors, even when they misbehave. And that's why Poland is proposing the establishment of the European Endowment for Democracy, because that will do the

democratization work for us even when we have to talk to the undemocratic governments. Because we need to talk, even to tyrants, you know, tyrants also have trade policies and they have environmental polices some of which we like and some we don't, and we need to be in touch.

So, I would--for example, we have not excluded Belarus from Eastern partnership because if Belarus wants to adopt our trade standards, our quality standards, they're still free to do so. And we hope that that would eventually inspire them to adopt our other standards.

Mr. Anton La Guardia: Just making a brief point--

Hon. Stefan Fuele: We have a multitude of framework in the East. The Union for Mediterranean is a different animal compared to this multi-dimension, as a part of the eastern partnership. But I strongly believe that we need Union for Mediterranean more than before. We need in addition to the bilateral relations with our

southern neighbors, we need a multi (inaudible) framework. We need to rethink Union for Mediterranean. We need to push aside, at least for the time being, those things which are not working. What is not working? The summit, the high level political meeting. And we need to push forward those things which are working. And you have a number of the sector of policies where we actually have some results. We need also finally to do something with the secretariat in Barcelona. We have a number, dozens of smart people in Barcelona ready to work on the concrete projects delivering benefits to the people in the Mediterranean.

We are still unable to agree on the guidelines for this project for months, months, months. And there is one more element. The Union for Mediterranean should not be the only regional framework. If you look at my graph, for example, if you look at the Maghreb countries, quite interestingly these Maghreb countries, they prefer making a trade with us. But if

you look at the trade among the Maghreb countries--
minimalistic.

So we are very much keen to have a relationship with the European Union and Maghreb Union. We are very keen to help them to deepen their integration, to overcome the volatile issue they have which prevent them to have that integration afterwards, because if we invest only part of the money we would otherwise need to help them into this integration effort, as a result of Maghreb Union working, you have immediately grossed an extra one or two persons of the GDP generating the development and generating resources to help these countries.

Mr. Anton La Guardia: Thank you very much. Let's go over to this side for a second.

Hon. Mikulas Dzurinda: Thank you very much. A few weeks ago--

Mr. Anton La Guardia: Could I just interrupt you for a second? As you're all--let me just--just

interrupt you for one second. As you're all thinking of your questions and you're thinking of your answers, can I urge you to the journalistic thing, which is to think about how you can make it shorter so we can get more questions in? We have a lot of questions tonight. Keep them brief. Keep your answers brief and we'll get through more of them. We learn a lot from the questions as well as from the answers.

Hon. Mikulas Dzurinda: Mikulas Dzurinda, the Foreign Minister of Slovakia. Bratislava became a temporary capital of the eastern partnership a few weeks ago because we organized an expanded ministerial meeting of E4 foreign ministers with our partners from the East and Stefan Fuele, Baroness Ashton participated as well.

And I am very happy that Poland will continue doing this because Poland is going to organize a similar summit at higher level, at the level of prime ministers. We are already active with Poland in the old country, Mr. Minister, and because you didn't

participate in Bratislava I want to use this opportunity to ask you what are your priorities now to modernize the country, to bring the country closer to the EU? What is your priority, governmental priority number one, number two and number three at the moment? Thank you.

Mr. Anton La Guardia: Thank you for your concision. Why don't we answer that right now?

Hon. Stefan Fuele: Well, first and foremost and as far as European Union agenda is concerned, for us the priority in that particular aspect is the completion of our negotiation over our succession agreement, including the Free Trade agreement as part of it. It cannot be done simply through foreign policy efforts. It is part of an overall reform program. Reforms which have never been even initiated in the last 20 years and now covering the whole wide range spectrum of the issues that are needed to bring us closer to European standards.

It is the reform of the budget process. It is the reform, administrative reform. It is next step will be pension reform, a taxation reform. It's making sure that businesses do not have to deal with that many permits and licenses to start and to continue to be efficient. It is also a second priority vis-a-vis our relations with the European Union is getting (inaudible) and visa-free regime in future.

For that again, we do need to introduce quite a number of changes inside the country, including those which are essential but quite costly. That is also something that we will do in the nearest--we are doing it, implementing today. And what is even, I believe more important is the ability of society to move closer to the tools--the use of the tools of modern age, which is a very wide introduction of the modern technologies' intercommunication between the government and the people and those who need services of the government. The idea is to limit the need for anyone to deal

directly with governmental functionary if at all possible. These--

Mr. Anton La Guardia: I'm going to cut in there. You were asked for three priorities. I've counted five. So in the benefit of the, you know, we spoke about the internet age. We're in a twitter age here, 140 wor--140 letters per question. Yes, not words, letters.

Ms. Natalya Kalyada: I'll try to do my best to very shortly. My name is Natalya Kalyada from Belarus (inaudible). I'm campaigning for free Belarus now. I have a question to Mr. Sikorski. When you said that it's good to engage with--it's not good, but it's there is a chance to engage tyrants because you need to have neighbors and relations. I was detained on December 19 and I was told that I would be raped not just it would be like a dream to me and knowing that every said person in Belarus was killed by Nazis. It was pretty scared. And, it was just overnight. I couldn't imagine what's happening within three months already. So, my question is, do you think it's worse to engage

dictators in order for people to be tortured, or even to get threats of raping these days in the world in Europe?

And another question for those of you; to Stefan Fuele, and for you, Mr. Sikorski. On the same day in January 31, when there were sanctions by European Union and the United States. United States implemented economic sanctions. What is the reason why European Unions still didn't implement economic sanctions in order to stop the dictator nearby of your borders? Thank you so much.

Mr. Anton La Guardia: Thank you. I think we should just answer that right now.

Hon Radek Sikorski: Well, I think Stefan will confirm that I led the effort to impose sanctions on President Lukashenko and all those guilty for the repression. And as you know just last week we extended the list of people on the visa ban list to include prosecutors and judges that are responsible for the

kind of behavior that you're describing. So, I hope you don't doubt our moral condemnation of what is happening in Belarus. You're going through what we suffered under martial law. But, you should also know that when people in Poland now think about martial law they object to two aspects of it.

One, the repression, but the secondly that General Jaruzelski did not use the absolute power that he had at that time to prepare the country for future reforms, 'cause he would not have been invaded by the Soviet Union had he introduced VAT reform. And so dictatorships are not just nasty they're also dumb. And they are also usually centralistic and inefficient economically. I don't have any easy solutions for Belarus. It's--we've had this problem for 16 years we've tried everything. We've tried encouragement. We've tried sanctions and nothing works.

Last year President Lukashenko was declaring some slightly better behavior. And indeed the--as the opposition leaders were telling us, the campaign was a

little bit better. People were allowed to campaign on live TV, slightly bigger budgets. Everything was fine until the vote counting. It wasn't all fine, but it was a little bit better than before. But we believe that Belarus will need--its economy is not picking up quite the reverse. And, we will use the collective power of not just the EU, but international financial institutions to do what we promised.

We promise that if there is bad behavior, well, there will be a price to pay. But if there is better behavior you have to keep the door open to improvements.

Mr. Anton La Guardia: Mr. Fuele.

Hon. Stefan Fuele: Yeah. Three points for all of them. First--and I could confirm everything Radek was saying, indeed. No one is interested in making business with Lukashenka while he's pursuing the policies you refer to. That's absolutely clear.

Number two, on the other side everybody is now eager to see how after the success for Warsaw Conference and some extra funds, how to help the civic society, of society and in Belarus. How to help the democratic forces in Belarus to survive and beyond that. Okay? And we had a coordination meeting not a long time ago here in Brussels to talk about how to do it. And, we're doing that, by the way, in cooperation with you.

And the third element: On the 31st of January it has been made clear that restrictive measures is an open-ended process. If the policies continue the restrictive measures should be extended. We already did that. I mean, as far as the visa ban. You know that we extended the list. And, at the same time, of course the discussion is going on, on the other sanctions where a number of the elements is taking into account including the one impact on the Belarusian society.

Mr. Anton La Guardia: Thank you. Can I just ask--

Hon. Radek Sikorski: Lukashenka has retaliated, by the way, by putting together his own visa ban. So, Stefan and I will be deprived of our holidays in Belarus.

Mr. Anton La Guardia: Thank you. I just want to ask you I don't know your name, sorry, but did you find that answer satisfactory? What else would you like to see that you do?

Ms. Natalya Kalyada: I'm not satisfied with this reply, of course, because there are relatives here. One is wife of kidnapped person. Another sister of Andrei Sannikov, of who is in jail now. I will not even start my story because I'm on the Bent visa. My apartment is raided all the time. My daughter is wanted by KGB. But, it's a very long story. So, with the question is when? It's already for 16 years where we find a dictatorship. And we cannot compare Soviet Union time to what was happening in Poland those days. Today's 21st Century and we still have dictatorship in Europe. And, it's

possible to have the first time when the whole European continent will be free from dictators.

Mr. Anton La Guardia: But what would you like for the EU to do? What's one thing that the EU could do?

Ms. Natalya Kalyada: Economic sanctions. Very tough economic sanctions. Why United States government implemented the economic sanctions, European Union still not. Freezing assets and so on.

Mr. Anton La Guardia: Thank you, thank you. Can we, there are a couple more here and then we'll move on.

Hon. Phil Gordon: Can I have one word on this subject?

Mr. Anton La Guaria: Yes, please do.

Hon Phil Gordon: The U.S. has mentioned that I--

Mr. Anton La Guardia: Yeah, sure.

Hon. Phil Gordon: I briefly mentioned it earlier. First, to say I'm very familiar with Natalya Kalyada's story 'cause I heard her of a chance to tell it

directly to Secretary of State Clinton when she met with some Belarusians and Belarusian-Americans not long after the crackdown and gave us a chance to express our own moral outrage at what took place on December 19th.

On the question of sanctions, I mean, this issue of how to deal with this. And it's one of the most the toughest challenges we face in the neighborhood. And the context of this carrots and sticks and incentives and disincentives that was raised earlier--we took the view. We had--because someone mentioned the United States putting sanctions on. We had eased our sanctions on Belarus as part of the process that Minister Sikorski put out there where you want to give any regime, dictators, authoritarian regime an opportunity to see a better path.

And, we presented that path. I personally went to Minsk and laid out a very clear roadmap of things that Belarus could do if they wanted to follow that path. And, as Radek said, there were some signs that they might have been interested in that. And in the context

of that when they let go the last of what we considered political prisoners, we eased some of the sanctions on the main Belarus state company.

After what happened in this presidential election we put them back on. Because we had to make clear in addition to the new measures we took on visa bans and asset freezes, that there would be consequences for that sort of behavior. Now, you know, is that an imperfect policy? It obviously is, but, you know, when you look at the policy tools you can use in this sort of situations, that is what is at our disposal. We can lay a very clear path forward for countries and governments that do the right thing and make sure that we deliver on the incentives for them doing so. But we also have to be prepared to deny those incentives and make there be consequences.

And that's why the United States did take steps, especially on a company that the regime has its own personal economic stake in, so that there would be some consequence. The outcome is not satisfactory and we're

no more satisfied than you are with the state of play now. But as a policy matter we have to demonstrate that there's a cost to this sort of behavior by a regime.

Mr. Anton La Guardia: Do you think that the EU should be imposing economic sanctions as well as the United States?

Hon. Phil Gordon: Well, almost by definition that we have done so. We think the right thing to do is have economic sanctions as part of the consequences for the regime.

Mr. Anton La Guardia: Thank you.

Hon. Radek Sikorski: A little bit of explanation.

Mr. Anton La Guardia: Yes, please.

Hon. Radek Sikorski: We also have Foreign Affairs Council conclusions which Carl Bildt who's with us here and myself. We persuaded our colleagues, foreign ministers to allow the possibility of further measures, which is understood to mean exactly what the U.S. does; sanctions against particular companies. You've done

one, we're considering a number. If the situation gets worse in Belarus, it's a real possibility.

Mr. Anton La Guardia: Okay, thank you. Let's take a couple more questions. You've been waiting and you've been waiting.

Mr. (inaudible): (inaudible), the Institute for National Security Studies in Israel and this is a question to Commissioner Fuele. Ever since the launching of the Barcelona Process in '95 aimed at the Mediterranean neighbors and then the ENP in 2004, and that the eastern and the southern and then the Union for the Mediterranean, there's been sort of a gradual progress, but there are deficiencies in three major areas.

One, is that joint ownership. The feeling on the southern and probably on the eastern side is that that is more or less what the EU decides, whether it is in Paris or in Madrid or in Brussels, but it's not a joint ownership.

The second area where there is a deficiency is that participation in the decision shaping. Of course, decision-making is done by the members and as Minister Sikorski said, that there's no membership under horizon for many of their neighbors and this is understandable. But in the decision shaping there is a possibility to make us partners. If, and this is more for more if the countries adopt their key (inaudible). And if they do this in the areas where they do, you can become a member in the decision shaping.

The third area where there is a deficiency is their funds. Ever since the process of membership for--

Mr. Anton La Guardia: Okay, but can I ask you for the question, please?

(Unidentified): The question is whether the document in May will address the funds, the participation and the ownership?

Mr. Anton La Guardia: Okay, thank you. So, a couple more.

*HEATHER GRABBE: Thanks. Heather Grabbe from the Open Society Institute. It's a maxim in foreign policy that you should never waste a good crisis because that's the brief moment when foreign ministers and commissioners are actually in the driving seat. But for neighborhood policy most of the things you need to deliver to make it work are in the hands of completely different political actors in domestic interests. So, what are the prospects of using just in the next few months the current crisis to get *D.T. Agriculture to allow Tunisian oranges or D.T. Trade to allow Egyptian cotton into our markets? Or, indeed I think same issue is there in Congress actually for the U.S., to get the interior ministers to look seriously at visa facilitation, and indeed legal roots for migration, for labor migration.

And perhaps for the foreign and defense ministers to think about absolute taboos in CSTP, like evolving non members like Turkey. It could be quite useful after the crisis this week. Or, actually to make use of the

structure corporation possibilities in the Lisbon Treaty.

Mr. Anton La Guardia: Thank you let's zoom around.

Mr. Roland Freudstein: Thank you. I'm Roland Freudstein--

Mr. Anton La Guardia: We're like five minutes left for everything we want them to wrap up too.

Mr. Roland Freudstein: Roland Freudstein, Centre for European Studies. Let me bring up the proverbial elephant in the room of the Eastern partnership, which is Russia. Or, to be more precise the notion of a privileged, a sphere of privileged interest. It used to be called sphere of influence anyway. I mean I just moderated a breakout lunch where we came to the conclusion that that is indeed one of the problems that at the root of the frozen or not so frozen conflicts of the region, like (inaudible), Georgia and so on. So, I mean, are Europeans and the Americans doing enough to

address that problem in the Eastern partnership in our joint Transatlantic Eastern policy? Thank you.

Mr. Anton La Guardia: Thank you very much, and I think there are a couple of more questions around this side. One here and one in the back, and then what I'll do is ask you to answer the ones that are most relevant to you.

Mr. (inaudible): I'm (inaudible) I used to Chair the Foreign Relations Committee of the Italian Senate. A quick comment and a question. The comment is I'm glad that the Polish presidency is putting so much stress on the fact that greater European integration makes for greater capabilities in meeting the needs of neighbors and integrating new members. This sounds completely obvious but if we think of the first phase of the Libyan crisis, it isn't that obvious.

The question is Turkey. I also noticed that you included Turkey as a desirable new member. Everybody's a bit pessimistic about this because of the opposition,

mainly of two important members of the European Union. My question is to the panel, in general, who wants to comment on this, what is the *status questiones*? What is the situation? And I hope we're not giving up on that one. One of the very few issues on which that is bipartisan support in my own country.

Mr. Anton La Guardia: Okay. I'm told that the minister has to leave soon to the train to catch, so I apologize to anybody else who wanted to ask but hasn't been able to. They ask the panel to ask the questions that they feel most relevant and most burning to them, and we'll have to wrap it up.

Hon. Kostyantyn Gryshchenko: Well, I agree with the point that the crisis should be used. I think what is happening in Libya right now shows the wisdom of the Weimar Letter of Foreign Defense Ministers that has now been accepted as a document of the entire EU for strengthening security and defense policy. If we have more Libyas, there will be occasions on which we might need to deploy a battle group, or actually, we've

agreed to plan for a humanitarian operation in the post-war scenario in Libya. Well, for that, we need planning and command capabilities.

So I hope that the countries that have launched this operation will see the need to get the EU more involved. And, for example, the next EU battle group involves Ukraine, so why not Turkey in future, too? And that way, Turkey would show its commitment to a European destiny.

I think the trade issue is fascinating because the North African countries mainly produce what the Southern European countries produce. So the southern member states have decided what they share more, North African produce or North African illegal migration or instability. Well, it's up to them to decide, really.

Mr. Anton La Guardia: Mr. Fuele. Let's go left to right.

Hon. Stefan Fuele: Yeah, there was a question about whether in this ENP review there's going to be a joint ownership participation decision shaping and funds. The

short answer is yes. The whole process of ENP review involved a number of the consultations, not only among the member states, but also with partner countries, with the civic society, with think tanks on how to do it.

Participation decision shaping program, it has to do something with our efforts to give more clarity to the end games. Are we going to talk about extending, somehow, the European economic area to the south and provide the institutional framework for economic integration? Are we going now to approach the eastern partnership as program, which helps countries to build more European Union inside these countries, and thus, sort of pushing these countries closer to the actual implementation of Article 49? All of that is bringing (inaudible) to participation and decision shaping.

Second question. President Barroso; the whole college feels that during his first or during the second Barroso (inaudible), the neighborhood is going to be our priority. The neighborhood is going to shape

the college response, not only to the neighborhood. What I'm trying to say is they're already doing the preparations on this communication on the southern neighborhood. A number of the new ideas, like the rural agriculture and rural development facility. A number of other new ideas promoted by my colleagues, by their services, were put on the table. This process is continuing.

The contribution of the commissioner to the ENP review are very substantial. Sometimes the Commission themselves are much more ambitious than their services. This is how we should be probably, and we're going to see more in this ENP review.

On Russia, first point, I think it's important talking to the neighbors of our neighbors, also. This is also probably a new element we need to strengthen, but not over the heads of our neighbors. And second, protected conflict. One of our ambitions we shared with the high representative is that after the Lisbon Treaty, the next logical step is that, actually,

European Union gradually will play a large role in addressing this issue. First, through the confidence-building commissions, we're already doing that, and then also politically.

Turkey membership, if I understood the question right, we're still on but the frustration's raising on-polarizing on both sides. Very crucial, the elections in June, but let's see what's going to happen after that. The white elephant in the room is implementation of additional protocol to incur a treaty and Cyprus issue hopes to open one chapter before the elections. A lot left to do on this one.

Mr. Anton La Guardia: Thank you very much.
Concluding thought?

Hon. Kostyantyn Gryshchenko: Yes. Very shortly, maybe, not directly linked to any specific question but the importance of something Radek mentioned: solidarity.

Now, the Libyan crisis clearly showed that the need for solidarity is here. And when we have sent--we are

not the richest country in Europe--our own airplanes to bring our people, our citizens, back home, we were taking the EU citizens and sometimes, in a very high proportion to those we were bringing out home of ours.

Today, we have the large ship close to the coast of Libya and it's ready to be a part of international humanitarian mission. It is an asset that we will use for our own purposes but it also open and usable for all those who will be in need for that.

We see solidarity as the important tool to promote all European values and Ukraine, for once, is part of that overall solidarity need process.

Mr. Anton La Guardia: Thank you. Phil, last word.

The Hon. Phil Gordon: I'll be brief and limit myself to one question in the interest of U.S. - Ukrainian relations. I don't want Kostyantyn to miss his train.

Roland Freudstein asked about what you called the elephant in the room, which is Russia. I'm not sure where this discussion is concerned, but that's right.

Just as we are highly unsatisfied, dissatisfied with the status quo in Belarus, we are also frustrated with the status of a number of frozen conflicts. It's not for the lack of engagement, whether it's Georgia, Russia, Nagorno-Karabakh, or Moldova, we have been intensely engaged, because what you implied is that we haven't made progress.

But what I want to be clear about is that, nor our interest in engaging Russia, is standing in the way of our efforts to deal with the questions that we have been discussing on this panel today.

We, The United States, the Obama administration, have made very clear what our agenda is with Russia and the interest in improving relationship. But we have also made clear that it doesn't, in any way, stand in the way of our outreach to the countries in between Russia and the European Union and that there are no, to use your phrase, spheres of influence in Europe. And I think, when you look at what we've done across the board in Northern Europe, Central Europe and the

Caucasus, we've absolutely stood by that principal.

So if there's a lack of progress or we haven't achieved all of our goals in the neighborhood, it's not, in any way, because of how we're approaching Russia.

Mr. Anton La Guardia: I am hugely grateful to our panel, to the questioners and to everybody here. Would you please join me in giving our panel a huge round of applause? Thank you.