

EUROPEAN COUNCIL THE PRESIDENT

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Speech by Herman VAN ROMPUY President of the European Council at the European Parliament

Within the space of 49 days, I chaired 3 meetings of the European Council and a summit of Heads of State or Government of the Eurozone. This fact illustrates the great and urgent challenges our Union is facing, both at the economic and at the diplomatic front. It also neatly illustrates that meetings of the European Council are not just an event, they are part of a process.

Indeed, in the meeting on which I am reporting today, that of 24/25 March, we duly approved a significant set of economic measures that have been prepared and discussed over the last year, we stepped up our action with regard to ongoing events in Libya and we initiated our response to the catastrophic events in Japan. Allow me to take each of these issues in turn.

On economic issues, we took forward a comprehensive package of measures. Under the impulse of earlier meetings, including the informal Eurozone summit on 11 March, we were able to bring together almost all the strands of this endeavour.

Of course, approving measures and procedures to deal with a crisis does not in itself take you immediately out of the crisis. This will require perseverance and sustained effort. I will not repeat all the decisions we took in detail. You will find them in the conclusions. But let me summarise six key points.

Number one: we agreed on the Treaty amendment needed to give full legal certainty to the permanent Stability Mechanism. Your Parliament has already, in a resolution on the 15th December, called for "a light treaty change that provides a legal basis to such a mechanism, rather than resorting to a profound amendment of the treaty". We followed your advice and I was delighted when the Parliament endorsed the proposed treaty amendment by such an overwhelming majority on 23 March. I am especially glad that we were able to reassure Parliament about some of the concerns that had been raised in this context, and I would like to thank *rapporteurs* Brok and Gualtieri for working so closely with me to achieve this result.

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Number two: we reached a detailed agreement on the size, scope and mode of operation of the future Stability Mechanism and on improving the temporary facility.

Number three: we endorsed the position of the Council on the six legislative proposals on budgetary and macro-economic surveillance, ahead of negotiations with the Parliament. I know you are working hard on this - indeed, I met with your *rapporteurs* and will be meeting this afternoon with your co-ordinators. All concerned understand the need to conclude by June.

Number four: we started the European Semester. It is an exercise in which we follow-up the implementation of the EU 2020 strategy, the Stability and Growth Pact, and the macroeconomic surveillance. The European Council in June will draw the necessary conclusions. I will personally see to it that this does not sink into the sands of a bureaucratic process

Number five: we agreed that credible stress-tests for the banks will take place soon. The task is double: banks must do the tests; governments must be ready to deal with the outcome of the tests.

Number six: we provided for a new quality of economic coordination. We call it the Euro Plus Pact, for two reasons:

- Firstly, because it is about what Eurozone countries want to do more; they share one currency and wish to undertake supplementary efforts on top of existing EU commitments and arrangements;
- Secondly, because it is also open to the others. That's why I am glad that six non-euro countries already announced that they will join the Pact. They are Denmark, Poland, Latvia, Lithuania, Bulgaria and Romania. It remains open for any of the four remaining Member States to join later on.

Let me say once again, the political commitment of the Euro Plus Pact comes on top of all the other measures in the package to improve Member States' economic performance: the stronger Stability and Growth Pact on fiscal surveillance; the new macro-economic surveillance; and the implementation of the crucial EU 2020 strategy on structural reforms to achieve economic growth. The commitments in terms of competitiveness, public finances and pensions, employment and so on must be translated into the National Reform and Stability Programs. They will also be evaluated annually at the highest level.

A final remark on the economy. Some people fear this work is about dismantling the welfare states and social protection. Not at all. As I said to the social partners at the Tripartite Social Summit: it is to save these fundamental aspects of the European model. We want to make sure that our economies are competitive enough to create jobs and to sustain the welfare of all our citizens and that's what our work is about.

These, then, were the main elements of our global economic package to help us come out of the crisis. As I said, they are the result of a long process, not a single meeting.

It was on 25 March 2010 that the European Council decided to improve European economic governance, launching the Task Force that I had the honour to chair. One year later, we are getting new rules, new instruments, and more ambitious policies.

It was and remains an effort of all institutions, including your Parliament and all Member States: not always easy, not always without drama, but the political will is been unflinching, our sense of direction is clear and significant results are there.

Of course, all our problems are not over. They are the result of past mistakes and a lack of appropriate instruments, both at European level and at the national level. But we now have every chance of dealing with them and not repeating them.

On Libya: of course, on 24-25 March, we also talked about the situation in Libya. We showed common determination. I know that some among you had doubts, but we worked hard on securing concrete results.

Two weeks previously, in an extraordinary European Council on 11 March, we had adopted a clear line on Libya. Without that clear European position, the subsequent actions would not have been possible. We decided that, to safeguard the safety of the civilian population, Member States could: "examine all necessary options, provided that there is a demonstrable need, a clear legal basis and support from the region".

Those three conditions were quickly met:

- The clear need was obvious when the *régime* stepped up the violence against its own people.
- The legal basis was provided when the UN Security Council agreed the landmark resolution on Libya, a few days after the European Council meeting.
- Regional support was immediately forthcoming from the Arab League.

The actions undertaken by a coalition of European, Arab and North-American countries, implementing the UN resolution, have contributed to protect the civilian population of Libya. A massive bloodbath has been avoided, thousands of lives have been saved. This is the most important result and deserves the highest attention, more so than the decision-making process. The wood is more important than the trees!

Of course, we all know that the decision to take military action was not easy. There are, quite naturally, questions and hesitations. That is perfectly normal in issues of war and peace. But any difficulties that we have experienced over that aspect of the Libyan crisis should not mask for one moment the full track record of the European Union. From the beginning of the crisis, the European Union was at the forefront:

- the first to impose tough sanctions,
- the first to impose a travel ban on leading figures in the regime,
- the first to freeze Libyan assets,
- the first to recognise the Interim Transitional National Council as a valid interlocutor, at the request of your Parliament,
- the Union also co-ordinated rescue efforts for EU citizens and has provided and continues to provide substantial humanitarian aid.

The political objectives we set on 11 March remain unchanged: Khadafi must go, and we want a political transition, led by the Libyans themselves, and based on a broad based political dialogue. We stand ready to help a new Libya, both economically, and in building its new institutions.

We also follow the events in the rest of the region closely. Knowing the situation is different in each country, we express our utmost concern at the situation in Syria, Yemen and Bahrein. We strongly condemn the escalation of violence. We support political and social reforms in our southern neighbourhood. We also have to change our policy and I will discuss this later today with several members responsible for this region within your Foreign Affairs Committee.

On the positive side, we noted the smooth conduct of the constitutional referendum in Egypt two weeks ago.

Allow me here to say a few words on Côte d'Ivoire as well. It was not on the agenda of the most recent European Council, but we adopted conclusions in December and have been closely following the developments ever since.

First of all, we condemned the violence, particularly violence against civilians, in the strongest possible terms. This must stop, on all sides.

Second, the current situation is a clear result of the lack of respect to democracy. Democracy is not only about elections, but also the respect of the outcome of the elections. The international community was clear about the results of the presidential elections in Côte d'Ivoire last year. We must be consistent in our position.

On Japan, finally: turning to the accumulation of tragedies that had hit Japan, we expressed our sympathy and solidarity as European Council for the Japanese people and our condolences for the thousands of victims. We may not forget them, even while other aspects of the drama in Japan are retaining our attention.

We are ready as a Union to assist in any way we can. In these tragic days, as true friends of Japan, we restate the strategic importance of the EU-Japan relationship.

As we know, the effects of the events go beyond Japan. That's why the European Union is drawing the lessons fully. We pay close attention to the consequences for the global economy, and also to the nuclear aspects. That is a top priority.

We therefore decided that the safety of all of our nuclear plants should be urgently reviewed, in the so-called "stress-tests" on safety. The Commission will report on the stress tests to the European Council before the end of this year. It will review existing EU rules for safety of nuclear installations, and propose improvements wherever necessary. In Europe, we want the highest standards for nuclear safety.

Because ensuring the safety of nuclear plants cannot stop at our borders, we encourage and support neighbouring countries to do similar stress-tests. A worldwide review of nuclear plants would be best.

Mr President, Honourable Members, that concludes my summary of what we agreed at this third meeting of the European Council this year. Much of it paves the way for further work in your Parliament, be it through legislative procedures or through Parliament's general right of scrutiny over the Common Foreign and Security Policy. I look forward to hearing your views.
