Address by Tánaiste Eamon Gilmore

A Mid-Term Assessment of Ireland’s Presidency of the Council of the EU

Brussels, 25 April 2013

I would like to thank you for your invitation this evening to review the progress made by Ireland’s Presidency of the Council of the European Union since January.

From a very early stage, it was clear to us that our Presidency would be coming at what I would describe as a ‘hinge’ moment for the Union.

Europe, as you know, has been through a turbulent time in recent years, when the very nature of the European project has been thrown open to question. There have been times in the past two years, when sensible people could legitimately ask, whether a country could leave the eurozone, or whether there was a future for the single currency.

We have now had a period of relative calm on financial markets. Europe has made important policy decisions, which have helped to restore stability. There can be no doubting the commitment that has been shown to dealing with our problems.

In Ireland we reached a view that the only path to recovery, both for us nationally and for Europe, lay through a stabilisation of the euro and a commitment to making it clearly irreversible.

At the same time we needed both greater solidarity and deeper integration.

This is the path that has been pursued.

In getting to grips with the crisis we have crossed many rubicons and overturned long-standing taboos.
We have strengthened the rules underpinning the euro, and our ability to enforce them.

We are working towards integration in banking – both in how banks are supervised and in how the consequences of their failure will be handled in the future.

We have greatly enhanced the obligation on those who share a currency to observe fiscal discipline. In Ireland we have even fought – and won – a referendum on the need to impose limits on structural deficits.

The reality is that there has been a very real political response.

Faced with some pretty existential questions, and despite the sometimes very unpromising domestic climates they have faced, Europe’s leaders have demonstrated that they are prepared to take the steps needed to secure the future of the currency and of the Union.

But Stability, while it is important, is not enough. Stability must be the platform for what comes next. Europe must now intensify its focus on growth and employment creation. Too many Europeans, are without jobs, and too many young Europeans are without prospects and opportunity.

The task of recovery phase has only just begun.

To capture the challenge of this moment we chose Stability, Jobs and Growth as our key Presidency themes and we built our Programme around them.

Offering a mid-term assessment of where things stand is a risky business – there can be many slips twixt cup and lip.

But there is one thing of which I am absolutely certain. Ireland will expend every ounce of energy and every gram of creativity between now and the end of June. We will not let up until midnight strikes on the very last day.

We have said we will give it our all, and we will.

If I can also say one thing about the work underway it is that our emphasis on jobs and growth is, if anything, more urgent and relevant than when we took the chair in January.
One of our main priorities has been decisive action on unemployment, with youth unemployment, in particular, one of our greatest concerns. Unemployment is devastating for the individual. But is it also deeply damaging to the social cohesion and political stability of society.

As Presidency, Ireland has worked to attack youth joblessness head-on. In February we secured agreement on the Youth Guarantee, and we strongly supported the decision of the European Council to allocate 6 billion euro to a new Youth Employment Initiative.

But we are determined to do more.

Today’s smart jobs in new and rapidly evolving sectors require specialised skills and training. As Presidency we are working to ensure that younger Europeans attain the education and skills necessary to seize the opportunities available to them. We look forward to making continued progress in negotiations on the Erasmus for All and Professional Qualifications proposals.

The Single Market has been the engine driving growth in the EU economy over the last two decades. Its full potential is still not yet realised. The agreements we reached on the Accounting Directive and the Unified Patent Court will reduce the administrative burden on small and medium-sized enterprises. Common sense steps can make a significant contribution to innovation, growth and job creation.

One of our big challenges is to progress the Digital Agenda. We remain hopeful of reaching agreement on the main elements of the data protection package before the end of June, and of making solid progress on e-identification.

From the earliest days of preparing for our Presidency, we have seen the potential contribution that can be made by an agreement on trade and investment.

For the first time, we hosted an informal meeting of Trade Ministers in Dublin just last week. We placed a particular emphasis on the key EU-US trade relationship. Agreement would set a new standard. Our ambition remains to secure a mandate
for the start of negotiations on a Trade and Investment Partnership with the US during our term.

Recovery demands confidence, and getting our banking house in order is vital. Recent developments in Cyprus again highlight the urgency of the task.

Since January the Presidency has worked intensively to create Banking Union. Our commitment shall not waiver. We have already secured agreement on the new Single Supervisor and are working actively on bank resolution and recovery. We have also strengthened the economic governance in the euro area through agreement on the Two Pack. We have also successfully completed the first phase in the European Semester process. The next phase is now underway with the goal of promoting stronger public finances and sustainable economic growth and job creation within the framework of Europe 2020.

Of course, when looking for sources of stability and of growth one of the greatest instruments at our disposal is the EU budget itself – the Multiannual Financial Framework for 2014-2020.

Agreement on the MFF would be a significant boost to confidence. It would show that the institutions are capable of working constructively together to deliver results that can have a real, lasting and beneficial effect. It would put a secure framework of funding for the Union in place for the period ahead.

We see the MFF as very much part of the recovery agenda.

I think it would be helpful if I outlined here this evening the current situation on the MFF negotiations between the Council and the Parliament.

I must start by saying that I am very disappointed with the decision taken by the Parliament to cancel the meeting scheduled for today. I think my colleagues at the General Affairs Council will be similarly disappointed.

For some time now, we have been engaged closely with the Parliament in an effort to commence these negotiations. We had a very good discussion at the General Affairs Council on Monday, which gave the Presidency a mandate to take forward
work on the issues of concern to the Parliament. Accordingly, we had expected to meet the European Parliament’s Contact Group here in Brussels earlier today. In the end they were not prepared to meet us. I regret this very much.

Let me recall some of the background to these discussions.

The Parliament has a very important role here. Its consent is of course required to the MFF as a whole, and Parliament is the co-legislator for the overwhelming majority of the implementing legislation. I think it is fair to acknowledge that this has not been fully appreciated by all.

As Presidency, we are working well with the Parliament across all sectors. We have invested hugely in this Council Parliament relationship because we see it as vital to the good functioning of the Union. It is my clear intention, and it is essential, that this excellent relationship with the Parliament continues.

The background to the MFF is of course that the Commission made its proposal as long ago as 2011. After very extensive negotiations, the European Council reached agreement on the MFF in February of this year. That in itself was a very major step considering the variety of interests at play – it was a very significant achievement.

The Parliament adopted its position on the negotiations in a Resolution at its plenary on 13 March.

The Parliament set out clearly the issues of importance to it: Revision of the budget, flexibility, Own Resources and the Unity of the EU Budget. In addition, the Parliament stated clearly that it would not open negotiations on the MFF until the commission proposed an Amending Budget for 2013, thus linking the two issues explicitly.

The Commission made its formal amending budget proposal on 27 March.
Since then, I, and the Minister for European Affairs, have had extensive contacts with the Parliament, and our approach has been, in line with the Parliament's own resolution, that the negotiations on the MFF and the amending budget would run in parallel. It goes without saying that the outcomes are entwined.

Monday's General Affairs Council sent a strong signal of its determination to find a solution on the 2013 budget issue, and made clear its readiness to engage on the MFF issues of importance to the Parliament. We did this in order to clear the way for talks.

All the conditions for negotiations are now in place. Negotiations have not yet formally started, and time is not on our side.

The MFF is central to progress on jobs and growth in Europe. If we fail to agree in good time, the Union will struggle to plan, manage and programme the expenditure of 960 billion euro of public money. That puts in jeopardy the efficient planning and spending of 325 billion euro in Cohesion funds for example, money that our regions and citizens are depending on, not least to provide jobs during this economic crisis. And the perception of the Union's capacity to take hard decisions will suffer if we are unable to agree on a solid financial basis on which to implement the Union's programmes.

That is why this is urgent.

As Chairman of the General Affairs Council I have a responsibility to the Council to advance work on this in accordance with the Treaty provisions.

The European Council has already given us a general mandate to work on the MFF. This was reconfirmed by the General Affairs Council on Monday. And the way to make progress and reach agreement is to engage in detailed negotiations with the Parliament on the specifics.

For our part, in the Council, the necessary preparatory work is well underway.
So me be very clear. There is no absence of commitment on the part of the Council and this was made clear at the General Affairs Council last Monday.

I stress that it is important to note just how significant the commitment we made on Monday is: let me spell it out.

The Council also is willing to work urgently and constructively on the Commission’s proposal for a draft amending budget for 2013 with the objective of reaching agreement in the coming weeks on a substantial budget to meet clearly justified payment needs; and the ECOFIN Council will pursue this at its meeting on 14 May.

The Council will also follow very carefully the evolution of the budget throughout the year and take any necessary further steps to ensure the Union can face its obligations throughout the year.

The Council is prepared to work urgently, earnestly and in good faith on the annual budget 2013 issue, in parallel with the MFF issue. I stress ‘in parallel’.

It seems clear to me, now that the issues are so explicitly linked, we need make progress on both fronts.

To sum up: In our view, everything is in place for negotiations to commence without delay – and advance in parallel: that is what the Union and its citizens need.

Clearly we will need to discuss further with the Parliament and Commission how we take this forward. I was available to do so today.

I note the suggestion of a summit meeting in the coming period. Of course the Council is always eager to advance work. But there is considerable work to advance now, and I and the Council would prefer to get on with it today.
Returning to the broader agenda, we have already secured agreement within the Council on key reforms to the CAP, and will continue to seek further progress in this area of vital economic importance across Europe. While on this subject, I would add that the Presidency also moved to deal decisively with the meat mislabelling issue in February to ensure that the trust of citizens in the quality of European food is maintained and to safeguard the reputation of our agrifood sector.

While we are pleased that we are making very good headway across all Council formations, it is clear that much remains to be done over the next ten weeks and a full assessment can only be made after June.

I am among those who believe that the European Union will emerge stronger from the crisis.

Already, major reforms have been undertaken and more are in the pipeline. As Presidency, Ireland is honoured to be driving policies that will ensure recovery, sustainable growth and job creation in Europe, and we will do everything we can to deliver results for Europe’s citizens over the coming ten weeks.

Go raibh maith agaibh.