

First Minister,
Members of the Committee,

EUR 04-01(min)annex

- I am delighted to be in the Welsh Assembly and in this European Committee.
- I left the narrow confines of my embassy and -dare I say it- of London to be here with you because:
 - I am the representative of the Belgian Government and we are taking over the helm of the European ship for the next 6 months. Belgium believes in federalism, in devolution, in bringing the decisions as close to the people as possible: constitutional regions in Europe have a tremendous role to play in this respect. In a recent political declaration, seven of those regions, including Scotland, Flanders and Wallonia, demanded to participate directly in the preparatory work for the Intergovernmental Conference of 2004. Under our presidency, the European Council of Brussels-Laken in December will formally launch the preparatory work for this IGC. It is, therefore, a privilege to speak to you and to inform you about where we propose to take the European Union which is also yours: Northern Ireland, where I was on Monday is part of Europe, just like Scotland, where I was yesterday, and Wales where I am today. I will not speak too much, I want to listen, understand and inform my Government - the presidency - about what the elected representatives of the Scottish Nation have to say.
 - I am grateful that my friend, Geoff Martin, the distinguished representative of the European Commission in the UK, has joined me. I am happy about that for two good reasons: Geoff knows far more about Europe, as you will hear and he will answer all the difficult questions and secondly, it seems to us, Belgians, founding members of the Community, that the Commission is the institution that, per definition, defends the interests of the Union, and believe me, that is more than just the sum of 15 national interests.
- It is the 11th time that Belgium will preside the European Council. We have never misused the presidency to push a narrow national interest agenda. Furthermore, our regional ministers will preside some of the Councils in areas where they have internal competences: the Industry, Science, Culture and Education Councils will be presided by regional ministers. A unique feature of Belgium's federal constitution.
- Experience has taught us, that the best presidency is one that works as a partnership not only with the 14 other member States, but also with the Commission. Since the Maastricht Treaty, it would also be foolish not to reckon with the European Parliament: a democratic institution that is far more powerful than those who stay at home instead of voting for an MEP realise.

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In the four main chapters of our presidency programme we will set out to

- Define the framework for the debate on the Future of Europe
- Deepen the sectoral policies of the Union
- Continue, with determination, the enlargement process
- Reinforce Europe's role in international affairs.

1. Future of Europe

It is my strongly held conviction, that if we fail to enlarge and deepen our Union simultaneously we risk stagnation and rejection - or should I say more rejection? If we are to succeed, we will have to make a strong case for Europe as a Union. In the eyes of most of our citizens Europe is perceived as a remote, alien and even hostile enterprise with anonymous institutions in a place called "Brussels". Loss of legitimacy, therefore, is the biggest threat to Europe's future as a Union of democracies freely pooling their sovereignty to achieve the common European good. How else can we ever hope to reconnect a disaffected public, than by explaining what Europe has achieved so far and by listening - carefully and systematically - to what the public wants from Europe, what it fears and what it hopes? Defining the framework for this kind of debate on the Future of Europe, is certainly the most creative and far-reaching task assigned to the Belgian presidency by the European Council in Nice.

In December, the European Council will adopt a Declaration of Laeken. It will decide the agenda, timing and method for the debate at European level (as you know, most members have already launched their national debates). Thanks to this wide ranging and systematic consultation, the citizens of Europe and their democratic representatives can reclaim the European construction. They can contribute to the definition of our Union's finality. Based on their views, the IGC of 2004 should result in a Union that is more legitimate because it is more in line with what its people want. The IGC should resolve the four essential questions of any polity: **who decides what, when and how** in and for Europe?

I have noticed that since the start of this great debate, the emphasis of the different eminent participants has been very much on the institutional questions and on how to delimit the competences. This leads me to make two brief comments:

First of all, I agree with those who, like Lionel Jospin, argue that Europe is, above all, a blueprint for society, a vision based on common values. Europe remains in essence a political project. The debate on its future, therefore, cannot be cut down to institutional and constitutional questions. In fact, "what" we want to do in common should determine "who" will decide and "how", and not the other way round.

Secondly, I don't think that delimiting competences constitutes the whole debate on the future of Europe. Discussions about competences only make sense if certain principles are respected. I would just like to mention three:

- One: the principal achievements of the Union must be preserved. The existence of a single market, of the economic and monetary Union, of

solidarity with the poorer regions, of common sectoral policies ought not, in principle, to be questioned.

- Second principle: one should not try to draw up a catalogue of competences as, unavoidably, they tend to overlap. This would be an impossible task which, moreover, would suppress the dynamics of the European construction.
- Third principle: deciding on competences cannot be reduced merely to the question of allotting them. We must, of course, also decide how Union competences will or can be exercised.

To be useful, the discussion on how to delimit competences should duly take account of the kind of Europe its citizens want. Competences of member states and of the Union are merely instruments designed to achieve political objectives.

2. Deepening the European construction

It would be tedious to give you a full account of all the priorities we have set ourselves in the framework of the different sectoral policies of the Union. Prime Minister Verhofstadt and I will address the European Parliament on July 4th and give your European colleagues a complete overview. Legitimacy is also a question of delivery and we are ready to be judged, at the end of our presidency, by what we have achieved. This is, perhaps, a foolish commitment: in the EU it takes not two but 15 to tango, and we should not forget that the European Parliament is an important player in the legislative process which should never - and rightly so - be taken for granted. Most of our priorities have been chosen because they are immediately relevant to our citizens' daily lives or concerns. Three examples:

The Euro

- The introduction of Euro notes and coins next January, will mean that for the first time citizens will have a tangible result of European integration in their hands. Preparations for a smooth transition to the physical euro will be pursued by launching a big information campaign and by monitoring the progress made in the Euro zone countries.

Lisbon and the social agenda

- By 2010, the Lisbon process will have transformed Europe, it is hoped, into the most advanced, knowledge-based society in the World. A list of concrete priorities (such as the community patent or the 6th Framework program for science and technology) will contribute to achieving this ambitious goal. However, to make this process (and specifically the employment guidelines) more palatable and legitimate in the eyes of the great majority of our working citizens, we will - as part of the social agenda decided in Nice - introduce indicators relating to the quality of work. Fighting social exclusion and poverty and making pension systems sustainable are also priorities of our presidency. By addressing the challenges related to ageing populations, rising health costs, the need to

adapt social security to new forms of work or family life, we are dealing with the real concerns of real people.

We can apply the so called "open method" of the Lisbon process - with indicators or benchmarks and peer review - to social policies, without increasing red tape or bureaucracy and without centralising what should remain, essentially, national policies. This widening - or should I say rebalancing? - of the Lisbon process, will increase its relevance to many people and thus enhance its sustainability. I should add, that the Gothenburg decision to add sustainable development to the economic and social dimensions of the Lisbon process, will, likewise, contribute to a more balanced and acceptable approach for all.

Asylum and Immigration

- We have, so far, failed to develop a truly common approach to asylum and immigration problems. Our national policies have been inadequate in dealing with the enormous challenges we are facing. Again, this is an area of direct concern to our citizens. If we want to establish a "common area of freedom, security and justice", as we decided in Tampere two years ago, we must develop a common asylum and immigration policy. At the European Council of Laken, we will evaluate the progress made so far and, hopefully, draw some hardheaded conclusions on how to speed up our work in this area. In the coming six month we will focus on harmonising procedures for receiving refugees and granting asylum.

3. Enlargement

We will do everything to move the enlargement negotiations forward as efficiently as our Swedish predecessors. We will keep the momentum they have so brilliantly created. Goetheborg gave the next three presidencies a very clear mandate: "Provided that progress towards meeting the accession criteria continues at an unabated pace, the road map should make it possible to complete negotiations by the end of 2002 for those countries that are ready. The objective is that they should participate in the European parliament elections of 2004 as members." Candidate countries will continue to be judged solely on their own merits. The principle of differentiation applies and, in fact, has already meant that those who only started the process in Helsinki, in December 1999, have already done some catching up. At our request, the Commission will, exceptionally, present an extra assessment of the progress made by each of the 12 countries at the European Council in Ghent, in October. This will be followed by the yearly evaluation, which will be submitted at Laken in December. Furthermore, we have scheduled an extra negotiating session, at high level, in July. We have actively participated in, and often even steered, previous enlargements and we intend to use all our expertise to the benefit of our 14 partners and our 12 future partners.

4. Reinforce the international role of the European Union

The international responsibilities of the presidency, as you are well aware, are very important. Our top priority is to improve the effectiveness and coherence of the Union's external actions. Therefore, we will give a bigger role to the High Representative for the Common Foreign and Security Policy (CFSP) The High Representative will be called upon more frequently to represent the Union in the framework of CFSP, with the full agreement of the Commission.

It is clear that since the implementation of the foreign policy aspects of the Amsterdam treaty (High Rep, Political and Security Committee, Policy Unit) the role of the Union in the efforts to stabilise the Balkans and the Middle East, has significantly increased. I would like to pay tribute to Mr Solana, the first High Representative, for the intelligent, skilful and assiduous way in which he is creating this crucial function from scratch. By working closely with NATO SG Robertson and the American administration, Mr Solana has given - perhaps for the first time - real credibility and clout to our Common Foreign Policy in the Balkans. In the Middle East Peace Process, the Union now carries far more weight than ever before and our role is far more than that of paymaster for the Palestinian Authority. Building on the mandate which the Council gave, I intend to ask my colleagues and Mr Solana, to make a similar effort in Central Africa. The Union should work closely with the United Nations in order to convince the different parties to the Lusaka Agreement to end this dreadful and almost continent-wide conflict. We Belgians are ready to take the lead and to share with our partners and the High Representative the expertise we have in this area of the world.

Finally, and in order to give the EU the full range of operational options in crisis management, the presidency will continue the work on the European Security and Defence Policy (ESDP). Decisions taken at Nice, must be implemented: the ESDP has to be operational by December. We will have to focus on the so-called "Berlin Plus" aspects, which are there to guarantee that ESDP is "separable" - for operations where NATO as a whole is not engaged - but not separate from NATO. We must avoid unnecessary duplication and therefore we should have access to NATO's assets and capabilities. In November we will host the second capabilities conference in order to assess what needs to be done by the Fifteen - in areas such as airlift capacity, intelligence, command and control - to meet our Headline Goal of a 60.000 strong rapid reaction force in 2003.

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These are some of the priorities of the next presidency.