

Deputy Prime Minister and Foreign Minister Venizelos' presentation of the Hellenic Presidency's priorities to the European Parliament and responses to questions from MEPs

Deputy Prime Minister and Foreign Minister Evangelos Venizelos presented the priorities of the Hellenic Presidency of the Council of the EU to the European Parliament's Foreign Affairs Committee (AFET) today, Monday, January 20th.

At the outset, Mr. Venizelos briefed the MEPs, on behalf of EU High Representative Catherine Ashton, regarding the results of the Foreign Affairs Council, which met today, in Brussels. He then presented the priorities of the Hellenic Presidency, stressing that they are priorities for all European societies.

Mr. Venizelos noted that Western Balkan Enlargement Policy was not mentioned in the priorities because Enlargement was the top priority of the previous Hellenic Presidency (2003), which saw the adoption of the Thessaloniki Agenda by the Council. He noted that Hellenic Presidencies have been identified with large waves of EU enlargement, with the Corfu Summit Meeting of 1994 marking the passage from the EU of 12 to the EU of 15, while 2003 saw the signing of the Treaty of Athens, which led to the accession of ten new member states.

Given that the Thessaloniki Agenda was adopted by the Council, the accession perspective of the Western Balkans is an ongoing EU policy and is no longer a proposal of the Hellenic Presidency in the form of a priority, given that "our obligation is to implement the decision that the European Council has already made." In this context, he stressed the importance of the convening on 21 January of the EU-Serbia Intergovernmental Conference and Croatia's accession to the EU, while he mentioned Greece's support for the direct opening of accession negotiations with Albania – a matter that will be discussed in June. He referred to the Council position regarding the accession course of Montenegro, as well as to the institutional difficulties being faced on Bosnia-Herzegovina's accession course. Moreover, he referred to the conditionality that must be complied with in the case of FYROM in order for the opening of its accession negotiations to be achieved.

With regard to Turkey, Mr. Venizelos welcomed the opening of Chapter 22 and stressed that the country's accession course is being judged based on its meeting of the fundamental criteria of the EU, particularly within the framework of the current political and institutional crisis in Turkey, as well as on its compliance with the Copenhagen criteria on the issue of Cyprus. More specifically on this, he stressed that there can be no continuing non-recognition and non-acceptance of the existence of the Republic of Cyprus by Turkey. In this context, he stressed that there are, however, Chapters in the accession negotiations that are not impacted by these issues and that can be utilized to maintain the dynamic in Turkey-EU relations, given that "for Greece, a European Turkey, an institutionally

and politically stable Turkey, is always a major goal and fundamental priority of foreign policy.”

Questions followed from the MEPs in attendance, regarding:

- The EU’s relations with Ukraine and Russia, in the light of recent developments, following the cancellation of the signing of the EU-Ukraine Association Agreement and the country’s rapprochement with Russia. Also within this framework are the questions that were asked regarding the future of the EU’s Eastern Partnership.
- The course of the negotiations with the U.S. on the concluding of the Transatlantic Trade and Investment Partnership.
- The developments in Syria, the prospects for the Geneva II initiative, and the issue of the destruction of Syria’s chemical weapons arsenal.
- Developments in Egypt, Lebanon and Iraq.
- Developments in Afghanistan and the Central African Republic.
- Developments in the Middle East, particularly with regard to the Palestinian question.
- Developments in Turkey and the outlook for progress on the Cyprus issue during the Hellenic Presidency.
- Relations with FYROM and the outlook for progress in the country’s accession course during the Hellenic Presidency.
- The troika’s role in Greece, the mistakes that might have been made, and the rise of Euroscepticism in Europe.

With regard to Ukraine, Mr. Venizelos assured the European Parliament that the issue of Ukraine, like the issues of Syria and Egypt, have been considered by the Council at all its meetings in recent months.

He noted that “the political dilemma of ‘either with the EU or with Russia’ did not bear fruit,” because “the real dilemma facing Ukraine at the time of the Vilnius Summit Meeting was not the dilemma between a European course or a return to a close relationship with Russia, but the dilemma, in the face of the threat of fiscal collapse, of whether it would be saved by the IMF or by someone else.” In this regard, he made the reminder that the day after the Vilnius Summit, the Russian government decided to buy €15 billion in Ukrainian bonds, saving Ukraine from a fiscal collapse, “with all that that means for international correlations in the region.”

Mr. Venizelos noted that the Hellenic Presidency of course is under the obligation to implement the decisions taken at Vilnius and will implement them, while he made the assurance that, on the level of the Foreign Affairs Council, the Eastern Partnership will be the main subject of one of the upcoming Council Meetings, as has been requested by many member states.

He underscored, in this context, that in the light of Vilnius and the developments in Ukraine, “we are re-examining our strategic relationship with Russia and preparing for the EU-Russia Summit Meeting on 28 January.” However, he noted that “we need to look frankly and sincerely at whether we can continue with a dilemmatic policy or whether we need an approach that bears in mind a reality that has taken shape and that in reality renders it imperative that, before evaluating the Eastern Partnership, we evaluate and readjust our stance on the EU-Russia partnership.”

Mr. Venizelos stressed that without prior clarification of Europe’s strategic relationship with Russia, the sum of the relations with all the countries participating in the Eastern Partnership will be characterized by contradictions and inadequacies, and he informed the MEPs present that this issue had been discussed at today’s FAC working luncheon, as well as at a long working luncheon in December, with Russian Foreign Minister Lavrov in attendance.

Mr. Venizelos stated that “the truth is, our strategy with regard to Russia is the victim of a major internal discord. Because the common European position on this matter is subordinate to the sum of the policies exercised by all the member states on the bilateral level with Russia,” adding that “the internal contradiction is very clear in the fact that, de facto, the EU accepts the priority of the U.S. on the major international issues (Syria, Iran), on which we have significant joint U.S.-Russian initiatives.”

On the level of human rights, as is the case with Ukraine, “we are talking in an abstract manner, but we forget to mention that Ukraine, like the Russian Federation, has for years now been a member of the Council of Europe,” and that the EU and the Foreign Affairs council are not in a position to draw up a policy that also encompasses the institutions of the Council of Europe on issues of democracy, human rights, the rule of law.

Mr. Venizelos subsequently referred to issues of energy policy, of Russian investments in Europe, and the business presence of European states in Russia, underscoring that “everyone is moving on the bilateral level and wants to safeguard traditional privileges or achieve a new positioning in the face of new states of affairs, but not in the name of the EU.” He concluded that the EU must unify its strategy, clarify the European-Russian strategic framework, and seriously re-examine the Eastern Partnership. Otherwise, it is a “perfunctory and ineffective approach.”

Finally, he referred to the pressures states are coming under in their energy policies in the name of fair competition and the functioning of the single market. Specifically, he referred to the great pressure Greece has come under with regard to the privatization programme for major public enterprises in the energy sector. He noted that no one wants the European Commission, in the name of the EU, to negotiate with Russia the prices of natural gas with Gazprom in a

unified manner. The difference in the price of natural gas for the Greek and German markets is just as important for the Greek economy as the difference in interest rates on loans for SMEs. “We have the most expensive money and energy for our enterprises. We have a major problem with putting the Greek economy back on its feet. This is not abstract geopolitics. It is a very specific issue that is linked to the state of the economy in all the countries, in all the societies, in all households. In my opinion, this is the major issue with regard to Ukraine and Russia,” he concluded.

Equally important with regard to Russia, he added, is the EU relationship with the Euroatlantic space and the Euroatlantic dialogue. He noted that the debate on the Transatlantic Trade and Investment Partnership (TTIP), on the new cooperation framework in the wider space of the international market, must also take into account institutional parameters stemming from the fact that “we participate in the WTO, in NATO, etc.”

With regard to Syria, he noted that the main issue before the Council today was whether the UN Secretary General’s invitation to Iran to participate in Geneva II creates problems or might provoke the refusal of the moderate Syrian opposition to participate in the Conference. Referring to his intervention at the Council, Mr. Venizelos noted that “we must safeguard the status and legitimization of this process. In no case must we give the impression that the EU disagrees with the UN Secretary General, who has convened the conference and is the host and institutional guarantor, and we mustn’t let the moderate Syrian opposition leave or not come, because without them there will be very few collocutors,” stressing the moderate Syrian opposition must participate. He recognized that all ethnicities, entities and factors were clearly not represented, but only a portion of the moderate opposition, which, however, is the core from which we must start. “We have to rescue the process and safeguard the UN-U.S.-EU triangular relationship and the relationship with Russia,” given that this process would not have started without the Kerry-Lavrov initiative.

With regard to the destruction of chemical weapons, he noted that this did not come before the council, as it is being carried out by the competent international organization under the auspices of the UN. He noted, however, the critical role of the states who have agreed to participate in this operation. He noted, with regard to European states, the critical role of Denmark, which is participating in transport, of Norway (though not an EU member), of Italy, which is providing the port of Calabria, which is specialized in transporting dangerous chemical substances, and of the U.S., which is providing the vessel on which the hydrolysis is to be carried out.

As a country, he noted, it is obvious that Greece does not want this operation to be carried out in the Mediterranean and that it is very reasonable and safe for it to be carried out in the Atlantic. He also announced that the Portuguese government is prepared to provide a port in the Azores for trans-shipping.

He confirmed, based on the investigation that has been carried out and the discussions with other governments, such as that of Germany, that no material will be dumped in the sea. The results of the hydrolysis will be transported onto land in Germany, where the destruction will be completed at specialized installations. He concluded by saying that a joint letter will be sent to the competent international organization by the Hellenic Presidency, the Italian Foreign Minister, and the European Commission, which will undertake the relevant initiative. He added that he had requested that Catherine Ashton act in the name of the European Council so that there should be absolute certainty that the Mediterranean environment will not be endangered and that this guarantee must be provided by the UN and by the organization competent for chemical weapons.

With regard to Egypt, Mr. Venizelos stressed that, according to the Council, the country's new Constitution is an important step, despite the fact that it was adopted via voter participation that was relatively small by European standards. But, he stated, by Egyptian standards, participation was much greater than it was the previous time. He stressed the importance of the EU's insisting on an inclusive process that will include all of the country's political forces, noting that the Council conclusions show the EU's longstanding pressure for the implementation of the roadmap declared by the transitional Egyptian government with the aim of transition to normalcy.

With regard to the situation in Afghanistan, he stressed the importance of the signing of the security agreement between the U.S. and Afghanistan, noting that the main forum for the issue is NATO and the ISAF configuration.

On the issue of the Middle East peace talks, Mr. Venizelos stated that it is obvious that a better moment will not be found, as the Palestinian government is prepared for major steps. Moreover, he noted that, on the Israeli side, the correlations always follow a specific curve, but there is momentum, particularly following the untiring efforts of U.S. Secretary of State John Kerry. He stressed that, obviously, there are violations of UN Security Council resolutions, but that the important thing is for the dialogue between the two sides not to be severed and that it take on specific and substantial content. In this context, he stressed that the EU is prepared to help economically, offering an economic "stimulus" if the dialogue is, first, maintained and a basic political agreement is achieved – a development he characterized as very, very difficult.

With regard to the situation in the Central African Republic, Mr. Venizelos stated that the Council decided not to activate the EU battle group, as the EU Military Committee does not prefer this option. He stated that, coincidentally, the European battle group is currently made up of a majority of Greek soldiers (1,100 of a total 1,500). Mr. Venizelos noted that the Council decided on an initiative within the framework of CFSP and noted that Greece is collaborating with France

in the sector of training the team that is to be sent to the Central African Republic. This team will be trained at headquarters in Larissa, but without the participation of Greek soldiers.

Regarding Lebanon, Mr. Venizelos stressed that the goal was for a government to be formed and for a specific and ambitious initiative to be taken by the EU – an issue that was discussed at the December Foreign Affairs Council. He stated that Lebanon is constantly a “victim of circumstances,” due to the repeated waves of refugees (Palestinians and Syrians) it has received, while the situation in the country itself is unsettled in any case.

On the issue of Iraq, he noted that there is real danger of the country’s dissolution on the level of institutional existence, stressing that the EU-Iraq Association Council being held today in Brussels – under the chairmanship of Greek Deputy Foreign Minister Kourkoulas – given the current circumstances and the outbreak of violence in the country, is particularly important and constitutes encouragement towards the Iraqi government.

Regarding enlargement in the Western Balkans, Mr. Venizelos made special mention of FYROM, noting that “the Hellenic Presidency will implement everything contained in the conclusions of the European Council of 19-20 December 2013 and the Foreign Affairs Council of 17 December 2013. As the President of the Council, I am prepared, in the coming days, to visit all the countries in the region, and naturally I will visit Skopje, without any discrimination or differentiations, and we will have the opportunity for talks between the Presidency of the Council and the government of FYROM. Since I took up my current duties, I have already met twice with my FYROM counterpart – in Brussels and in New York. I have met with the head of the largest Albanian party participating in the government, Mr. Ahmeti, and you are well aware that the Greek position is moderate and responsible. We have stated that we respect the UN process, we accept and respect the role of Mr. Nimetz, we are in close contact with him, we accept a compound name with a geographical qualifier next to the term Macedonia, but a name for all uses – *erga omnes*. A name for domestic and international use.

The objection that “we cannot change our Constitution” is an incomprehensible objection for a European country, because all the European countries change their national Constitutions constantly in order to comply with European law or with ECHR rulings and, generally, to constitute a single European constitutional space. What’s more, the Ohrid agreement, which is inter-ethnic, between the Slavic and Albanian communities, was a hybrid agreement, international and constitutional, indirectly changing the constitution. The issue, however, is not the name. The problem for FYROM’s accession perspective is the general implementation of the Copenhagen Criteria, democracy, rule of law, the domestic political situation, human rights, the fact that we have an official state ideology, the fact that there are many major pending issues with other countries, like

Bulgaria – issues that have to do with the values of the EU and the criteria that must be met by candidate countries.”

With regard to Turkey, Mr. Venizelos stated the following: “I think that we need to wait to hear what Mr. Erdogan discusses tomorrow with President Van Rompuy, President Barroso, and President Schulz. But, of course, there are the European criteria, which are in effect for every candidate country. Given that Turkey is a candidate country, it must meet these criteria, comply with sensitivities and values. For us, as Greece, on a bilateral level, the major problem is to avoid the so-called export of domestic tensions. Historically, diachronically, domestic crises in Turkey are linked with crises in the Aegean and the Eastern Mediterranean. We have open diplomatic channels. We have changed eras. There are serious pending problems. We do not want to relive the experience of the externalizations of a domestic crisis.”

With regard to the Cyprus issue, Mr. Venizelos stated the following: “Is there momentum on the Cyprus issue? There is momentum on the Cyprus issue if there is momentum in Turkey. I’m not the one saying this. Nor is the Foreign Affairs Council or the Greek government. It is stated consistently by the case law of the European Court of Human Rights, which considers that control of the northern, occupied section of Cyprus is exercised by Turkey, against which there are individual applications from those whose fundamental rights have been violated and who have had recourse to the Court in Strasbourg. Thus, Turkey’s position is completely different from ours and that of any other state.

The dialogue is taking place between the two communities, the Greek Cypriot and the Turkish Cypriot communities, but it is based on certain principles. Mr. Davutoglu and I agreed in Athens to receive the negotiator for the Turkish Cypriot community, which is an institutional entity in the Cypriot Constitution of 1960, and Ankara will receive the negotiator for the Greek Cypriot community. But this will happen when the joint communique has been agreed on between the two leaders of the communities and the substantial negotiations begin. The prerequisites are obvious: respect for the UN Security Council resolutions, the European acquis and the three principles that govern every federal state, because we are heading towards a Cyprus that is federal, bizonal, bicomunal, with a single legal personality, a single sovereignty and a single citizenship. And all of this will be accepted in a referendum, because if the Cypriot people do not vote for the solution in a referendum, there is no solution. So we have to go to a solution that can be accepted in a referendum, based on the principles of self-determination, which have been accepted by the UN Secretary General himself since 2003.”

In response to the question on European security strategy, Mr. Venizelos noted that “NATO is ahead of us on this. NATO changed its strategic concept at the Lisbon Summit Meeting, which coincided with the NATO-Russia Summit. It transformed into a security organization, it tried to find the new goal; that is, in

reality, the new threat. You can see that this has not happened in the same clear way on the level of the European Union, but this is something that has to do with how we see European security historically after the First World War; that is, after President Wilson's 14 points and how the situation was shaped under the League of Nations and in the era of the United Nations.

Finally, in response to a question put to him regarding the troika, Mr. Venizelos stated the following: "Why am I responding to the AFET regarding the troika? Because the issue of the troika really is a matter of foreign policy and sovereignty and an issue of the institutional equality of member states. The troika is an institutional hybrid that is not provided for by the founding treaties, by the primary law of the European Union. What is the new element? The fact that the IMF is participating in a process that is intra-European, that belongs to the core of the European Union and the Eurozone. This has happened because we didn't have the mechanisms to manage the crisis. Because the Eurozone endeavour was constructed for normal conditions of temperature and pressure. So the European government asked for the IMF to come to contribute to the management of the crisis, expressing their lack of confidence in the Commission. The troika is an expression of lack of confidence in the European Commission. And there is a change and broadening of the institutional role of the ECB, which concerns itself not just with its chartered purpose, but also with the monitoring of the fiscal and economic policies of some member states. It doesn't concern itself with just monetary policy and with price stability, which is its basic purpose. So there is an issue. And this issue has to do with the planning of the adjustment programmes.

But there wasn't a better solution for us. The solution imposed on us was not a good solution, but it was the best solution on offer. Because this is the prevailing outlook in Europe. For us, there is no better environment and no better partner than Europe – than our European partners in the Eurozone and the EU. Yes, the loan that was given to us is very, very large: €240 billion. Yes, if we didn't have the loan, we would have a disorderly default and economic, social, political and perhaps institutional collapse. Yes, we had to avoid collapse and go to a coordinated solution. The terms imposed are very, very austere terms. They are terms deriving from a whole economic, political, ideological outlook. This is the internal correlation in the EU. This is how all the governments in all the countries move, because the correlations are not political between the governments. They are correlations of national strategies amongst member states. And these correlations do not change so easily with the change of governments. So there is a major issue that we need to look at.

But allow me to say that the adjustment programme is structured so that, despite the mistakes made by those who designed the programme, despite our own mistakes and delays in the implementation, of course, of such a difficult programme, under crisis conditions – because it is very difficult to have a 25% recession, 60% youth unemployment, it is very difficult to have an average reduction in income of 35% – so, despite the internal difficulties, despite the

mistakes of those who designed the programme, we have managed to create a programme that doesn't cost the European taxpayer a single euro. Because the loan is being serviced, the guarantees that have been granted will not collapse, and there is only one case in which the European taxpayers would need to pay: If the programme fails and Greece finds itself outside the European framework, because there are those who don't understand that they need to respect the sacrifices of the Greek people and stop recycling an unfair debate on whether Greece can or cannot.

So Greece can. Our debt has been restructured, and I would ask those of you participating in committees with relevant competencies to submit the relevant questions to the head of the ESM, Mr. Regling, so that he, and not I, can respond as to how sustainable the Greek debt is in terms of net present value, because that's where it is apparent how big the restructuring was and how sustainable the Greek debt is compared to the debts of other member states. Very briefly, this is my response. I thank you very much, Mr. Chairman, for the opportunity and the time you have given me."