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Address at Conference: "Southeast Europe: Crisis and Perspectives"

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Dear Ministers, Members of Parliament, Excellencies, Ladies and Gentlemen,

First, a word of gratitude to the organisers, the Centre for Progressive Policy Research and its President, Mr Papantoníou, for the invitation. I am honoured to be given the opportunity to address you here today representing the Swedish Presidency.

While it is still early to assess the outcome of the on-going enlargement during our Presidency, I'll try to summarise the achievements so far and give an outlook that links the future of enlargement policy with the broader institutional changes, mainly due to the Lisbon Treaty.

The overriding priorities of the Swedish Presidency, as you are probably well aware, have to do with the global economic situation, employment and climate. We also want to enhance the EU's role as a global actor. Enlargement is another top priority. And of course, discussions about the new Treaty have taken another prominent position up till now.

The Lisbon Treaty replaces the rotating Presidency in the area of external relations with a High Representative for Foreign and Security Policy. This person will chair the Foreign Affairs Council and also head the new European External Action Service. We all hope that this will bring a new momentum to the EU's external dimension and its role as a global actor.

We should not expect miracles from the New Treaty, as the history of the EU is one of evolution rather than revolution. Still, this will be an exciting period as the new institutional structure hopefully will translate into more clarity, coherence and clout in the EU's external policy. We cannot predict the results of this transformation today as all major transformations take time but I am optimistic that the EU will emerge as a stronger global player a year or two from now.

The Treaty will now enter into force and the new Commission and top positions have to be filled quickly so that policy discussions can take centre stage again. An extra, informal European Council is planned for the 19 November in Brussels, with the aim of sorting this out.

The history of EU and its enlargement tells us that membership is a strong guarantor of lasting peace, reforms and social and economic progress. This outcome from enlargement policy is even more important in the Western Balkans than it was at the previous accession with the EU-12. The benchmarks and conditions to be met to move towards accession are a crucial there to avoid that internal or bilateral conflicts resurface.

Croatia is the most recent example of swift developments and changes, achieved just a bit more than one decade after Civil War. The agreement between Croatia and Slovenia, just concluded in Stockholm on 4 November, shows that the incentive of EU membership is still powerful enough for countries to try to overcome difficult bilateral issues. This is an important trend that hopefully can show the way forward for other countries.

The attraction of enlargement continues to transcend all political and geographical divides of Europe and could not be better illustrated than by the fact that both Turkey and Iceland at different ends of Europe are striving for EU membership.

The Western Balkan countries are on the same journey. It has turned out to be a rocky one for some of them. However, I have no doubt that all Balkan countries will become members once they fully overcome the tendency to make policy along ethnic lines and show the political will to further integration, regional cooperation, good neighbourly relations and respect for minorities. These conditions together with rule of law will be their admission tickets to the European Union, joining a group of countries with common values and standards.

For the EU, this will not only complete the reunification of the continent 20 years after the fall of the Iron curtain. It is a matter of enlightened self-interest and of enhancing our own economic growth, security and freedom.

And it creates opportunities to broaden the common EU approach in crucial areas such as energy security, migration and infrastructure such as the Trans-European networks.

We are quiet content with the achievements of the past few months. The number of countries that has now formally requested membership has doubled from three to six within the last 12 months. The membership negotiations for Croatia have been unblocked and there are ongoing preparations for an “avis” on the applications of Montenegro and Iceland. We hope to add Albania to this group very soon.

The Commission's progress report package has been generally positive and demonstrate that enlargement is a positive force for reforms in Turkey and the Western Balkans. Before the end of the year, we aim to decide on granting visa liberalisation to the FYROM, Serbia and Montenegro.

Our efforts to speed up Bosnia-Herzegovina's pace on its European track have been difficult but we hope that they have pointed to the way forward for the country, in the light of the PIC on 18 November. The study presented for Kosovo should be the beginning of new avenues for cooperation. Hopefully we will make further steps forward in the enlargement field ahead of the European Council of the Swedish Presidency in December.

I hope the Swedish Presidency has demonstrated to the sceptics that enlargement policy is still moving forward. This is not to say that we do not face significant obstacles in this area. Progress is uneven among the countries, where some are moving forward and others are standing still or even risk falling behind, for different reasons.

The most critical challenge remaining is the failure in some countries to carry out the reforms required to meet the Copenhagen criteria. Such reforms requires two basic ingredients: political will and hard work to adopt and implement the necessary laws, building of institutions and making them work effectively. The EU can help with the latter by giving advice and assistance but political will cannot be substituted – it is fully in the hands of national politicians and authorities.

Let us take a closer look at where we stand with each of the countries that aspire to EU membership, from the perspective of the Presidency and after having received the Commission's progress reports. And I include Iceland, though its not by any measures a South-East European country, but to give you the full picture:

Croatia

Croatia has travelled very far on its road to membership of the EU and kept up a high pace of reform. We welcome the agreement with Slovenia, which allowed negotiations to continue. Croatia is approaching the finishing line even though substantial work still remains in some areas such as the justice system, improved cooperation with the ICTY and the transformation of the agricultural support system.

It is up to Croatia to do what is required and demonstrate concrete results in these areas in order to enter the EU as the next Member State. The start of discussions on a financial package and the drafting group for the Accession Treaty indicate that the conclusion of the negotiations are approaching. If Croatia delivers, the EU Member States are ready to propose the opening of the remaining chapters and next year could see negotiations coming to a conclusion.

Turkey

We welcome the fact that Turkey continues to maintain EU integration as its top priority and that it now has a new national programme for the adoption of the acquis. Accession negotiations continue to move forward. More positive steps have been taken to strengthen the justice system and related institutions.

Other reform proposals need to lead to concrete results. A real national consensus on the remaining large scale reforms required is now needed, to increase the speed of membership preparations.

Democracy, rule of law, respect for human rights, including minorities, freedom of expression and media, as well as women's rights, need to be strengthened in a way that leads to irreversible results. Turkey has become a more active player in the region and the normalisation of relations with Armenia is most welcome.

Still, we need to see movements also in other areas. Turkey must fulfil the obligations of the Ankara Protocol and normalise relations with the Republic of Cyprus.

Former Yugoslav Republic of Macedonia

The EU is encouraged by this year's presidential and local elections which, according to observers, met most international standards. We are hopeful that negotiations on the name issue with Greece can soon enter into a decisive and constructive phase, characterized by mutual confidence. Given the positive assessment that the country received in the progress report, we hope that membership negotiations can be opened very soon.

Montenegro

Montenegro's EU perspective has been embedded in a series of formal agreements including the comprehensive SAA, which is expected to enter into force soon. Key issues such as the capacity and further independence of the judiciary need to be tackled decisively in order for the reform momentum to continue. After a decision by the Council, an avis report is

prepared by the Commission, with Montenegro working hard right now on answering the questionnaire. The avis, which is expected for next year, will form the basis for deciding whether Montenegro can formally become a candidate country for EU membership.

Albania

Albania has been gradually moving towards European integration, a process that has accelerated in recent years. A Stabilisation and Association Agreement entered into force last April. We hope that the Commission can very soon be tasked with preparing an “avis” for Albania. To reach its goal of EU membership, Albania must rapidly establish a constructive dialogue between its main political parties so that together they can support the national project of European integration, not least to create a fully satisfactory judiciary system and root out the high level of corruption.

Serbia

The progress report points out that there is a stable, pro-EU government in place in Belgrade, aiming at bringing Serbia closer to the EU. In our view Serbia shows a new maturity and commitment in terms of fulfilling the obligations of EU accession. Cooperation with the ICTY is improving – the latest update from Mr Brammertz will likely reflect this - and the capacity of the public administration is good.

The Presidency’s ambition is to reach agreement among Member States on a decision on the Commission’s proposal to allow the IA to enter into

force and to start the ratification process of the SAA. We would then also be ready to receive Serbia's application for membership.

Bosnia-Herzegovina

The Progress report showed overall satisfactory implementation of the IA. At the same time, progress has been very limited with respect to other EU-reform areas including the European Partnership and the SAA. Due to internal political division and obstruction in key reform commitments the political situation in B-H remains of serious concern to the EU, since key reforms have come to a halt.

Real progress towards membership is not credible as long as the OHR is present in the country. In order to break the deadlock on political dialogue and obtain the necessary agreement on such issues as the conditions for the closure of the OHR, the Swedish Presidency and US partners has held talks with local political leaders at Camp Butmir. It is now entirely in the hands of the local leadership to move their countries out of deadlock and avoid falling behind the rest of the region in the EU-integration process.

Kosovo

We find it encouraging that the EU remains committed to its long term engagement in the developments of Kosovo. The fact that the EU is divided about the status of Kosovo does not prevent a fully committed approach as regards Kosovo's political and socio-economic development – in line with the European perspective of the region. It is clearly in the interest of the EU that Kosovo develops in accordance with the rest of the region. In addition to the progress report, the Commission presented a

communication examining means to further Kosovo's political and socio-economic development.

This communication provides a framework for concrete measures to be taken by Kosovo in order to move forward on its EU integration.

Iceland

Following a year of historic political and economical challenges, Iceland applied for membership in July 2009. Considering that Iceland has a strong democratic tradition and has already adopted large parts of the Community acquis as a member of the EEA and Schengen cooperation, we expect that Iceland could soon become a candidate country and open membership negotiations in due course.

There is however, no fast track for Iceland's accession process, but it should move with the speed that is appropriate and fair given its preparations for membership.

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Lastly, a few words on the importance of functional regional cooperation in the Western Balkans. This cannot be overestimated, both for the region's development and its EU integration. Continued EU-support in this field is necessary. It is also crucial to strengthen the strategy and impact of the Regional Cooperation Council as a complementary instrument to the Stabilisation and Association Process, and to outline a clearer and more operational mandate from the South-East European Cooperation Process (SEECP) and other stakeholders.

The recent review of the work of the RCC demonstrates that much needs to be done to increase the effectiveness of this body so that it can become the driving force for regional integration which it aims to be.

To look more into some of these questions, together with the Regional Cooperation Council, the Swedish Presidency and the Commission are organising a conference in Brussels on 9 December called “The Western Balkans: Overcoming the economic crisis - from regional cooperation to EU membership”. It will focus more on the economic and financial situation in the Western Balkans with particular emphasis on the consequences of the economic crisis, analysing the current situation and identifying ways forward, for example through improved regional cooperation.

Ladies and Gentlemen,

You can see that at the end of the year, we will look back and say that this has been a busy Presidency for us, but also hopefully a successful one where Sweden has tried to make its contribution to keep enlargement policy on the right track.

I thank you all for your attention!