

Egyptian Council for Foreign Relations presentation, 30<sup>th</sup> September 2015

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Your Excellences, etc

It is good to be back at the ECFR. I know that we will have an informed and lively debate, so let me take a brief look at current developments in bilateral relations and move on to the state of play with the new European Neighbourhood Policy, which is close to being finalised. Given that I certainly don't want to do all the talking and the vast territory involved I would suggest we can discuss regional issues in the Q&A.

### **EU-Egypt**

High level contacts are in a healthy condition. A number of EU Heads of State and Government have been here in recent months, and just recently President of the EU Council Donald Tusk in his first visit here called on President Sisi. Moreover, FM Shoukry is in constant contact with his EU counterparts.

I think it's fair to say that the level of engagement is most definitely on the up. One result of this is that understanding in Europe of Egypt's very real security and development challenges has improved, and I want to return to this later on in the context of the ENP.

#### **Recent positive developments**

- ✓ The EU has always supported the roadmap to democracy, and concerns about the delays in parliamentary elections have been allayed by the announcement of the vote. By the end of the year, the legislature will be restored and the country's governance can move on, including with the enactment of the constitution, which as you know was widely praised when the people overwhelmingly voted it in last year.

I'm very hopeful that once the elections are over, we will also be able to review the EU FAC conclusions of 2013/14 and put the relationship fully on track, including at the parliamentary level, a crucial missing link in the years since the dissolution of the last house. I would also hope that we can hold an Association Council next year, the first in many years.

- ✓ The economic reforms, especially of the outdated subsidy system, that began last year are cause for real hopes of recovery. This, together with achievements like the new Suez Canal is putting Egypt back on a growth path. 2015 should be the best year since before the revolution. That is good for investment. Indeed, the results of the Sharm conference are proof positive. And I would recall that some 90% of all FDI pledged there came from your number one economic partner, the EU.

One caveat – in the interests of stability, let's hope that the new growth will be for all, not the privileged few, and especially the young. Our assistance programmes, which overwhelmingly target the disadvantaged, are helping here, and if things go as expected, we can do more next year.

- ✓ The President's recent Eid amnesty, which included some journalists and activists, has been welcomed in the EU, and raises hopes that further clemency, at least for those bone fide cases which pose no danger to life and limb, may follow.
- ✓ Our dialogue on the migration crisis has intensified, notably following President Tusk's visit here. Egypt is chairing the Khartoum process and is active in the run up to the Valletta summit in early November. At the same time, EU initiatives like the new 1.8 Billion EURO trust fund should enable us to do more, including in this country, in helping with migration management and tackling root causes.
- ✓ On climate, Egypt is actively chairing the crucial African group in the run-up to the Paris conference in December. We're working closely together on this. And we're practising what we preach with our financial assistance programmes here in Egypt, a significant proportion of which support climate-friendly renewable energy and transport projects, such as the Cairo metro. Some 2 Billion Euro in grants and loans have been forthcoming for this over the last two years and there is more in the pipeline.

## **That said, we don't always agree**

- Differences on human rights, treatment of civil society etc do of course remain, especially at the complex interface between 'liberty' on the one hand, and 'security' on the other. There is simply no easy answer to this, but the fact is that the domestic contexts are certainly different. What is taken for granted in Europe is not necessarily the case here, and given our respective legal frameworks, the 'rule of law' on one side of the Med can have a rather different meaning on the other. Just as important, positions taken in the EU and Egypt inevitably reflect the preponderance of our respective domestic constituencies.

So, for example, Europeans have difficulty in understanding the provisions under the Egyptian protest law, for which there is no European parallel, just as Egyptians find it hard to understand why all EU countries have abolished the death penalty. This also leads to difficulties in comprehension of the treatment of the MB, declared a terrorist organisation here, but not within the EU.

- Such divergences of view will very likely continue. But while I'm certainly not naïve enough to claim that it will solve everything, the new parliament can only help to improve mutual comprehension, as through direct contact each side's legislators gain a more balanced view of the others preoccupations and public opinion, and the constitution is enacted. That in turn will hopefully raise the quality of debate in future.

## **Let me now turn to the ENP**

The original policy was conceived in a very different time, one when we in the EU, enjoying unprecedented peace and prosperity and having launched the common currency and doubled in size, had a sanguine view ourselves and the neighbourhood. Of course No-one back then foresaw the financial crisis, the Arab Spring, or the re-emergence of Russia as a major power in these parts. More than a decade on, the world looks rather different and the drivers of the old policy are clearly in need of a major overhaul.

So, nearly a year ago we started consulting on the future of the ENP. We were very frank: the first question in the consultation document asked if we should continue at all. The answer to that has been a clear yes. We have received hundreds of serious contributions from all over the region, not least from here in Egypt, where we have two major contributors among us today, and the Arab League. But that 'yes' was qualified with resounding 'but', and it is abundantly clear that we have to change the approach.

### **What we might expect**

The new policy will be rolled out on November 18<sup>th</sup>, and we will have to wait for the detail, but we can already be pretty sure that, taking into account the results of the consultations, the main changes to be proposed will be on these lines:

First, we have to differentiate: The idea that our power of attraction would eventually seduce all our neighbours has been proved an illusion. We were too optimistic.

- Modesty forbids, but The EU does have its attractions. None of our neighbours wants NOT to have a relationship with us. But those who really want the deep integration opportunities on offer are probably in the minority, and even those who want to take the EU as some kind of benchmark for their reforms number only around half of them. Morocco is not Egypt, and Georgia is not Algeria! So above all, we need to get away from the one-size-fits-all approach of the past.
- Those who want to seek deeper integration will continue to do so. Others who want a more transactional partnership will have a narrower menu, based on agreed areas of shared and common interest.

- This means we have to be smarter in using our toolbox. While the "more for more" policy might have produced results in a couple of our partners, the idea that we could automatically incentivise change everywhere with the "carrots" available turned out to be too simplistic.
- More fundamentally, you cannot simply "buy" reform. You cannot turn on the light of modernization with the flick of a switch. You cannot install the democracy, rule of law etc by adopting the "EU acquis" on paper. We can only support reformers where they themselves choose that path.
- Second, we need more focus: overly ambitious plans for reforms for all partners, ranging from Agriculture to energy and environmental rules, were often an excuse for inaction.
- Therefore, the new ENP will likely focus on a limited number of priorities reflecting shared interests. In the past the policy focused almost exclusively on driving a reform agenda with partners. Now it needs to much more explicitly promote other vital interests. The ENP has to become a real postmodern foreign policy, covering migration and energy security, counter terrorism and climate policy as well as human rights and judicial reform. But it can only succeed if we pick our priorities wisely with a shorter to do list with each partner.
- In particular, we need to focus on stabilization. We often took basic stability for granted, and focused too much on "advanced actions". This means prioritising economic development: Employment and employability are key to tackling many of our challenges including migration and radicalisation

- On economic and social matters, we should consider faster, lighter Free Trade Agreements and trade measures to realize quick commercial wins for all our citizens; growth missions with European investors to harness the potential of the private sector; more seed funding for SMEs, more student and youth exchanges – including on vocational training – to invest in future generations; and look into new avenues of legal, circular migration, as well as doing better on irregular migration, to name just a few.
- There will be a strong new component of security and conflict management which should concentrate on the areas of counter-terrorism, security sector reform, cooperation on CSDP matters, organised crime and border management etc.
- Egypt is a good example here: under the old ENP, important matters like CT hardly featured. Now we recognise that when it comes to stabilisation it is front and centre for both sides. That is why HR Mogerini announced earlier this year that we would work with the authorities her toward greater cooperation in this area. Some of our Member States already work on this, but there are a number of things in the EU dimension that can be brought to bear to deepen our common efforts to face up to the challenge, for example on terrorism financing, deradicalisation and organised crime, including in the migration field. Strengthening collaboration with institutions like the European Police College, Europol, Eurojust etc could well be in both sides' interest.
- All this is not to say we are completely sold on some sort of new realpolitik. We will continue to pursue our EU values, but in a more intelligent way. By helping to meet the expressed needs and aspirations of our partners, we can help them take root and therefore be more rather than less effective.
- Third, on flexibility: the region is one the most unpredictable in the world and we need to be more ready for the unexpected. Events too often get in

the way! So we need new working methods, swifter and smarter. Our funding will also be made more flexible.

- Finally, a word on ownership: The old ENP was an essentially Eurocentric policy where we would give reform advice to partners and negotiate bilateral frameworks. But one-way streets like this seldom work. We need to listen more and prescribe less. We may agree in some areas but not in others. But where we agree, we should act together.

Again, thanks for having me here today and I look forward to a good debate.