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Europa Lecture:

**'The EU's response to security challenges in its
wider neighborhood and in Asia'**

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Introduction

Excellencies, ladies and gentlemen,

Let me express my warmest thanks to the New Zealand Institute for International Affairs (NZIIA) and the New Zealand European Union Centres Network (EUCN) for this opportunity to address you today.

I would like to acknowledge members of the Facilitating Research and Innovation Cooperation between Europe and NZ (FRIENZ) project here tonight. I understand that the coordinator (the Royal Society of New Zealand), funders (the European Commission and Ministry of Business, Innovation and Enterprise), and participant member-state agencies from Germany, Finland and France are present. This three year project builds bilateral cooperation in the science and innovation communities of NZ and Europe, through policy, financing and implementation of joint research projects: an excellent illustration of the wide-ranging co-operation that we are fostering together.

EU NZ relations

It is 370 years since the first European explorer – Abel Janszoon Tasman - reached the shores of this beautiful country. The history of how commercial, political and social links have been forged between New Zealand and the countries of Europe in the ensuing four centuries makes fascinating reading. Speaking of fascinating reading, I wanted to thank you for the great contribution as a guest of honour at this year's Frankfurter Buchmesse.

In the last century, New Zealand has contributed to the fight against tyranny in Europe and been a leader with respect to social innovations that we now take for granted in the developed world, not least the introduction of women's suffrage and the construction of a modern welfare state.

The EU and New Zealand may be separated by geographical distance, but we are near neighbours in terms of the values we pursue at home and in the wider world.

That is demonstrated by our shared commitment to a rules-based international system and greater openness and fairness in world trade; by our activism on conflict prevention, peacekeeping and peace building; and through our development and humanitarian assistance to countries in need and promotion of human rights in the global community.

We are working together to see better and sustainable development in the Pacific and greater progress there on the Millennium Development Goals. The EU is the second largest donor in the Pacific, but New Zealand has the geographical and cultural links.. Our shared commitment to Asia has many examples, with the Asia-Europe Meeting (ASEM) - which convened in Laos on Monday and Tuesday - one vehicle for that interest. The presence of European Council President Van Rompuy and Commission President Barroso at the event signals the EU's high-level support.

Bilateral relations are in good shape. The EU remains one of New Zealand's most important trading partners, while New Zealand is an important supplier especially for agricultural products. Over 30% of NZ Foreign Direct Investment is accounted for by the EU. Two-way trade accounts for about NZ \$12billion annually .The first round of negotiations towards a NZ-EU Framework Agreement was held here in July this year. We're moving quickly ahead: further talks will be held in Brussels in early December. Bilateral co-operation includes regular Foreign Ministers' consultations, frequent meetings between senior officials, and sectoral dialogues in science and technology, agritrade, and trade.

The outward-looking psychology that we share is at the heart of the topic which I have been asked to address today: "The EU's response to security challenges in its wider neighbourhood and in Asia". I will consider the recent important changes in the shape and size of EU foreign policy, at a time when we are grappling with profound economic and financial challenges. I will look at how the EU deploys its various foreign policy tools in a comprehensive way to respond to the fundamental changes taking place in its immediate neighbourhood and beyond. Finally I will turn to the increasing importance which the EU attributes to its relations with Asia. It is in this part of the globe where the geo-politics of the 21st Century are increasingly shaped and where the EU increasingly identifies strategic, political and economic opportunities. Opportunities that do not come without risk, but which must be grasped all the same.

The EU and foreign policy

As the political and economic framework of today's Union has progressively been built - including a Single Market that serves 500 million domestic consumers and facilitates trade with the rest of the world – the EU has faced numerous challenges. Jean Monnet, one of the founding fathers of the European Union, once remarked that the European project has been forged through crises. The present financial crisis is unprecedented. However, answers and solutions are being found. Whether through reinforced firewalls to protect banks and government finances or agreement by Member States to more rigorous oversight, there is real confidence that the EU will emerge from this crisis stronger and more united. At the same time, the EU is not losing sight of the fundamentals that make it a valued global actor. We remain the most important trading partner for many countries worldwide, including in the Asia/Pacific region, and advocate a more free and fair trade regime through the WTO. We continue to be the world's biggest donor of development aid and humanitarian assistance. The award of the Nobel Peace Prize for the EU's 'successful struggle for peace and reconciliation and for democracy and human rights' - was a humbling recognition of the values that the EU has sought to advance at home and abroad.

The EU has at times been caricatured as the world's largest 'peace project'. Like any caricature, there are significant elements of truth in that depiction. From its foundation in the aftermath of the Second World War, 6 pioneer nations have now become 27, with many of our Member States only too aware of the horrors of totalitarianism and the difficulties and rewards of transition to democracy.

The creation of a common foreign and security policy (CFSP) was a relatively late arrival in the EU's integration process, with the Maastricht Treaty of 1992 establishing the CFSP and the Helsinki European Council of 1999 elaborating goals for realising the EU's security and defence aspirations. The collapse of the Soviet Union, the Balkans conflict and the changing nature of global threats – from organised crime and refugee flows to terrorism and weapons of mass destruction – all helped to spur the EU's evolution. However, the EU has faced criticism over the years that it is good at posturing, not so good at delivery.

Such weaknesses are being roundly addressed, with the Lisbon Treaty a key vehicle for reform. The clout which derives from speaking for 27 governments has been more closely aligned with the resources and assistance – whether political, military or

developmental – that the EU has at its disposal. The High Representative of the Union for Foreign Affairs & Security Policy, Cathy Ashton is supported in this role by the European External Action Service, which includes 140 EU Delegations around the world.

The EU's neighbourhood

These positive attributes are well illustrated by the EU's intense engagement in its **neighbourhood**: a key priority for the High Representative. This is driven both by the values agenda I have outlined and by our own security interests. The momentous changes in the **EU's Southern neighbourhood** starting in early 2011 caught the attention of the entire world. They also became the first major test for the ability of the EU's new foreign policy architecture to deliver a robust response. We now see some positive developments in **Morocco, Libya and Tunisia**. To a certain extent this is also the case in **Egypt**, where a civilian president is strengthening his position. This is only the beginning. The new leaders face challenges in delivering stability and social cohesion, growth and jobs. The EU is responding to the need to deliver consistent support to the reform processes in these countries.

The EU was quick to react in 2011, delivering that March an offer of a **Partnership for Democracy and Shared Prosperity** with the Southern Mediterranean. In May 2011, we launched the *More-for-More* principle. This envisages more support - in terms of the "3 M"s: money, mobility, market access - to those partner countries showing real commitment to reforms in line with shared values.

In 2011 alone, EUR 600 million in additional resources were devoted to economic development, health and reconstruction, with an additional EUR 350 million in 2011/12 to governance and socio-economic development. We are offering **Deep and Comprehensive Free Trade Areas to Egypt, Jordan, Morocco and Tunisia**, with the objective of integrating their markets with the EU market. Investment is being mobilised through increasing the capacity of the European Investment Bank and expanding the mandate of the European Bank for Re-construction Development to operate in our Southern neighbourhood. We are also working on increasing people-to-people contacts. We have for instance doubled the grants to enable the study of young people at EU Universities.

We are working to promote what our High Representative has labelled "*Deep Democracy*". This concept goes beyond the organisation of elections and

encompasses the freedom of expression, freedom of religion and respect for minorities. **Gender issues and women's rights** are also high on our agenda, and we are engaging the governments of the region on these issues.

A practical example of our engagement is the **"Task Force Concept"** for the countries of the Arab Spring. Chaired by our High Representative together with the Prime Minister and Foreign Minister of the country concerned, these assemble the donor community, civil society and the private sector as a catalyst for providing financial support and for restoring investors' confidence. Following in Tunisia and Jordan, which raised EUR four and two billion of financial pledges respectively, the next Task Force will take place in Egypt on 14-15 November. It will be combined with a business and tourism summit and a civil society event which illustrates the scope of our engagement. In a similar vein, next year the EU and New Zealand are co-funding a pledging conference on renewable energy in the Pacific, again bringing together donors, private sector and civil society. We look forward to it and expect similarly strong results.

While we see a reasonable case for long-term optimism in the Southern Mediterranean, there is also reason for immediate concern, especially in the case of **Syria**. The EU's priority is to stop killings, end oppression, deliver humanitarian assistance (EU as biggest donor delivered so far: EUR 220 million) and prevent fall-out in the region.. We will continue to support the efforts of joint UN/LAS envoy Lakhdar Brahimi to find a diplomatic solution.. It is unfortunate that difference remain in the UNSC as to how to find a solution. On the pressure side, we have reinforced sanctions, in close co-ordination with the United States and other partners in the international community I see that New Zealand has also played its part as a member of the international community by sending six defence force personnel to be part of the UN observer mission and giving some NZ\$2 million to help the thousands of Syrians now made refugees as they try to escape the violence in their homeland.

While much focus has recently been devoted to the Southern neighbourhood, the EU remains strongly engaged with **the East**. Relations with Russia remain a key priority. We encourage Russia to embrace fully a rules-based international system and the country's WTO membership is important in this context. New Zealand's FTA negotiations with Russia may assist, too. The EU has made a robust offer of political association and economic integration as part of our **Eastern Partnership to the countries in our Eastern Neighbourhood**, through negotiations on Association

Agreements and Deep and Comprehensive Free Trade Areas (*AA/DCFTA*), but also through direct people to people contacts. The EU's commitment to deepening relations is, clear. However, recent developments in the region present a mixed picture..

Let me focus on **Georgia** which is a good example where the EU has deployed it's full range of foreign policy tools in a comprehensive way. While our mediation efforts in Summer 2008 and the subsequent deployment of our civilian Monitoring Mission (EUMM) were instrumental in ending the war, we are now deeply engaged in the long term development of the country. We remain Co-Chairs of the so called 'Geneva talks' facilitating dialogue between the Georgian Government and the two breakaway regions. We have started negotiations on the Deep and Comprehensive Free Trade Agreement in Spring. Following the recent change of government.

Beyond the immediate Neighbourhood

Moving further afield, our engagement in the **Horn of Africa** reflects the EU's unique capacity to deliver a comprehensive approach in support of the broader needs of the region while addressing security concerns and economic interests. We are combining EU diplomatic efforts, civilian and military crisis management capabilities, humanitarian policies and development tools.

The EU has deployed a military training mission which has trained more than 3000 **Somali** soldiers, equipping them to better counter the Al Shabaab forces who have destabilized the country for too long. The EU is also the main financial contributor to the African Union AMISOM mission which has played a key role in stabilising Somalia. We have just launched EUCAP Nestor mission to strengthen maritime capacities in the countries in the region and, in Somalia, the training of a coastal police force and judges. For some years the EU has been running the naval counter-piracy mission EUFOR ATALANTA which – together with other international efforts – has enjoyed some success. Sea piracy worldwide has now fallen to its lowest level since 2008 over the first nine months of this year, as navies and shipping companies have cracked down on attacks off the coast of Somalia. It is a much more encouraging picture for the region than most of us had dared hope for only a short while ago.

Before moving to our engagement in Asia, I want to address another international security concern: the **possible military dimension of Iran's nuclear programme**. The so called "EU3plus3" group led by the EU High Representative has been working

hard to find a solution through negotiations. While results are not sufficient and positions remain far apart, we are convinced that the negotiation track is not exhausted. At the same time, and in line with what we call the “dual track approach”, the EU further reinforced its restrictive measures last month. But let me also underline what we have repeatedly said: sanctions are not an end in themselves. They are not irreversible. It is in the hands of the Iranians to address the international concerns about the nuclear issue in a credible way.

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Asia-Pacific region

Let me now move to the **Asia–Pacific region**. This region is of growing importance to the EU.

The EU’s future is inter-linked with Asia, which already accounts for 28 percent of global trade. This figure will certainly increase. We have a strategic interest in seeing a stable, prosperous and internationally open Asia–Pacific region. Four of our strategic partners lie in Asia - China, India, Japan & South Korea. **China** and **India** are key players in the new world order. As such, we have steadily upgraded our political dialogue with both. Personal contacts matter. Cathy Ashton holds regular meetings with China’s State Councillor Dai Bingguo and Indian National Security Adviser Krishna Menon. I increasingly spend time with my Chinese and Indian counterparts, and with the **Japanese** and the **South Korean Deputy Foreign Ministers**, discussing issues of common concern such as counter-terrorism, cyber security and maritime security, including the fight against piracy. We are expanding co-operation in the field. The Chinese, Indian and Japanese navies work together with our **EU NAVFOR ATALANTA** mission fighting piracy off the Somali coast. We have invited a whole range of Asian/Pacific nations (including New Zealand) to participate in our new maritime capacity building mission EUCAP Nestor at the Horn of Africa and the West Indian Ocean. The same is true for our aviation security operation EUAVSEC in South Sudan.

The EU is in the process of strengthening its political and economic presence in Asia. Just a couple of days ago the **9th ASEM** meeting in Vientiane confirmed our engagement in presence of both the President of the European Council and the President of the Commission. We are putting in place strengthened **bilateral partnerships** with the countries of the Asia-Pacific region through the conclusion of Partnership and Co-operation Agreements. These include robust elements relate to

security in its widest sense, including counter-terrorism, nuclear proliferation, migration and the fight against trafficking. Through policy dialogue, mobilisation of resources and the sharing of expertise - including from key EU agencies such as Europol - we are forging shared responses to security challenges.

Our rapidly expanding partnership with **Indonesia** stands as a prime example of how the EU is adapting to meet changing geo-political realities in the region. We are launching new co-operation on counter-terrorism, with a focus on de-radicalisation as well as global challenges such as climate change and human rights, where Indonesia can bring influence to bear both regionally and globally.

The EU's involvement in Aceh shows an excellent example of how we can mobilise all our resources in the interests of both short-term and long-term peace and stability. From our support to the brokering and monitoring of the Helsinki peace deal, to assistance for better policing and good governance in the province which is only now drawing to a close, concerted engagement has paid dividends. We hope to see this also with the **Mindanao Peace Process in the Philippines**.

Naturally, we support regional political and economic integration, and are willing to share our experience in this regard, also on co-operative security. **ASEAN** is a key partner for the EU and the EU has acceded the ASEAN Treaty of Amity and Cooperation this July. On security issues, our involvement with the **ASEAN Regional Forum (ARF)** also demonstrates the closeness of the EU – US partnership, as our joint statement at the ARF on common objectives within this region testifies. At the same time, it is important to show that our engagement is not an East-West issue, but one of truly finding win-win solutions. The EU looks forward to further intensifying our dialogue on regional issues with our Asian Strategic Partners.

Our relations with ASEAN have received new impetus with **Burma's** democratic transition. The EU has acted discreetly, but decisively in support of the reforms being undertaken. We are committed to accompanying this important country on its reform journey, also working to help solve ethnic conflicts. We have suspended our sanctions against the country to allow for increased European direct investment and trade and we have expanded our financial support. We are also upgrading our diplomatic presence in Burma– not least to cooperate with other international actors on the ground who are engaged in supporting the transformation of this important country.

We remain mindful of the tensions which exist among countries of the region. The further development of ASEAN will be important in overcoming historical tensions between **Cambodia, Thailand, Vietnam** and **Laos**. We are also following with some concern developments in the **East** and **South China Seas**. The High Representative has called on all parties to seek peaceful and cooperative solutions in accordance with international law and to clarify the basis for their respective claims and we stand ready to share creative solutions based on our own experience of resolving territorial differences and managing shared resources jointly.

Ladies and gentlemen,

I have spoken of how the EU has raised its game in the foreign policy field, in spite of the challenges which we are facing. As we continue the work of strengthening the EU's global impact and reach, our success will ultimately be judged by how adept the EU is at meeting the political, diplomatic and security challenges of the 21st Century world. A world which is fast-moving and interconnected. A world less based on a monopoly of state actors, and certainly not based solely on notions of Western leadership. The comprehensive approach I have outlined has delivered results in the EU's neighbourhood and beyond. As the EU develops its profile in this region, with allies like New Zealand we need have nothing to fear and everything to gain from the rise of Asia

Thank you!