

«Cyprus EU Presidency – working towards a Better Europe»

**Lecture at Europa Huset by CY DFM for EU Affairs, Ambassador A. Mavroyiannis
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The rotating Presidency of the Council of the EU is a **duty, an obligation and a responsibility** carried out by all EU member states (and when we say Council, we mean the representatives of the 27 member states at Ministerial level). So we will be chairing the Council of the EU for six months, starting the 1st of July of 2012. This role entails **steering discussions** within the Council; deciding the **issues to be on the Council agenda; mediating and negotiating** on behalf of the Council with other institutions, in particular with the European Parliament; while, at the same time, **regulating and ensuring consistency and coherence** among the various poles of political power within the Union. Setting realistic goals, the Presidency will act as an **honest broker**, aiming to achieve compromises and successfully achieve progress and reach an agreement on the issues to be discussed during those six months.

Undeniably, the first Presidency ever is indeed a **great challenge but also a unique opportunity** for Cyprus to make a **lasting contribution towards European integration**, while, also, enhancing its image as a **credible and responsible** member of the EU, assuming fully the obligations and competences of membership, and taking its stride in the Union.

We feel our share of responsibility for the development of the European Union and in delivering a *Better Europe* for the next generations and with this feeling of responsibility we approach our Presidency of the Council of the EU. With the enthusiasm of a newcomer, we have been preparing ourselves for this Presidency. These troubled times of frustration and complexity, especially the crisis in the Eurozone, have led to an **intensification of the dialogue on the future of the Union** and especially its institutional framework. The dialogue, at times, appears to revolve around the **“traditional” debate** between the proponents of “more Europe” and the eurosceptics, the proponents of a strong Europe against those suspects of trying to dilute it, not to mention the widening versus deepening debate. Lately, we are also witnessing the return to old debates, such as that of a two-tier Europe. The current socioeconomic developments have led to a formulation of our main objective which is **to work towards a Better Europe, a Union more relevant to its citizens and the world.**

In doing so, Cyprus will emphasize the need for adherence to the **fundamental values** of the EU, ensuring **solidarity, social cohesion and a better quality of life for EU citizens**. Our vision of a *Better Europe* acquires a special significance in the current economic and social environment, offering hope and positive outlook to the citizens of Europe, **especially the younger generations**, assuring them that the troubles of today can indeed be overcome leading us to a brighter future.

Working towards a *Better Europe* will be promoted via **two dimensions**, which will be reflected, where possible, in the priorities of the Cyprus Presidency. These dimensions are, namely, **solidarity and social cohesion**, which has gained momentum in light of the EU’s response to the crisis and **effectiveness and growth**, which will contribute to a more competitive and efficient Europe, via even more targeted policies.

Cyprus, **regardless of its own political problem**, plans to proceed with a successful results-oriented Presidency. I assure you that our aim is to act in a **purely presidential manner**, not allowing our national problem to define our Presidency but at the same time not allowing our role as Presidency to be jeopardized by the Cyprus problem. The Cyprus issue and the Cyprus Presidency of the EU are **two parallel and independent processes**, and we will not accept to have a second class presidency

due to our national problem and to the stance of Turkey towards the Council of the EU [*could make reference to Dec 2011 EC Conclusions*].

The drafting of the **Presidency's policy programme** which forms the back-bone of each EU Presidency, has already started and is an ongoing, interactive process between Ministries/Services as well as the EU institutions. And when I say programme, I mean the issues and priorities to be discussed during the Cyprus Presidency. I would like to point out that the subjects to be discussed during a presidency are **more or less predetermined** since they are mainly issues inherited from previous presidencies, as well as issues stemming from the Commission Work Programme for 2012 (*the annual programme of the Commission includes the proposals and new dossiers expected to be prepared and presented by the Commission and discussed among the 27 Member states at the Council*). Despite of all the factors that predetermine the Presidency's agenda, each Presidency still has a limited room for maneuver to give **its unique touch** to the presidency programme. The contents of our six-month programme and our priorities will, of course, be finalized and adjusted according to current socioeconomic and political developments.

In an effort to make this presentation as focused as possible, please allow me to say just a few words on several matters which are expected to figure especially high on the EU agenda during our Presidency and which I hope might be of particular interest to you.

One of the key issues that will be dealt with during the Cyprus Presidency is **the negotiations of the new Multiannual Financial Framework** covering the period 2014-2020.

The Multiannual Financial Framework (MFF, formerly "financial perspectives") is not the budget of the EU for seven years, even though we sometimes refer to it as such. It is actually a mechanism for ensuring that EU spending is **predictable** and at the same time **subject to strict budgetary discipline**. It defines the maximum amounts ("**ceilings**") available for each major spending area ("**heading**") of the Union's budget. Within this framework, the European Parliament and Council, which are the "**budgetary authority**" of the Union, have to agree each year on the budget for the subsequent year (for example, during the Cyprus Presidency, the Council and EP will have to agree on the budget for 2013). In reality, the annual budget always remains below the overall ceiling of the MFF.

The MFF de facto **sets political priorities** for future years and constitutes therefore a political as well as a budgetary framework, that is, in which areas should the EU invest more or less in the future.

Just so that you have a clearer picture of the amounts involved, the overall commitment ceiling proposed by the Commission for the 2014-2020 period is 1.025 billion euros, which translates into **the amount of the last year of the current MFF (2013) multiplied by 7 (years)**.

With the above in mind, it is needless to say, that the MFF for the post-2013 period is one of the most sensitive topics presently under discussion in the EU. The MFF discussion combines two elements that are difficult enough to handle on their own: **the sensitive issue of distribution of income and expenditures**, and **the common view on the future of the EU to act as framework for the EU budget** (the Europe 2020 strategy). And then there is also an additional factor that must not be overlooked: **the impact of the eurozone crisis**.

Without wanting to be overly simplistic, the main dividing line lies **between those member states that seem to be "defending the status quo" and those in favour of shifting towards "modernization"**. This division is usually described as a debate between net contributors and net receivers. Besides this divide, debates also vary according to category/heading. For example, countries with major stakes in agriculture and structural funds are less inclined to accept major changes in the composition of the budget. There are also the Commission's suggestions for new own resources which alter the stakes of member states on the income side of the budget. In addition to the differences between member states, another complication arises from the fact that the Treaty of

Lisbon gave the European Parliament the power of consent as regards the expenditure side of the budget. This changes the negotiating arena compared to the previous multiannual budget because the Council of the EU will now have to also incorporate the opinion of the EP. Hence, it is not surprising that this dossier poses **the greatest challenge for the Cyprus Presidency**, especially considering that the original Commission proposal calls for a completion of the negotiations by the end of 2012.

As the future Presidency, we seek to reach an agreement on the MFF that will contribute to economic, social and territorial cohesion. The Presidency will follow on from the work accomplished by the Danish Presidency and **aim to contribute to the successful completion** of the MFF negotiations.

With regards to the **eurozone crisis** and the **enhancement of economic governance**, special emphasis will be given to the implementation of the **Six-Pack** - trying to reinforce the surveillance of fiscal and macroeconomic policies - and on promoting any **new measures** that might be deemed necessary so as to enhance further economic governance and ensure fiscal stability. Another priority will be the implementation of the **Europe 2020 Strategy**, in order to help the EU to achieve high levels of employment, social cohesion and sustainable growth.

Particular attention will be given to the enhancement of the **Single Market**, for which 2012 will mark its **20th anniversary**. In this context, emphasis will be given to the further deepening of the Single Market, through the promotion of Single Market Act and efforts will be made towards the adoption of the legislative proposals therein, as well as the responsiveness to consumer needs and Medium Sized Enterprises (SMEs).

The completion and full implementation of the measures for the **reform of the financial sector** is crucial for enhanced surveillance of the market and for the efficient allocation of resources. Hence, in the area of financial services, the focus of the Presidency will be on proposals relating to the revised rules on **markets in financial instruments**, on **market abuse** and on **credit rating agencies**, **greater market transparency** and **crisis management** in the financial sector.

Focus will also be placed on **policies for European citizens**, while addressing societal challenges and, thus, achieving **more inclusive growth** for the Union. Within this framework, particular emphasis will be placed on providing **employment opportunities and a more secure future to young people**.

Regarding the **Common European Asylum System** goal, one of the main priorities of the Cyprus Presidency is the adoption of the four outstanding legislative proposals for the completion of the Asylum System by the end of 2012, focusing on strengthening practical cooperation between Member States in protecting the rights of those in need of international protection. Also, emphasis will be given to the **integration** of legally residing third country nationals.

The Presidency will focus on promoting **child well being**, through promoting the Commission's expected Recommendation on Child Poverty. Moreover, the Presidency will promote **social inclusion of older persons**, **active ageing** and the **strengthening of solidarity between generations** in the context of the European Year for Active Inclusion and Intergenerational Solidarity. In the field of health, the Presidency will give emphasis to the issue of **Healthy Ageing for EU citizens**, as well as innovative approaches to health care.

In the fields of Education – Culture – Youth emphasis will be given to the **modernization of educational systems** and the **provision of better education**, both in terms of quantity as well as quality, as well as **literacy**, aiming for equal opportunities for everyone. Moreover, in the field of culture, an important goal is the **enhancement of cultural governance**.

*The Cyprus Presidency will promote the proposed new legal framework for the **protection of personal data**, which consists of two legislative proposals. Moreover, legislative measures focusing on **enhancing cooperation between Member States in the field of justice** will be promoted.*

Focus will also be placed on the **participation of civil society**, as well as the involvement of social partners, NGOs and local authorities, **in the formulation and implementation of Europe 2020 Strategy**. Moreover, the introduction and use of volunteers in relation to civil protection and the development and **strengthening of regional cooperation with neighbouring EU countries** will be promoted.

The Cyprus Presidency will also continue its efforts to achieve **sustainable growth and resource efficiency**, highlighting the importance of a more competitive Union based on a low carbon and green economy and enhancing the ambitious efforts of the European institutions for more concrete results. As 2012 has been declared the '**Year of Water**', the Presidency will carry on work aiming to the sustainable use of water resources, on the basis of a Commission's Blueprint to safeguard Europe's water resources. The re-launching of the **Integrated Maritime Policy** will be another priority of the Cyprus Presidency.

*The Presidency will continue discussion on the revised guidelines **on Trans European Networks infrastructure on transport, energy and telecommunications**, in parallel with the negotiations for the **Connecting Europe Facility**. Furthermore, the role of telecommunications and information society will be highlighted in the context of transport policy development, and, more specifically, in fostering innovation in transport and promoting co-modality (**Multimodal Journey Planners**).*

After the recent developments in neighboring countries, following the Arab Spring, Cyprus will also seek to **bring Europe closer to its neighbors** and work for the empowerment of the Union in the world. Furthermore, the Presidency will carry on any relevant work on the **Enlargement Package**.

The Cyprus Presidency will ensure that the enlargement agenda of the EU remains high amongst its priorities and will, therefore, further advance the process, on the basis of **the "own merits" approach, strict conditionality and equitable treatment** for the candidate countries and potential candidates.

The Cyprus Presidency is determined to contribute in taking forward **Iceland's** accession negotiations, aiming at bringing the process as close as possible to its conclusion.

Moreover, the reinforcement of **Turkey's** accession prospect is of critical importance and the Presidency will focus on advancing this prospect, in line with Turkey's Negotiating Framework and relevant Council Conclusions. At the same time, we stand ready to cooperate in a constructive manner with the Commission on the matter of the **"Positive Agenda"** for Turkey, in line with the conclusions of the December 2011 General Affairs Council¹.

As regards the **Western Balkans**, we stand ready to contribute to the decisive advancement of **Montenegro's** accession course as well as to build on the momentum created by the European Council Decision to grant candidate status to **Serbia**. We will, of course, continue to follow the

¹ In this context, the Council takes positively note of the Commission's proposal for a positive agenda with Turkey. The Council underlines that a positive agenda should support the negotiation process, in line with the Negotiating Framework and the relevant Council conclusions. The agenda could cover a broad range of areas of common interest including political reforms, foreign policy dialogue, alignment with the EU acquis, visas, mobility and migration, trade, energy, the fight against terrorism and participation in EU programmes. Turkey's contribution to the EU will only be fully effective in the context of a credible approach to the negotiation process.

monitoring process for the implementation of the commitments assumed by **Croatia** during the accession negotiations.

In conclusion, I would like to mention that our vision is to promote Europe as a “filoxenos topos”, a hospitable place, not only within the strict sense of the word. “Filoxenos topos” is part of our vision for our country, is part of our forethought for our Presidency, is part of our anticipation for a better Europe. “Filoxenos topos” is part of our aspiration of a European Union more relevant to its citizens and in the world. Our vision is to promote a hospitable place for enterprises, for ideas, for services, for innovation, for culture.

I would like to thank you once more for your presence today.