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**Almoço com os Embaixadores dos Países da UE e
Candidatos
Lisboa, 2 de outubro de 2017
Hotel Corinthia**

Intervenção de base

Introduction

I would start by thanking the Estonian Ambassador, Andres Rundu, for this kind invitation.

I would like to greet all the Colleagues Ambassadors and the European Commission Representative in Lisbon as well.

Nowadays, we are looking for a narrative for Europe, a narrative for the Future. Unfortunately, it took us too long to come up with a “common story”. It took us Brexit to come up with such narrative, based on the common values of freedom, democracy and the rule of law and underpinned by the principles of solidarity and identity.

However, alongside a “story” of common identity, we also need concrete solutions that resonate with our citizens’ aspirations and needs. Let me just recall, as example, the end of roaming charges: it

has made more to the building of the European identity than many other projects!

That is why I want to commend the Estonian Presidency for the work done so far and specially for the Digital Summit of 28-29 September, which had both perspectives: the institutional viewpoint (the “common narrative”) and the focus on concrete results. We need both. We need, let me put it this way, “heartbeats and gigabits”. Both are central for the Future of Europe. The Commission’s forecasts set the contribution of a fully integrated digital market at 416 billion euros for the European economy! The Tallin Summit focused also other domains, namely cybersecurity and digital public services. The Digital is a whole new realm where a lot remains to be done. But it is also a central domain when we talk about the future of the Union: the citizen’s perception of the future, way beyond institutional issues.

The “Age of Speeches”

Lately, we have had many important speeches:

- Jean-Claude Juncker’s State of the Union (13th September);
- Theresa May’s speech in Florence (22th September) – a special case;¹

¹ Just a word about Brexit negotiations to say we hope they proceed in an orderly manner, paving the way for a constructive future relationship with the UK, ensuring it remains a close partner of the EU and Portugal.

- Emmanuel Macron's speech at the Sorbonne (26th September); and, of course,
- Our Prime-Minister's speech (15th September), opening the academic year of the College of Europe: "Resuming Convergence, Strengthening Europe".

This is a kind of "age of speeches" in the EU, if I may say so. And indeed, we have now a window of opportunity – a favourable political framework across Europe – to move forward the European project.

The current phase of reflection started with the Bratislava Summit, one year ago (16th September 2016), followed by the Commission White Paper of March. Recovering at last from the economic crisis and the Brexit shock, we started pushing for a more united and democratic Europe. This reflection is now getting momentum and it should end during the Romanian Presidency in the first half of 2019.

We must seize this opportunity, a context of favourable economic outlook and reenergised support for the European project, to choose the Union's direction for the years to come.

The Future of Europe: what should be avoided

In the Portuguese view, and like our Prime-Minister stated, we should avoid four temptations when discussing our future:



- 1: the temptation to open a process of treaty revision – the Treaty of Lisbon contains the necessary flexibility to respond to the new challenges
- 2: the temptation to engage in endless institutional debates instead of focusing on solutions to citizens' concerns

These two are clearly intertwined. Brussels is already too far away for many citizens. What they want is concrete policies and concrete results.

- 3: the temptation to become paralysed by the different national visions about the future of Europe

There are different views for the future of Europe, however I have to point out that one thing is clear: we, the remaining 27 Member States, want to stay together and devise a common future.

We need common ground for that, but we also need flexibility. The European project can move forward in variable geometries, as long as they are coherent and remain open to the participation of all Member States. It is up to each Member State to decide what is its level of ambition.

- 4: the temptation to create new missions without first consolidating what we have already achieved

Among the new missions we have security (internal and external) and defence, fighting against terrorism, making Europe a global player and migrations.

At the same time, we also need to consolidate the internal market, to promote sustainable growth, employment and economic convergence, social cohesion and the welfare-state – the social dimension of the Union.

The Economic and Monetary Union plays here an essential role. Like Prime-Minister António Costa said: “Without completing the Economic and Monetary Union, we will not have the solid foundations we need for building the future Europe”.

President Macron said basically the same thing: “*Seule la zone euro avec une monnaie forte et internationale peut offrir à l'Europe le cadre d'une puissance économique mondiale*”.

The Economic and Monetary Union

I must underline that this statement is also true if we want to boost convergence and cohesion between Member States and within Member States.

The speeches of Presidents Macron and Juncker mention many of the things we stand for. For example, some of President Juncker's proposals we support are:

- Complete the Banking Union, including with a common deposit insurance scheme – this is the most elementary basics! – and the Capital Markets Union;
- Transform the European Stability Mechanism into a European Monetary Fund;
- Create a European Minister of Economy and Finance;
- Create a budgetary capacity for the Eurozone – in our view to face external shocks and promote investment. Inside our outside the current global budget is matter for further discussion...

These two last ideas received a great amount of attention in President Macron's speech. Nonetheless, I want to draw your attention to other proposal of President Juncker: the idea of supporting structural reforms in Member States.

We consider that a good idea. However, we have to avoid falling into the one-fits-all approach.

That is why we look forward to see the concrete Commission proposal on this subject. In the Portuguese view, this support to structural reforms should be aligned with the European Semester, in order to comply with the Country Specific Recommendations through a new instrument for convergence, in line with the European Commission's suggestions.

This instrument should have a contractual basis, with quantified targets and precise deadlines. It should be tailor made and negotiated between the EU institutions and each Member State and involve national parliaments to ensure adequate levels of ownership. This would promote growth and real convergence, maintaining budgetary discipline.

The (re)sources of our future

The future of Europe has to be underpinned by a strong budget, able to meet our ambitions. In this context, I would like to mention the Conference on the Future of the EU Finances of 25th September promoted by Commissioner Oettinger.

I believe the Commission's thinking is moving in the right direction regarding the next Multiannual Finance Framework:

- Concentrating negotiation efforts in the period between May 2018 (when Commission presents its proposal for the new MFF) and April 2019, before the campaign for the next European elections starts);
- Avoiding a debate between the so-called "old" and "new" policies;
- Having a consensual narrative – a narrative that do not divide Member States between rich and poor, North and South, East and West;
- Focusing on the value-added of the EU to promote convergence and to better integrate and articulate the national budget with the EU budget;
- Having a more robust budget with new own resources. We need to go beyond the 1% of GNI: it is not a magic formula and it is not written in the Treaties.

In fact, there is a contradiction when we say that we need a political boost for the Union, as well as to accelerate convergence and economic recovery, and, at the same time, we continue to hear messages that the next post-Brexit budget will be reduced.

When discussing the EU Finances, just like the Future of Europe, we need know what the EU's citizens want. We need to ask them! Portugal is currently preparing its national strategy for 2030: we initiated a campaign of public hearings and meetings with all sectors of civil society: entrepreneurs, trade unions, political parties, universities...

To sum up my intervention: practical and realistic policies are required. Only them can reinforce the unity and the sense of purpose of the European project we all desire and need. This is all about "heartbeats and gigabits"...

Thank you very much for your time!

Ana Paula Zacarias

Secretary of State for European Affairs