

**Statement by Ms. Helen McEntee T.D.,  
Minister of State for European Affairs, to the  
Joint Oireachtas Committee on European Union Affairs  
Wednesday, 7 March 2018**

Chairman,

Thank you for the invitation to address the committee today. This is my third appearance before the Committee as Minister and I am pleased to say there is much to report upon since my last visit here in November.

With your permission, Chairman, I will begin with the future of Europe debate which is now underway. I want to mention the Social Summit for Fair Jobs and Growth which took place in Gothenburg in November and I will give a read-out from the European Council in December before updating you on preparations for the European Council later this month on 22-23 March. Finally, I would like to say a few words on Brexit.

Future of Europe

When we met last, Mr. Chairman, it was just days before the launch of our citizens' dialogue on the future of Europe. Since then we have had sessions of the citizens' dialogue in Galway and Cork and my French colleague, Nathalie Loiseau, joined me for a lively debate with over 300 staff and students in Maynooth University. Tomorrow I will be in Letterkenny and next month we will be in County Meath and in Dublin for a special session with the non-governmental sector before the process culminates on Europe Day, 9 May.

The Government sees the citizens' dialogues as a listening exercise. We want to reach out to our own citizens to hear their needs and concerns without being prescriptive. Participants at each session are encouraged to have their say on how the European Union can help us become more competitive and prosperous and how it can make us safer and more secure. We want to hear from our citizens on how they envisage a more sustainable Union that is also more socially responsible. Finally, we are keen to get their views on globalisation: how can we shape it before it shapes us?

I have to say that I am very impressed by the level of participation at each session. There is real engagement on the issues and, if there is an over-riding message, it is one based on fairness. People want to ensure fairness in an increasingly competitive world. They want the environment to be protected so they can hand it on to future generations in good shape. There is also a demand for inter-generational fairness. People want young people to enjoy the best of opportunities when they are starting their careers and their families and they want older people to be able to enjoy their retirement in dignity and comfort.

Of course, Chairman, your Committee conducted its own future of Europe public outreach initiative last year and you had a good cross-section of public opinion presenting their views. I look forward to reading the Committee's report in due course and I am confident that, together with a synthesis from our citizens' dialogue process, Ireland will have a rich contribution to make to the wider European debate.

That debate is already underway.

I was very pleased that the first session under President Tusk's 'Leaders' Agenda' focussed on education and culture. We owe it to future generations to equip them with the life skills they will need to cope with a fast changing world. The first discussions in November have already been translated into firm instructions from Heads of State and Government for work to get underway on extending the Erasmus+ programme to other forms of mobility, to set up a network of European universities and to promote more co-operation in the recognition of third level and school-leaving qualifications.

Under the 'Leaders' Agenda' there have also been discussions on sensitive issues such as migration, the completion of economic and monetary union, institutional issues and the next multi-annual financial framework. Each discussion involves an initial political discussion and it is envisaged that the leaders will have to return to almost all of these issues in the coming months. But each session has already proven useful in giving a direction to follow-up work which is being undertaken in the meantime.

The next 'Leaders' Agenda' discussion will take place later this month and it will look at taxation, in particular in the digital economy.

### Social Summit for Fair Jobs and Growth

It would be remiss of me not to mention the Social Summit for Fair Jobs and Growth. As the Taoiseach, Leo Varadkar T.D., told the European Parliament in January, we need to “put fire back into the engine of our social Europe.” The Summit, which took place in Gothenburg in November, recalled the need to put people first. As a consequence it was agreed at the European Council in December that there would be a new start for social dialogue. The European Council also agreed to tackle the gender pay gap and to deliver on the European Skills Agenda. As I said just a moment ago, this work will be crucial if future generations are to be equipped to cope with the changes digitisation and automation will bring.

### PESCO

The European Council in December also welcomed the establishment of Permanent Structured Co-Operation, known as PESCO. The EU relies on assets, civilian and military, provided by the Member States to undertake international peace support missions to prevent and resolve conflict in support of the United Nations. PESCO provides a mechanism to meet an identified need for closer cooperation between partners to ensure the availability of the military capabilities required for these purposes. Our participation will help ensure that Irish Defence personnel serving on future EU missions will be as well-prepared and equipped as they should be. Membership of PESCO is voluntary and does not change in any way the triple-lock that remains in place before we deploy any troops abroad. PESCO was established within the framework of the Lisbon Treaty which was approved by the people of Ireland in a referendum in 2009 and when we joined, we did so with the approval of Dáil Éireann.

### Rule of Law

In December the European Commission launched a procedure under article 7(1) of the Treaty on European Union inviting the Council to determine whether there is a clear risk of a serious breach by the Republic of Poland of the values referred to in article 2 of the same Treaty. The Union, Chairman, is founded on its values and these include the rule of law. The move by the Commission follows legislation passed in Poland making changes to the country’s Constitutional Tribunal, the judiciary, the media and the civil service. These changes have raised concerns about the independence of the judiciary and the separation of powers there and the Commission has invited the Polish authorities to address these issues within three months.

I am pleased to report that there has been engagement in the meantime with the Commission by the Polish Government and that the Polish Government has said it will publish a White Paper by 20 March, the date on which the three month period expires. There was a lengthy exchange of views on the issue at the General Affairs Council in February during which I reiterated the importance Ireland attaches to respect for the rule of law and the values enshrined in the Treaties and I emphasised the need for the current engagement to yield results.

### March European Council

Preparations are now underway for the European Council later this month. As you know, the Spring European Council normally addresses the jobs, growth and competitiveness agenda. The European Council will take place at a time when the European economy is growing at a faster pace than any time in the last decade. The European Commission published its Country Reports today as part of the European semester process and for the first time they incorporate the principles of the new European Pillar of Social Rights. As a follow up, the European Council will be asked to endorse the Euro Area Recommendation which, as its name suggests, sets out economic policies for the euro area.

At the European Council in December the focus was on completing the banking union. At this European Council, Heads of State and Government will look at progress to-date in the creation of a Capital Markets Union, which Ireland also supports. We particularly welcome progress on measures that advance product markets which can help diversify funding to smaller, dynamic companies.

I should also mention that the European Council will benefit from the trojan work undertaken last year by the Estonian presidency in advancing the digital agenda. Ireland is a firm supporter of the Digital Single Market and, although there is still work to be done, we are on target to complete the DSM by the end of this year. A DSM 2 package is expected later this year, but it will be important we keep advancing the legislative proposals already on the table.

The European Council is expected to review the Energy Union where a lot of progress has been made on the “Clean Energy for All Europeans” package. As a peripheral, less-well-

connected country, Ireland believes that the Energy Union has the potential to greatly enable Ireland's transition to a low carbon future, just as the Single Market led to an economic transition for us and other Member States.

### Western Balkans

The European Council will adopt procedural conclusions on the European Commission's strategy for a credible enlargement perspective for, and enhanced EU engagement with, the Western Balkans. An ambition of the Bulgarian Presidency is to achieve a clear action plan for each of the countries of the Western Balkans, without creating unrealistic expectations. Ireland shares this objective and wants to work with the Bulgarian Presidency to make the EU-Balkans Summit in Sofia in May a success. The Taoiseach and I discussed the summit with Prime Minister Borisov in Sofia in January and last month I visited Belgrade, Sarajevo and Montenegro for consultations with the respective Governments there. While there is much work to be done, we recognise the importance the prosperity and stability of the region holds for the European Union as a whole and firmly believe the prospect of accession should be on offer to each applicant that makes the necessary reforms to adopt the *acquis*.

The European Council is expected to frame the preparations for the Western Balkans Summit. Three deliverables from the summit in May are envisaged and they are:

- (i) a reaffirmation of the European perspective of the region;
- (ii) launching concrete and visible initiatives to improve the physical and human connectivity within the region and with the EU; and
- (iii) addressing how to better engage together in shared security challenges.

### Brexit

On 15 December the leaders of the EU27 decided that that sufficient progress had been made in phase one of the Article 50 negotiations. We were very happy that we achieved the goals that we set out to achieve in Phase one. We secured concrete commitments on the maintenance of the Common Travel Area, and on the protection of the Good Friday Agreement in all its parts and the gains of the peace process, including guarantees on avoiding a hard border and commitments on how this will be achieved.

This was a very significant step and we are extremely grateful to our EU partners for the solidarity they have shown throughout the negotiations.

The move to start discussions on the framework for a future relationship between the EU and the UK is hugely significant for Ireland, given the unique circumstances on the island of Ireland and the importance of our economic relationship with the UK. We have been consistent in our position that it is in Ireland's interest that there is the closest possible relationship between the EU and the UK, including on trade. The optimal outcome would be for the UK to remain in the Single Market and the Customs Union. But, as Prime Minister May confirmed in her speech last week, the UK's current position is that it wishes to leave both. We therefore look towards an ambitious and wide ranging economic partnership between the EU and the UK, that includes a free trade agreement that would eliminate tariffs and minimise non-tariff barriers while ensuring a level playing field for our businesses. There must be a continue advantage to Ireland's membership of the Single Market.

We are working closely with the Commission Task Force and our EU partners as we prepare for the European Council later this month where we expect further guidelines to be agreed to enable detailed discussions to begin on the EU's future relationship with the UK. We hope that progress on agreeing transitional arrangements can also be made.

Importantly, the European Council has been clear that progress in Phase 2 of the negotiations, which includes the future relationship issues and transitional arrangements, depends on progress being made on translating the commitments made by the UK in Phase 1 into legal text through the drafting of the withdrawal agreement. In this regard, we welcome the Commission's draft withdrawal agreement, including a Protocol on Ireland and Northern Ireland, which translates that commitments made by the UK in phase 1 into legally binding text. The Protocol on Ireland and Northern Ireland necessarily sets out the backstop option for avoiding a hard border and protecting North South cooperation. However, we have been clear that our preferred option is to solve these issues through the wider EU-UK future relationship agreement and we are also stand ready to consider proposals from the UK.

We have now entered a critical juncture in the Article 50 negotiations process as we get closer to the European Council on 22-23 March. I want to assure the Committee that,

although this is far from a win-win situation, the Government is working hard, making the case that a strong and well-functioning Single Market is essential to economic growth and job creation and to Ireland's continued economic development. Any Free Trade Agreement with the UK must ensure that the integrity of the Single Market is protected and we will be firm in arguing that any agreement must protect key sectors of the Irish economy, given the unique circumstances on the island of Ireland.

I know we can count on the support of the Committee in this approach.

I would like to thank you for your attention this afternoon.

I am happy, Chairman, to take any questions the Committee may have.