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

Tuesday, 5 December 2018

Chairman,

It has been a busy period since I was last here with you in September and I am delighted to be here again today to update you on developments. This month’s General Affairs Council meeting will focus on a number of issues, including a presentation by the Commission on the European Semester; the Rule of Law in Poland and Values of the Union in relation to Hungary. However, I expect the most substantial discussions to focus on the MFF and preparation of the December European Council. With your permission, Chairman, I propose to focus on four headline issues. Of course, Members are free to raise any matters they choose during the Q&A session.

The four key areas which I propose to highlight are –

• The current state of play in relation to Brexit;
• The Multiannual Financial Framework (MFF) for the period 2021-2027;
• The Single Market, particularly in relation to Services and the Digital Single Market;
• Lastly I will speak about the Future of Europe debate and Citizens Dialogues

Brexit

Mr. Chairman, I will now update the Committee on Brexit.

Since I last spoke with you, we have seen significant progress with respect to the Brexit negotiations. The agreed Withdrawal Agreement ensures that the UK would leave the EU in an orderly manner, avoiding a scenario where they instead crash out without a deal, a scenario that would have severe consequences for everyone, including Ireland.

The Withdrawal Agreement achieves our negotiating priorities. Since the beginning of the negotiations, we insisted that there could be no scenario that would result in a return of a hard border to the island of Ireland. The backstop provisions provide an important insurance policy that we will not see the return of a hard border on this island. If invoked, these will apply unless and until another agreement, which delivers the same outcome, is in place.
This was achieved with the support of our EU partners as well as the tireless efforts of Michel Barnier and his Task Force, and we are very grateful to them for their understanding and solidarity. As the Taoiseach said, there could be no better example of the advantages of EU membership for a small country.

Under this deal, the Good Friday Agreement, and the gains made by the peace process are protected. Rights, safeguards and equality of opportunity as set out in the Good Friday Agreement are protected and the EU citizenship rights for people in Northern Ireland, are confirmed. This agreement underscores continuing North/South cooperation, which is vital to this island.

Last month, at the European Council, Member States gave their unanimous approval to the Agreement. They also approved the Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom. This document provides us with a roadmap to begin negotiations with the UK on just what kind of relationship the EU and UK will have in the years ahead. The UK may be leaving, but it will remain an important partner both to the EU and to Ireland and to that end it is very welcomed that both sides have committed to agreeing a deep and comprehensive partnership.

The Withdrawal Agreement represents important compromises by both sides. However, it ensures that the key interests of the EU and the UK are addressed. As EU leaders have made clear, it represents the best way ahead for all of us, delivering an orderly withdrawal, including through an effective transition period, and lays the foundations for a constructive negotiations on the EU’s future relationship with the UK. It is a fair and balanced agreement achieved after long and difficult negotiations and it is in all our interests that it is ratified and not reopened.

Of course challenges lie ahead, and the Withdrawal Agreement will be subject to a meaningful vote in the UK House of Commons on 11 December. We hope that Prime Minister May can succeed, and that it will be accepted. However, nothing can be taken for granted, and the Government will continue our intensive work to prepare for all eventualities, including a no-deal Brexit, to make sure Ireland is as ready as we can be.

MFF

The European Commission published its overall proposals for the EU’s financial framework from 2021 to 2027 in May. Since then an intense programme of analysis and negotiations has
been continuing at official and political level under the Bulgarian and Austrian Presidencies. The MFF is now a standing item on the Agenda of the General Affairs Council and I expect that will continue to be the case under the Romanian Presidency.

At the General Affairs Council next week, we will discuss the latest Presidency report on the state of play of the negotiations. The Austrian Presidency has focussed on identifying the key budgetary and associated elements and principles on which agreement is needed. These components will be included in a set of draft conclusions but without the actual financial amounts. The purpose of the so-called “negotiating box” is to single out issues which will be for Heads of State and Government to decide under unanimity.

Broadly, Ireland agrees with the elements identified as being those which will require political agreement. They are broadly balanced and reflect competing priorities for all Member States. At the European Council later next week, Heads of State and Government will discuss the progress report. My expectation is that the European Council will welcome the significant progress achieved under the Austrian Presidency and will call on the Romanian Presidency to continue that work on the basis of the Austrian progress report.

It will continue to be a Government priority next year that we secure Ireland’s interests in the negotiations on the EU’s financial framework for the seven years from 2021 to 2027. CAP remains a priority for Ireland. Agriculture expenditure helps to support 44 million jobs across the EU and contributes to food safety, animal welfare, rural sustainability and environmental standards. The Government is also supportive of programmes to keep pace with the rapid changes in the global economy and help to support jobs and growth. I am thinking specifically of measures such as Cohesion funding, the Research and Innovation budget, known as Horizon Europe, Digital Europe and the Connecting Europe Facility. We also welcome the focus on young people, with increased funding for an expanded Erasmus+ programme. Lastly we must ensure flexibility in the budget to deal with the potential negative consequences of Brexit.

While there had been initial ambitions to conclude the MFF negotiations by next May, that timeframe has become increasingly unlikely. The most important thing is to get the budget right. I expect that the European Council will look to reach agreement on the MFF later in 2019. An agreed budget which meets our requirements to deliver on the EU’s programmes and on which agreement can be reached by all Member States is essential.
Single Market

Chairman,

This year marks the 25th anniversary of the Single Market, a landmark achievement of the European Union. The March European Council called on the Commission to present, by the end of the year, an assessment of the functioning of the internal market and remaining barriers to intra-EU trade of goods and services. The Commission’s Communication - adopted on 22 November and presented to the Competiveness Council on 29 November – is entitled “The Single Market in a Changing World – a Unique Asset in Need of Renewed Political Commitment.” The European Council had been expected to hold a policy debate on the Single Market at its December meeting, based on that Commission Communication. In fact a detailed discussion is not now expected to take place until March 2019. However, Ireland is working with a large group of likeminded partners to ensure that the European Council adopts meaningful, focussed conclusions this month calling for a new forward-looking approach for digital policy and Single Market policy, including for services.

Last month in Brussels, Minister for Business, Enterprise and Innovation, Heather Humphreys, together with her colleagues from Finland, Denmark and the Czech Republic, launched a report examining the functioning of the Single Market, particularly in the area of services. The report is titled “Making EU Trade in Services Work for All” and was commissioned from Copenhagen Economics. It finds major shortcomings in EU services sector performance but great potential for further development.

Though the Single Market is a key to the EU’s welfare, prosperity, and competitiveness, it has not delivered the same benefit for services – in terms of reducing barriers to intra-EU trade, as it has for trade in goods. The service sector gaps are critical in an economy where digitalisation is becoming the norm, and where services are increasingly an intrinsic part of manufactured goods. The flipside is that there is great potential for improving the functioning of the EU services sector, global competitiveness, productivity, and the EU share of the world economy.

I share Minister Humphreys’ hope that our report will help shape the discussions in 2019. As the Minister said last week in Brussels, making it easier for companies to buy and sell services, especially across borders in the Single Market, is crucial to our competitiveness as digital activity grows. I might also add that the Study is a concrete example of alliance-
building by Ireland. The project illustrates Ireland’s ability to build and leverage relationships with other Member States to advance common policy interests.

**Future of Europe**

Chairman, I now turn to the debate on the future of Europe which has been ongoing across Europe. As the Committee will be aware, last year the Government launched a Citizens’ Dialogue on the future of Europe. It has taken me all around Ireland listening to people discuss about the Europe they want. They shared their views on how we can build a Union that is prosperous and competitive; safe and secure; sustainable; socially responsible; and how we can best equip ourselves to meet the challenges of the future. The level of engagement was fantastic and the overriding message I heard was one about fairness. Environmental protection, intergenerational fairness and opportunities for young people were key concerns. It was also striking to see how much our citizens see our membership of the EU through the prism of values. Words like peace, community, education, solidarity and diversity were replicated throughout the country. It is clear to me that these values must be at the heart of the decisions we take about the future of our Union.

In October, I was joined by my colleague Gernot Blümel, the Austrian Federal Minister for the EU, Arts, Culture and Media for the launch of our narrative report on the Citizens’ Dialogues on the future of Europe. I was delighted to have the opportunity to launch the report, not just with the EU Presidency, but with a close partner in the EU. I was also very pleased that members of this Committee were able to attend. The report offers a snapshot of the rich contributions we heard as we travelled around the country, asking citizens about their hopes for the future of our Union.

Europe’s leaders are committed to listening and to responding to the concerns of their citizens. We all want to offer our citizens a vision of Europe that they can trust and support. The Citizens’ Dialogues are part of wider citizens’ consultations taking place across the European Union; both in Member States and at a pan-European level. Member States will present a summary of the outcomes of their consultations to the European Council next week. Our contribution will include what we have heard in the Dialogues and in other conversations happening in Ireland about the future of Europe.
The future of Europe debate is expected to culminate in a meeting of EU Heads of State and Government in Romania next May during which they will prepare the Strategic Agenda to guide the EU over the next five years. We want to be among the architects of those plans in a way that reflects the ambitions of our citizens. The Citizens’ Dialogues will help to guide our contribution to that debate.

Despite its imperfections, Irish people see Europe at the heart of their future and Ireland at the heart of Europe. In May, an opinion poll found that 92% of Irish people believe that Ireland should remain a part of the EU. This rises to 97% among young people. These numbers are encouraging, but they are no reason to be complacent. One of the things that has become clear to me is that our own people are not always aware of what the EU is doing on their behalf or of existing European policies that are already in place. I have consistently heard calls for the EU to improve how it communicates. European Ombudsman Emily O’Reilly spoke at one of our Citizens’ Dialogue events and she reminded us that most people do not spend their time thinking about the future of Europe. For them, politics continues to be local and about the reality of their daily lives. I am sure you hear the same in your respective constituencies.

So, when we talk about Europe, we must ensure that we tell people about what Europe is doing for them, how it matters in their daily lives and how what we are doing reflects the treaty-based values that bind us together as Europeans – not least, the rule of law, respect for human rights, equality and human dignity. As interested and committed Europeans, this will require sustained efforts on all our parts. The European Union has many achievements to its name. But it still needs to reaffirm its relevance in the daily lives of its citizens. As we have learned from our citizens’ engagement, this process of renewal needs to be constant and not just in times of crisis.

Mr. Chairman

Before I will conclude, I will briefly outline two important topics that have been preoccupying the General Affairs Council lately, namely Rule of Law in Poland and Values of the Union in relation to Hungary. As you will be aware, the central issue is the rule of law and its application in Poland. In October, the European Court of Justice (ECJ) issued an interim ruling, ordering Poland to adopt measures to temporarily suspend the application of the relevant Polish legislation. Poland has since adopted legislation to amend the Supreme
Court law and enable the return to work of judges forced to retire. Following on from the hearings in June and September, the GAC will hold another hearing next week. Ours is a Union based on shared values, including democracy, human rights and the rule of law. Ireland has consistently supported the Commission in this matter. We have also emphasised that dialogue between Poland and the Commission needs to result in substantive outcomes that address the concerns identified.

Separately, in September, the European Parliament adopted the Sargentini report - a reasoned proposal inviting the council to determine whether there is a clear risk of a serious breach by Hungary of the values on which the European Union is founded. The Hungarian government have issued a written response in relation to the Sargentini report. The Commission has also prepared a paper on the values-related infringement procedures that it has taken to address concerns with the situation in Hungary. At next week’s GAC meeting, Ministers will have an exchange of views on these documents and the next steps forward. Ireland has previously made its concerns known in relation to issues surrounding the rule of law and recent legislation targeting non-governmental actors in Hungary. At this time of many challenges facing the Union it is more important than ever that we stand by our shared values.

In relation to the Central European University, I very much regret that it has been forced into a situation where it is required to re-locate from Budapest to Vienna. Academic freedom is one of our fundamental values within the Union and it is a sad day when an institute of learning feels it has no other choice but to leave an EU Member State in order to continue its operations. At this time of many challenges facing the Union it is more important than ever that we stand by our shared values.

I would like to thank you for your attention this afternoon. As you can see, this has been a busy year on the European front and 2019 promises to be even busier. Before we rise for the Christmas recess, I would like to thank you, Mr. Chairman and all the Committee Members, for the support you have given me and my officials in our work.

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