

THE BROOKINGS INSTITUTION

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INTERNATIONAL LEADERS FORUM

THE TRANSATLANTIC BOND IN AN AGE OF COMPLEXITY

AN ADDRESS BY FEDERICA MOGHERINI,  
HIGH REPRESENTATIVE OF THE EUROPEAN UNION  
AND VICE PRESIDENT OF THE EUROPEAN COMMISSION

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**Introduction:**

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## P R O C E E D I N G S

MR. INDYK: Good afternoon, ladies and gentlemen. Welcome to The Brookings Institution. Thanks very much for joining us this afternoon.

I am Martin Indyk, the director of the Foreign Policy Program at Brookings. And we're delighted this afternoon to host this event with Federica Mogherini together with the German Marshall Fund, a great institution from around the corner, and it's an honor for us to be doing this event together with them. Karen Donfried, the head of the German Marshall Fund, its president, is up here on the panel. I'll introduce her in a moment.

It's a special honor for me to have the opportunity to host and introduce Federica Mogherini because I knew her before she was famous. (Laughter) By only about five minutes, actually. (Laughter) We had a wonderful meeting in a splendid palace in Rome before she was appointed as foreign minister in the new Italian government. And pretty soon after that, she became the high representative of the European Union for foreign affairs and security policy; in short, the EU foreign minister.

But I remember that meeting very well. I was just in the process of departing from the State Department in my last role as the special envoy for Israeli-Palestinian negotiations and we had a wonderful discussion about the problems involved in trying to promote reconciliation and peace between the Israelis and Palestinians. And I was immediately impressed by her understanding and knowledge of a complex issue that I had spent 35 years trying to master and she seemed to have got hold of it in that moment. So welcome.

Ms. Mogherini was, as I said, previously Italy's minister for foreign affairs; before that a member of the Italian Parliament from 2008 to 2014. She was the head of the Italian delegation to the NATO parliamentary assembly and previously been a

member of the parliamentary assembly of the Council on Europe. She's held many positions in the foreign policy field in Italian politics. She has also been a fellow of the German Marshall Fund for the United States, so that explains her meteoric rise to a position of such great importance.

Karen Donfried, as I said, is the president of the German Marshall Fund. She is a former colleague. She served most recently as special assistant to the President and senior director for European affairs on the National Security Council at the White House, where she was President Obama's principal advisor on Europe and led the interagency process on development and implementation of the President's policies towards European affairs.

We're going to have an address from Ms. Mogherini on the subject of the transatlantic bond in an age of complexity, and then she and Karen will then lead a conversation with her and with the audience.

So ladies and gentlemen, please welcome the EU High Representative for Foreign Affairs Federica Mogherini. (Applause)

MS. MOGHERINI: Thank you very much for the memories, for the warm welcome, and also for the joint invitation. It's a pleasure to be back here in Brookings. I actually was in another room next door less than a year ago, and it's a pleasure to meet again friends, not only of Brookings, but of GMF. I have to say that my experience as fellow in 2007 was one of the best and most important experiences of my life, and I would say that it shows that the fellowship works, to some extent at least. (Laughter)

But coming here I realized that the first time I traveled to America I was 28 and that was just after 9-11. And all Europeans felt a very strong sense of solidarity at that time. We were all Americans in our hearts and with our minds. And I remember very well that during my visit that was a private trip I was very much impressed by the sense of

pride and unity of the American people in those days after the attacks. And U.S. flags were everywhere, and rightly so.

Fourteen years later, I've seen and sensed the same sense of pride and unity in the streets of Paris, where thousands, millions actually, of citizens -- French, European citizens -- showed the strongest possible reaction to a terrorist attack that many Europeans, many French, perceived as our own 9-11. Obviously, we have had other attacks on European Union soil: in Madrid, in London, and now in Paris. But the numbers of victims, obviously, are not comparable, but the symbolism is the same. As America was attacked targeting the symbols of power and integration -- the World Trade Center -- Europe was attacked targeting the symbols of its freedoms and rights: journalists; freedom of speech, media freedom; the police, the right to live in security; Jewish people, freedom of religion and rights of minorities.

And if you try and test a little your French, that's *liberté, sécurité, fraternité*, where, scarily enough, the word "*égalité*" has disappeared from the narrative. And I think this is a message we should all reflect upon at a certain time.

But as in 2001, America reacted with pride and unity around its flag, today we are reacting with pride and unity around a renewed sense of European identity. Not something to be given from granted if you look at the political trends of the last years in Europe. Still, we have the duty to ask ourselves why, after 14 years, we are still there under attack, and draw our lessons from the past. That's why in Paris we were marching together, not only with European leaders, but also mainly, I would say, with leaders from the Middle East, the Gulf, Africa.

That's why even on the day of the march in Paris, the 11th, we felt the need to look at the atrocities that Boko Haram was perpetrating to thousands of civilians in Nigeria. And that is why just yesterday in Brussels, together with all foreign ministers

of the European Union, we met with the Secretary-General of the Arab League. That's because we know that this is not a fight between the West and Islam. We know that the first victims of terror have Arab names and Muslim faiths. And because we know that what we need in order to face truly and effectively the terrorist threats in Europe and elsewhere in the world is an alliance, a partnership of civilization. It's not easy and it will not be easy at all in Europe and outside Europe. But nothing in the world we're living in is easy and everything is complex.

We live in an age of unprecedented complexity. The world is becoming at once more interconnected, more conflictual, and more polycentric. It is a world in which power is diffused within and between overlapping centers of attraction and repulsion. It is a complex world that requires the capacity to read, understand, and tackle complexity if you want to play a role.

I'm afraid that the European Union has a unique role in this, to manage any complexity that surrounds us. Seen from the outside, and I can say even seen from the inside, the European Union seems very complex itself, be it our institutions, the way we take decisions, our many cultural traditions and languages. We are different, we are complex.

And believe me, it is a real challenge and it can be a real nightmare, and our duty is to make sure that we make the European Union work in a more rational, quick, and also simple way. But that's also added value.

Over the years, we have learned to benefit from our different perspectives and we have built consensus around them. Our differences don't make it impossible for us to work together and act united.

In the new world we see emerging -- I would not say world order; I will say the new world we see emerging -- forging consensus and building partnership is

essential. It is a world in which the West still has significant power, but the power is no longer exclusive. It can only be exercised in cooperation with others. I'm convinced the Transatlantic Partnership can be the bedrock of this cooperation if we learn our lessons and look ahead to the future of our role in the world.

Our bond, the transatlantic bonds cannot rely only on our common past. Now it's the moment to shape our common future if we want to shape a world order based on cooperation and respect, instead of competition and confrontation. And already the events of these first weeks of this year shows us how urgent our cooperation is to address the challenges we face, from the conflict between Russia and Ukraine, to Iraq and Syria, from the terrible attacks in Paris to the carnage spread by Boko Haram in Nigeria.

We need the Transatlantic Partnership more than ever. We need cooperation in a world that is more interconnected, conflictual, and polycentric than ever. Mega trends in human mobility and technology say it all: global tourism is expected to near 2 billion by 2030. Migration is acceleration as a result of conflict, climate change, and economic deprivation. Only last year, 200,000 people, migrants, asylum seekers, mostly from Syria and the Horn of Africa, reached Europe through the Mediterranean routes. And beyond refugees and migrants, Europe, very much like the United States and eventually even China, will need to attract high-skilled workers to its aging continents if it wants to sustain current living standards.

Interconnection has its dark sides, too. Think about terrorist networks and foreign fighters. Think of the spread of global pandemics. Ebola being the latest manifestation technology as to this, for good and for bad. Nowhere is this clearer than in the field of communications where social media provided an indispensable vehicle for the mass mobilizations of the Arab Spring, and I will still refer it to Arab Springs. Seasons

sometimes in history take a longer time. And for the recruitment and outrage of a plethora of terrorist groups.

Likewise, our world is becoming more conflictual and we see it every day. Depleting natural resources coupled with a growing population with a large number of young people in the most economically derived areas and an emerging global middle class sets the scene for greater competition in the world.

Food security and water remain a critical challenge in large parts of Africa and in the Middle East, with the food price hike in 2011 being recognized as one of the triggers for the upheavals across the region. Technology, coupled with climate change, is creating new opportunities in the Arctic, which, if not managed well, risk triggering conflicts.

Energy security is another element of potential conflict. When new discoveries and the unconventional revolution represents an undeniable opportunity, reaping these opportunities will require upgraded cooperation within Europe and between Europe and its partners, starting from the United States, as well as new investments in infrastructures and technology and redoubled efforts at addressing climate change. Technological advancement has also created the potential for great conflicts. Think about cybersecurity, just become the new frontier, the real frontier, of our century warfare.

Finally -- this is not the end of the speech, I'm sorry about that -- our world is becoming increasingly polycentric. New and some old powers are on the rise, first and foremost China. The proliferation of emerging economy acronyms indicates an undeniable global power shift. The U.S. and Europe alone no longer set the agenda in global affairs. I guess we understood that by now. And yet I would not argue that power is shifting from the West to the rest. I think this is simplistic, it is inaccurate.

It is inaccurate because there are no alternative alliances on the horizon, notwithstanding all the talks about that. And it is inaccurate because the West is not in decline as it is evident here on this side of the Atlantic, looking at the U.S. impressive economic performance in the last years and also by the resilience of the European project that has going difficult times, but still is the most successful regional integration experience.

And it is inaccurate because power is diffusing beyond state structures, lying in the multiple interactions between governments, regional and international organizations, companies, civil societies, simple citizens. The new world order we might see emerging cannot be a zero sum game where increased influence for some necessarily means decreased influence for others. It is a world where influence is and can be, should be shared. This, and the fact that the challenges we face are joint challenges, sometimes global challenges, makes cooperation even more crucial.

And this brings me to our transatlantic relationship. It is a relationship that some may believe has passed its age. Be this because of divergent demographics with an increasing Hispanic America and an African Middle Eastern Europe, be it because of partly diverging security concerns with Europe focused on our neighborhoods and the U.S. on the Asia-Pacific, yet the global challenges and opportunities we face are so complex, so difficult that only a renewed transatlantic partnership can face up to them. We have a long history that makes it natural for us, for my generation in particular, but also for the previous ones, to be friends, to be partners. We share values and that is the basis of our common cultural identity that is strong and no one can take that away from us. That's in our DNA.

Now the two pillars of a renewed transatlantic bond that I see are security and economy. Supply-and-demand side forces are driving announced



transatlantic security cooperation and we are slowly but surely expanding EU-U.S. cooperation on security and defense. On the supply side, the U.S. has made it clear that it expects its European partners to shoulder more of the security responsibility in our own neighborhoods and no longer feels ill at ease with the development of European defense capabilities. On the contrary, I have the feeling. At the same time, the European Union is developing into a security provider with our 30 missions and operations conducted to date, focused mainly on institutional reforms and capacity building.

On the demand side, when NATO remains primarily responsible for hard security, the European Union is taking on the lead in helping its members, neighbors, and partners embed systems and practices of good governance that will reduce corruption and influence peddling, and thereby their vulnerability to external destabilization. That requires time, but I think it's a good investment.

I (inaudible) risks. I've put a premium on (inaudible) EU-NATO cooperation. Now let me say that I was particularly proud and happy that in the very first days of mandate I was meeting with the NATO secretary-general, we're starting the mandate together, and we're starting a very strong and close cooperation. We have common challenges, also, there and even if the 28 members are not overlapping completely, they are overlapping quite significantly.

Beyond security TTIP is the next frontier of our transatlantic relation. See it is a win-win project, aimed at creating more business opportunities, reducing costs for our small and medium enterprises, eliminating administrative burden, and in so doing stimulating growth and creating jobs. But TTIP is not just this. It's much more than a free trade area. It's going to create the largest free trade area in the world and, by doing so, I think it will inject momentum into the development of global rules in areas in which multilateral negotiations have stalled. It can become a benchmark for the future trade

agenda in the WTO.

Let me be clear, the European Union is committed to an ambitious, comprehensive, mutually beneficial TTIP to the benefit of business and citizens on both sides of the Atlantic, and I think we have to use the opportunity ahead of us.

I know I've been already far too long, and I guess that's typical European and for sure it's typical Italian. (Laughter) I apologize for that. So let me conclude by reviewing briefly what the priority areas for transatlantic cooperation are in our view.

Cooperation begins along the arc of instability surrounding the European Union. If you see the world map, the highest difficult places around the world are all around the European Union. Maybe we should ask ourselves some questions.

On the European continent, the European Union and the U.S. are on the same line when it comes to the European perspective and reform priorities, both in the West Balkans and in Turkey, as well as on the Eastern partners, notably Georgia and Moldova. Of course, Ukraine is where cooperation is more urgent and intense as we struggle to see the full implementation of the Minsk Agreements and we together pressure Russia through our sanctions policy.

Towards Russia we share a twin-track approach based on sanctions in view of Moscow's illegal annexation of Crimea and also in view of its role on the conflicts in the east of Ukraine, while keeping the door open for dialogue both on the solution of the conflict in Ukraine and on the common global challenges we face. Together we actively support Ukraine's reform efforts aimed at eradicating corruption; pursuing constitutional, judicial, electoral, energy sector reform; and I could go on.

In the Mediterranean, multiple and interconnected crises from Libya to the Sahel, to Syria and Iraq, passing through Israel, Palestine, and Iran, all call for more transatlantic cooperation. Neither the U.S. nor Europe can settle these crises alone and I

think we both understand it very well. Transatlantic cooperation is imperative as is engagement with all relevant regional and international powers that have an influence in the region, we know that very well, positive or negative.

On some issues, such as Iran, while the final outcome remains uncertain, the transatlantic format of the nuclear talks has already proved its strength and we are jointly working towards a robust, long-term solution that will guarantee the exclusively peaceful nature of Iran's nuclear program. While nuclear negotiations are entirely separate from other regional issues, I believe joint transatlantic strategic thinking and action is crucial on Iran's regional role.

On the Middle East peace process, the protracted deadlock should trigger a collective and, first of all, transatlantic rethinking of our overall approach to the conflicts. The increased predominance of regional actors and recent steps at the U.N. Security Council on a resolution and the Palestinian steps towards the ICC all point towards a quite messy -- if you'll allow me that little diplomatic word -- multilateralization of the conflicts. And I think we cannot afford to leave the process or rather the lack of process with no framework, with no international framework.

In light of this, we should work on a possibly enlarged quartet which could act as a forum to establish renewed global consensus on the conflicts, a sort of laboratory to test international positions that could ultimately find expression through the U.N. and make the process not only restart, but also bring some results.

Beyond the European neighborhood let me focus on three final -- I promise -- priorities for our cooperation. First, close transatlantic cooperation on law enforcement and intelligence is essential. That is crucial to safeguard security on both sides of the Atlantic. And the attacks in Paris, I think, are a tragic reminder of the links between external and internal security. We need to share information more.

At the same time, our population on both sides of the Atlantic demand that public liberties and privacy are not unduly affected. Indeed, an organic element of our own response to terrorists and violence must be that of living up to our values of freedom and respect of our citizens and of others.

Second, energy security. We had, last December, a EU-U.S. Energy Council that was an excellent opportunity to take stock of how far we have come and where we can move forward together. And I think we should strengthen transatlantic energy trade by removing buyers to our trade in natural gas and crude oil. This would open new export markets for the U.S., for the producers, and help the European Union face the pressures from other suppliers.

On LNG export restrictions, while lifting these would not immediately address European dependence on Russian gas, it would send the right signals to global markets and it would encourage further investments, both upstream and downstream. By including a distinct chapter on energy and raw materials in TTIP, we would reduce barriers to trade and investment in the energy sector and agree global rules on transport and transit, on renewables, and on safety.

Third and last point, energy issues bring us to climate policy. It is essential that the European Union and the U.S. partner in order to deliver an effective deal in Paris later this year. Transatlantic positions have now aligned as they have never, never done before in history. Our challenge is that of transforming this shared sense of purpose into a joint EU-U.S. leadership to take forward a solution that can fit the challenge.

There is also a mutual EU-U.S. responsibility to achieve a successful outcome on the post 2015 Development Agenda this year. Ending extreme poverty, and achieving sustainable development, alongside averting dangerous climate change, are

the defined challenges of my generation. The EU and U.S. leadership in striking an agreement in the U.N. General Assembly for an ambitious set of targets for the post 2015 framework would also send a very strong sign in support of effective multilateralism. And that would also be a sign that we have learned some of our lessons when it comes to the coherence of our choices and our policies.

To conclude, at a time of unprecedented uncertainty, our collective joint responsibility is that of trying to take this as an opportunity to finally lead the endless transition that my generation has been living towards a real new global order. At such complex times I understand it might seem naïve even to say so, yet the alternative is not sustainable for all. And the only way in which we can realistically think to achieve this is by working together.

The transatlantic partnership has already broken a world record as the longest-lasting and strongest partnership in history. Our challenge is that of collectively together breaking a new record, ensuring that the shift from the actual global disorder to a new global order based on cooperation and partnership will be not only successful, but also a peaceful one.

Thank you very much. (Applause)

MS. DONFRIED: Thank you. I'll go ahead and get started while the lapel pin is being put on.

I just want to begin by saying what a delight it is to be here with Martin to welcome warmly the EU's new High Representative on foreign policy. And I say that because, as Martin made clear, GMF feels a special relationship because of the fellowship that Federica Mogherini did in 2007. And the co-chairman of my board is sitting here and he asks at every board meeting what's the impact of what GMF does? And sometimes it's hard to measure impact and other times it's very obvious. And it's

wonderful to see --

MS. MOGHERINI: You could go around.

MS. DONFRIED: Well --

MS. MOGHERINI: I did the fellowship.

MS. DONFRIED: And I was actually saying to one of your colleagues that if you pull up your CV, you have a line, "Fellow of the German Marshall Fund," so it's something you are very proud of. And you've been a wonderful supporter of GMF ever since, so I thank you for that.

But also, your words and your commitment to the transatlantic partnership are not only true in the words you just spoke, but also in the fact that you're here in Washington. Because, of course, you've traveled extensively since stepping into this job, but it has been within Europe and the immediate region, so this is the first longer trip that you've made. And I think it shows, also, your commitment and the commitment of the EU to the transatlantic partnership, which certainly we at GMF agree is so important in, as you said, the increasingly complex world that we live in.

And when I think about transatlantic partnership, you referenced the attacks of 9-11, and that was one of those moments when transatlantic solidarity was so clear. And then it frayed because of the war in Iraq and because Americans and Europeans ended up drawing the line between protecting security and safeguarding privacy and civil liberties in a different place.

So as I watched the Foreign Affairs Council yesterday, I was very struck by the forward-leaning decisions taken on stepping up counterterrorism cooperation, whether that's sending security attachés to European diplomatic missions, whether it's working together to block terrorist financing, or whether it is sharing passenger information within the EU, because it reminded me of how hard that's been in Europe. I

mean, that proposal sharing passenger information has been there for years on the European side, but it's been blocked by the concern, particularly in the European Parliament, that this would infringe on Europeans' privacy.

And I'd love to get a sense from you having lived the past two weeks in Europe after the tragic attacks in Paris, which I think all Americans share the sorrow that Parisians, French, and all of Europe felt, have those events galvanized the European public in a way that there's a greater commonality of the threat? And do you think that will lead the European Parliament to overcome those earlier inhibitions about privacy concerns and lead the EU to put into place and implement much more significant counterterrorism legislation?

MS. MOGHERINI: I think so. I think yes. What can come out of the dramatic events in Paris is actually an opportunity because the first lesson you learn when you touch American soil is that out of a crisis, there's something positive or an opportunity that can come. That could lead to two things.

On one side, a stronger sense of common identity, sharing the same risks, sharing the same difficulties in our societies. Because we're talking about EU citizens attacking other EU citizens, so it's not only external, it's also very much internal. And I know that is a debate that has been going on in the U.S., as well, about the way in which you relate to the complexity also of your society. We've discussed now the complexity of the world, but our societies are growing more and more complex.

So a sense of being together and having to share together not only the fears, not only the concerns, but also the possible solutions to the problems, and not only on the passenger information. I hope and I think that the European Parliament will take those decisions in the coming weeks.

I was in Strasburg last week, spending a lot of time in the European

Parliament, and I felt a different sense of urgency on that. But also, on the need to share more, share information, intelligence. We know that is crucial for national states, member states that have their own networks. But still, as we are living in a common space, we should be also responsible together for the security in our common space and for sharing more the responsibility and the actions to guarantee security inside the European Union.

This is obviously a debate that is partially done at the foreign minister level, so we discussed about that yesterday because, obviously, foreign ministers are also members of cabinets of their respective governments and so, as political figures and as members of governments, I'd also say, in the measures that have to be taken also on the security field. But then there are specific issues that we need to debate, being at the cultural level, being at the foreign policy, purely foreign policy.

And you mentioned a couple of issues that we have raised yesterday, but I would underline that the first thing from not only a symbolic point of view, but also a political point of view, because symbols in politics are quite part of the policy, is the fact that yesterday we met with the secretary-general of the Arab League to say that we need to work more together. This has an influence on the practical level of security, shared information, shared projects on how we, for instance, work on foreign fighters, or how we work on prevention of radicalization of young people or non-young people, traveling or non-traveling.

Because one thing that always strikes me is that, obviously, we see the problem of foreign fighters when they come back, but there's also a problem of foreign fighters when they leave the European Union to go and fight be it in Syria or Iraq or elsewhere. It's might not be a problem directly for us, but it's a main problem for the countries where they go and fight.

And we should not only take our own point of view. We should take the



point of the view of the fact that from a regional perspective we should work to prevent these movements and to check that, but also from the point of view of creating a right narrative. Because one of the risks we have after the attacks in Paris and the news about the networks, not only in France, but also in Belgium and in other European countries, is the fact that this feeds in a narrative of not only fear, but also division in our societies. Islamophobia, the image of Islam or Muslim communities as dangerous parts of our societies, while actually we forget that the victims of the Paris attack were, some of them, of Arab origins, Muslims, and that our society is complex. And this is our strength, also, as is a strength for America. We share this. We took a little bit more time to get there, but we are there, as well,

So I think that we have to get the narrative right and this is crucial for preventing this phenomenon to grow even more in the future. What worries me even more than the process of sharing information and guaranteeing security is the fact that by our narrative and by our decisions and our steps in these coming weeks, we don't feed a sense of clash of civilizations. We need absolutely to prevent that kind of -- because see what the reaction in the world is coming up to. And I think we have a responsibility to try and prevent moves that in 14 years' time could give us again a situation like this.

It's not easy because then this debate leads to also internal discussions in some of these countries about where does the limit between the freedom, the liberty, and the security lies, and the human rights. But I think we have to engage because this is a difficult debate, but difficult debates are probably the ones that are more important to have, especially in these times, where our people do understand very well that there is no simple solution, there is no magic response that from one day to another day can solve problems.

And I think this is positive. I think we can get from what is happening

that we are more aware of the fact that we need to work closely together within Europe and with the others and that we need to invest in a long-term strategy to prevent this sort of phenomenon to raise in the future.

MS. DONFRIED: Well, thank you very much for that. I will admit to being an EU wonk, so I read the statement that you gave after the Foreign Affairs Council yesterday, which I would have done even if you weren't here today. (Laughter)

MS. MOGHERINI: Better than many Europeans. (Laughter)

MS. DONFRIED: And I was very interested when I got to the part on Ukraine and Russia. And you made a comment about how --

MS. MOGHERINI: You're not the only one.

MS. DONFRIED: You made a comment about how there had been a EU policy paper that had been leaked last week, which all of us also read with interest. And you said you're going to be disappointed because, actually, there weren't big rifts and there was a consensus that we in the EU are going to stay the course on our policy towards --

MS. MOGHERINI: Which was written in the document that was leaked, but didn't make the title.

MS. DONFRIED: It's not nearly as newsworthy. But, you know, I wanted to ask you two questions about that.

One is, you know, spell out for us what does it mean to stay the course when, in a sense, the situation is always changing? We had the Ukrainian Prime Minister Yatsenyuk yesterday talking about the 700 regular members of the Russian army that were coming across the border into Eastern Ukraine, so there's a deteriorating situation in the eastern part of the Ukraine. We certainly see the impact not perhaps so much of sanctions, but of the low energy prices on the Russian economy. So it's a situation that

is in flux. And how do we -- and I mean "we" in terms of Americans and Europeans -- because I do think we've coordinated policy in a very compelling way over these past months. So what does say the course mean, A?

And then B, you continued on by saying that we maybe need to add some components to our strategy. And the comment you made was it might be useful to add on our side more diplomatic efforts in any format to contribute to solving a crisis, and you spoke about that a bit here today. But if you could draw out a bit more what your thinking there is, that would be great.

MS. MOGHERINI: What we need to continue to do, and it's reasonably not changing in the future months, is, on one side, the support to Ukraine. This is part of our response to Russia because the first victory would be for Russia if Ukraine becomes a failed experience and to show that choosing, for instance, the Association Agreement with the European Union is leading to something negative for the people of Ukraine. This is the first duty we have, to make sure that Ukraine is a success story from an economic point of view, from a social point of view, and that reforms that people have asked not only in the square in Maidan one year ago, but also with different rounds of elections by now because they elected a president, a parliament, they have a new government. They have clearly said we need to change the Ukrainian way of leading politically our country. This needs to bring some positive and tangible results for the people.

This is the first effort we have to do and it's a common effort, the European Union, the U.S., and the rest of the international community. This is number one that will not change and, I think, is not going to be changed. The European Union just decided an additional 1.8 billion euros financial assistance to Ukraine last week. We hope this can be met by others, obviously conditional to reforms, because we need to see that transferring to benefit for the people.

The second thing is the sanctions policy. Now, on one side, we have always said and I think we will say that together, again and again, our policy of non-recognition of the annexation of Crimea is there and will stay and we're not forgetting about that. No way.

The second element is we have always decided on sanctions together. And that's an added value, not only the European unity, but also the transatlantic unity and I would say also the G7 unity. Decided always together on the basis of the situation on the ground, saying sanctions are a flexible instrument that can be scaled up and down if there are improvements or if the situation deteriorates.

Now, after the beginning of September, when the Minsk Agreement was signed, we even have a framework over which we can check the progresses or not. And I have to say that out of those points the only one on which substantial progress has been made is the exchange of hostages. All the rest?

Now, what is our role? I think to keep the fact that our judgment on sanctions, our decision on sanctions, when it will come on the European side to renew the decision when they expire after one year -- the different sets of sanctions expire from our legal point of view, we have more complex rules also on that -- we will have different sets of decisions to take. One is coming up in March and then following the others; will be based only on the evidence of the implementation of the Minsk Agreement and on the improvement of the situation on the ground.

This has been the principle on which we have decided the sanctions. This is going to stay and the Russians know that it will depend on the results. This is not going to change.

The other thing that's not going to change is our unity, not only internally in Europe, but I think also across the Atlantic. And this is one of our main strengths, I

think, because showing divisions or showing the possibility to divide -- I'm from Rome, *divide et impera* is a basic rule, a basic principle for showing weakness -- we should not allow that. This means that we have to talk a lot, to prepare a lot our decisions to keep our unity, which is difficult, but possible and has a great value.

What I meant when I said we need to -- and I said that on behalf of the 28 member states, so that's, again, unity, we need to add probably a couple of things. We said already in the last month, both at the foreign minister's level, but also at the European Council, so with the heads of state and governments, we said we have three pillars of our strategy towards the crisis: sanctions, support the Ukraine, and the political track, the dialogue. Because you put pressure, but you need to have a place where you ask something and that is obviously the solution to the conflicts and to Crimea.

On that level, the European Union could do more. Engaging in the different formats of dialogue, not only with Russia, but also with the Ukrainians because the first two actors that have to sit around the table and that do sit around the table a lot are obviously President Poroshenko and President Putin that do speak among themselves. And the Minsk Agreement was reached thanks to the work that President Poroshenko did together with President Putin through a format that was facilitated also by the European Union, by the Belarus, and in a format that included very much the USC.

Then we have another format, which is the Normandy format. Two foreign ministers from the European Union -- two foreign ministers, one from Ukraine and one from Russia -- and the heads of state and government at a respective level. That is another format that implies also European Union in terms of framework. We have discussed that at length yesterday and there's going to be a new meeting at the foreign ministers level tomorrow night in Berlin. This is also another way in which the European Union can push for a solution, support the efforts of President Poroshenko, accompany

the efforts to find concrete steps to implement the Minsk Agreement.

And then the other thing that we could work on more, and I know that there is a reflection, also, here in Washington in these days, is our dialogue with Russia on a set of regional or global issues on which cooperation or at least dialogue is needed on the other set of crises that we have, be it Middle East, be it the Iranian talks, be it all those things that go through the U.N. Security Council, where Russia sits, be it big global issues like counterterrorism or climate change. And on that level the communication has never stopped, be it the communication from Washington to Moscow and also on the European Union side.

Now, to have more coherence in that kind of a exercise might be an element that could contribute to some sort of diplomatic steps forward. At the moment, I have to say, it's not decisions taken. It's a reflection that is starting at the European Union level as, I know, it has started here in Washington on this.

And I think we need that kind of reflection because I've said that publicly and I would repeat it also now, sometimes I'm accused of being naïve, but I think I might be. (Laughter) I don't have any kind of expectations about good will or positive behavior, but I think it's or it can be equally naïve to think that Russia would just disappear from the scene. Russia is going to be our neighbor because you cannot change geography. And it's going to be and stay a Ukrainian neighbor, Georgia's neighbor, and some of the European member states' neighbor. So the question of how do we deal with that neighbor?

Today, when we have a conflict going on, and in 2 years' time and in 5 years' time and in 10 years' time, and how does that relationship impact on the global relationship that Russia has or does not have with other world powers or emerging powers? We have to look at that without being afraid of that because not naming the

problem does not solve the problem. We do have a problem and we have to face it.

MS. DONFRIED: I appreciate very much that thoughtful answer. And now I want to try and bring as many people in the room in as possible. And what I want to do is, let's take three questions at a time just so the High Representative can hear from as many of you as possible.

I saw you first and then you and then I'll come over here. Well, just go ahead and project. (Laughter)

MR. BABOLI: My name's Yusuf Baboli. I'm with Azerbaijan State Telegraph Agency.

And with the ongoing conflicts in the Ukraine, I think this is the best time ask about the issue of separatism. You know, besides Ukraine there are countries, like Georgia, Ukraine; Azerbaijan, my country, 20 percent of its territory is occupied by Armenian armed forces. As a foreign minister for EU, what would you do to address the specific issue of separatism, and especially given the fact that you come from a country that had its own share of separatism in San Ciro? Thank you.

MS. DONFRIED: Maybe pass the mic back to the gentleman behind you.

MR. BEARY: Brian Beary, Washington correspondent for Europolitics.

MS. MOGHERINI: That's the best conference. (Laughter) I didn't know.

MR. BEARY: My question is just to follow up and a clarification on your response to Karen's question about the passenger name record. Did I understand you correctly that you support putting a proposal on passenger name records back on the table? Because whatever about the parliament's position, the last I understood was the Commission withdrew the proposal because there was no support in the parliament. And so the first step would be for the Commission to put something back on the table. So I

was wondering if you could clarify your position on that.

MS. DONFRIED: And then there was a question here in the middle. And then we'll do another round after these three. Is there a mic here? We had a gentleman up here.

No, I'm sorry, we're not -- we're going to come to this gentleman right here in the middle. Maybe just stand up and project.

SPEAKER: (inaudible) Russia. Does the EU today see any ways to restore trade relationships with Russia (inaudible)?

MS. DONFRIED: And for those who couldn't hear, that was about restoring trade relations with Russia.

MS. MOGHERINI: We discussed, also, the share of trade relations with Russia. That is part of the reflection, but let me say that this is not only part of the reflection of the European Union, but also of the Eastern partners. At the moment, one of the main problems is, obviously, the sanctions, but also the counter-sanctions. So I think that would be -- we will need to commonly work on that, on a framework that is a little bit larger than only bilateral issues.

But let me also say that the problem might go even beyond the issue of Ukraine as there is a certain number of issues with WTO that need to be solved in that framework in any case.

On PNR, I thought I was clear enough, I'm sorry if I was not. There was not only by myself, but also by President Tusk, last week in Strasburg, in front of the European Parliament by the Latvian prime minister taking the presidency, by President Juncker always in front of the European Parliament, a very clear appeal to the parliament to vote on the PNR. The directive is there. And I think, as far as I understand and I hear from different political groups, that the opposition to that is diminishing. I would not



predict if the parliament that is obviously autonomous in its decision will take the decision or not in the coming weeks, but I really hope it will.

Obviously, we also have to be clear on the fact that this is not going to solve immediately and automatically all the problems. But I think that it is very much needed. And actually, this is not even something that came out only from the Commission side or from the Council side after the attacks in Paris because, in December, foreign affairs ministers in the conclusions of our work mentioned the need to make an appeal to the European Parliament to proceed on that. The European Council did the same in the presence of the European Parliament president, Martin Schulz. That was December, and the Commission did the same.

So I believe that there was an awareness on that already before the attack in Paris of the urgency of doing that, on the importance of doing that. And I think that the mood, the awareness, as you said, of the importance of sharing information, and especially on the PNR, is growing, also, in the European Parliament.

I will not comment on Italian -- also because it's a very different situation. And I lost you, I cannot see you anymore. It's a very different situation. I would not at all compare the situations and positions.

What I would say is that we have instruments in the European Union. Obviously, we have inside in the European Union a way of living together that is the full respect of the international recognized borders. And our living together is based on the fact that we are a community and respect each other.

We have with our Eastern partners, all of them, instruments to, hopefully, settle conflicts and improve relations, not only with the European Union, but also among themselves. One of the basic principles of our partnerships is and should be one of the added values, the increased capacity and possibility to facilitate not only bilateral

relations, but also bilateral relations among the regions. This has happened fairly well in the Balkans, for instance, where the big added value of the European path has been also an improvement of the relations among countries that were -- had found it quite difficult for historical and recent political reasons to live together.

And look at the Balkans now. It's one of the most quiet places in the region and we would have never said that. That's very much thanks to the fact that we have developed a strong relation through the European Union and from the European Union on the regional cooperation. I really hope and believe that this could be an added value, also, for other regions around us.

MS. DONFRIED: Now we'll go with the gentleman in the very back, please. Yes, whose mic we took away before.

MR. GIZZI: Thank you very much. Madam High Commissioner, I'm John Gizzi, chief political correspondence for Newsmax.

The elephant in the room, so to speak, is Greece and its elections this Sunday. How seriously does the EU take the talk that certainly the punditocracy likes to banter around about an exit from the euro by the party of the radical left if it takes power and very possibly Greece being out of the European Union?

MS. DONFRIED: And then the woman here in the striped shirt.

MS. KORAN: Hi, thank you. Laura Koran with CNN.

My question is going back to the security issue. In the days since the *Charlie Hebdo* attack we've heard from a number of European officials and U.S. officials that have said there needs to be a broad review of border security, not just within the European Union, but also between the European Union and the United States, looking at the Schengen Agreement, but also reciprocity with regards to travel between the U.S. and Europe without visas. Can you foresee a time in the near future where we could see

kind of a step back from those agreements, whether it's an abolishment of Schengen or the need to obtain visas for tourist travel between those two areas? Thank you.

MS. MOGHERINI: No, I can (inaudible) that. (Laughter)

MS. DONFRIED: And then right here in the second row. Bill? Yes.

MR. DROZDIAK: Bill Drozdiak, McLarty Associates and Brookings.

I wanted to ask you to elaborate a bit more on your point about the need for political cooperation on regional conflicts with Russia. For example, what could the West be doing to push it further in terms of Syria, Iran, and in particular on Syria? Is there merit in Russia's view that we ought to draw in Bashar Assad into negotiations?

MS. MOGHERINI: I will start and also finish with that because one of my basic rules -- I'm sorry, I'm not too generous in this case -- is that I would comment internal electoral processes a few days before the elections, at least in sign of respect of the oldest democracy we have in the world. But on political cooperation with Russia on regional conflicts, and in particular on Syria, this is one of the most difficult issues, I think, to be tackled and it's going to stay difficult. I'm not saying that this is going to be one of the fields where the cooperation, political cooperation or political dialogue, actually, with Russia is going to bring us anything good necessarily and immediately, if ever.

One point that we have discussed on the European Union level with foreign ministers, we spent almost the entire Foreign Affairs Council in December focusing on Syria and Iraq, is the fact that after now almost four years of war and after one year without basically any sort of engagement or development after Montreal, we still have a conflict going on. The number of internal displaced people and refugees in the region is dramatic. The risk of spillover in not only Lebanon, but also in Iraq, that's obvious, Jordan, and the risk of instability on Turkey is increasing. And Assad is still there.

I'm not saying that the solution is to be found in Moscow, but what I'm saying is that we need to work, first of all, actually, across the Atlantic and within the European Union to find ways of moving that situation towards some sort of solution. I think that the framework of reference still is and has to be the Geneva Communiqué, Geneva I, that referred to a political transition. The point is how to get there.

This then interlinks with different other aspects on which actually the only thing that worked, partially, but still even in this disaster something partial is positive, was the destruction of the chemical weapons; partially, but still important, also because I see some friends in the room that know a lot about weapons of mass destruction and nuclear issues. That is, in that region, an important and even symbolic step because that is a region where the concentration of weapons of mass destruction is critical and highly dangerous. But apart from that, we haven't been moving forward on anything.

So I think it's far too early to say that there might be cooperation with Russia on that. What I'm saying is, and actually not me, but what foreign ministers of the European Union have agreed on in December, is that we need to work with all regional and international actors that have or can have an influence on the Syrian conflict, and that's many of them.

One of the other issues there is that everybody's playing a different kind of game on Syria. And at the moment, things are actually quite blocked. We're going to have other meetings on that in the coming days, as well.

You know, there are efforts that are made in Russia to try and move things again. I would not be particularly confident on the fact that this could be a way forward. What I say is that at the moment what we need to try is to create a situation where what we wrote together on the Geneva Communiqué gets real somehow, which is a political transition where Assad has no future in his country, but leaves, and trying to

find ways on which all regional or international actors that want to contribute to that in different ways could play a role to get to the results. The result is staying the same. The problem is developing the strategy to get there.

I elaborated a little bit. I don't know if I answered really your questions.

There's a little bit too many journalists in the room to answer properly. (Laughter)

MS. DONFRIED: Well, you will not be surprised that there's a very impressive showing of our ambassadorial corps here. And if you could bring the mic here to the front row, please, Mr. Ambassador.

MS. MOGHERINI: I know at least one. (Laughter)

AMBASSADOR MOTSYK: Thank you very much. I'm Olexander Motsyk, ambassador of Ukraine.

First of all, we highly appreciate showing support of the European Union and the solidarity of the European Union with the people of Ukraine and your personal strong support of Ukraine. Thank you very much.

Unfortunately, the situation now has been deteriorating. Russia totally ignores the Minsk Agreements. And with Russia those puppets Lugansk, so-called Lugansk People's Republic, and Donetsk People's Republic, which are actually, as we consider it in Ukraine, terrorist structures, so now we do not see -- we don't consider that there are much differences between those mentioned Donetsk People's Republic and Lugansk People's Republic on one side and ISIS on the other side. And we consider those two structures terror structures, deserve to be designated as terrorist organizations. Can you speak on that issue? Thank you.

MS. DONFRIED: And then there was a woman here in the -- yes, please.

MS. DELLO: Hi. My name is Barbara Dello.

Do efforts towards improved global social, economic, and human rights goals sometimes disregard the cultural traditions and longstanding values of the nations of our diverse world? And does this ever contribute towards global instability and its resulting heartbreak?

MS. DONFRIED: And I have a lot of you on my list, but I must give the last question to my co-host, Martin Indyk, who has been trying to get in.

MR. INDYK: Thank you. Since you've only had difficult questions to answer, I thought I'd just add one more. (Laughter)

You've recently been to Israel and the Palestinian territories. I couldn't help but notice you came up with what appeared to be a functional adjustment. You suggested in your remarks that the quartet should be expanded. I wondered if you could put the two things together for us. Do you see any positive way forward given the rapidly deteriorating relations between Israel and the Palestinians? And why do you think that enlarging the quartet would help that matter? What do you have in mind there?

MS. MOGHERINI: Any positive way forward, if I didn't believe that there is one, I had better change jobs, I guess. (Laughter) Not only on this, but on everything. It's difficult for me to answer this question from you because I know that you know much more than me on this, so we should have a conversation rather than me answering a question.

I think that now we have difficult months ahead and strange months as the Israeli electoral campaign is going on. Everything gets into that and I think that we will need to wait a couple of months before things might move again.

On the other side, why I'm mentioning the quartet and why I'm mentioning the enlargement of the quartet, which is an idea at the moment, nothing more than that, to be explored. On one side, I mentioned the quartet because I think that the

efforts and the steps forward that were done by the American administration and by John Kerry personally with his strong commitment to that were huge, relevant, very much. And that now, when hopefully we will have again the conditions for a restart from that kind of effort, we will need to make sure that the international community at large is behind the efforts even more than before, in a more structured way, to support the efforts and bring them to some results.

What I'm afraid of is, on one side, the fact that the lack of process is in itself something that is deteriorating the situation. You know that better than me. The Middle East sometimes lives on the processes.

But on the other side, I'm also worried about the fact that a process that has gone on for so long, if we just restart the process and that's it, it might not be enough. The sense of frustration, the sense of lack of hope is so strong on both sides -- both sides -- that we need not only to restart the process, but also to start a process and make sure that the process brings some concrete immediate results for both sides.

I was very much impressed when I was in Gaza because that was just some weeks, a couple of months after the Cairo conference on the reconstruction and the lack of impossibility to work on the reconstruction in Gaza because of different reasons. First of all, the difficulties within the Palestinian camp means that the people that have been living there and are still living there will for sure develop let's say not positive feelings towards the rest of the world. And on the other side, in Israel, after what happened in the last year, feelings are really a sense of misdirection. So we need to build this international framework and structure it a lot more to restart the efforts that John Kerry was very well doing last year and guarantee that these are friends.

Why I'm thinking that an enlarged version of the quartet could be helpful is that you remember the Arab (inaudible) Initiative of 2002. And I believe that we only

need to tackle the Palestinian-Israeli conflict we also need to tackle the Israel-Arab conflict. We have two conflicts there. And maybe the regional situation that is so serious and so bad at the moment could give an opportunity to work on a common security basis in the region between Israel and some of the Arab countries.

You've seen the positive role that Egypt has played over the war in Gaza (inaudible) fine. The positive role that other Arab countries are playing in the fight against Daesh. I refuse to call it ISIS. I'm sorry about that, but I refuse to associate the name Islam to a terrorist organization, so I would call it Daesh even if it requires a little bit of explanation, but I think we also have to use our narrative right. So I believe that it could be an added value to enlarge the scope of the process and that could also be of some support for the Palestinian side.

But this is just a thinking process at the moment. It's not this coming weeks the time when I think it could move forward, but maybe start preparing the framework for what could be done in a couple of months' time, hopefully. And I know that John Kerry personally is very much committed to restarting the process when it will be the appropriate time, and we will for sure discuss that, also, tomorrow.

I want to come to your questions. First of all, thank you very much for your presence and also for the excellent work that we did together. I was always very pleased not only in my capacity today, but also my previous capacities to work together with Ukraine leadership. I visited Kiev three times in the last year: once as a member of parliament, once as minister, and once as High Representative. And it was impressive to see the changes, the developments, the energy that is there from the people and from the government and from the president. And our support will always be there. And not only our, I'm sure here I'm speaking not only in the name of the European Union, but also of the broader international community.



When it comes to definition of the separatists, we have discussed that in the Council several times. And we've always come to the conclusion that it is not up to us to make such definitions. What is our role and what I've tried to explain before is to try and support your efforts for reaching a solution to the conflict. I know how much the government and President Poroshenko is personally committed to find a solution to the conflict. That is first of all in the interest of the people of Ukraine, which is also the people in the east of Ukraine, and how much of an effort we have to do not only on the political side, but also on the humanitarian side to make sure that the humanitarian aid from Kiev gets inside the territories, which is something that at the moment is not allowed, which is a shame I think.

So our role from the European Union side, I think and we think, is not that of defining the separatists. It's that of supporting you in Kiev to find a solution to the conflict in whatever way this can be more helpful and effective. Thank you.

MS. DONFRIED: Well, I know I speak on behalf of everybody in this room and those who are watching on video in thanking you for spending the afternoon with us.

MS. MOGHERINI: Thank you.

MS. DONFRIED: It was really a treat to hear your views on how we can deepen transatlantic cooperation on the whole range of challenges you listed, from climate to Ukraine. So thank you for the time. And I invite all of you to join me in thanking the High Representative. (Applause)

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