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EUROPE'S TROUBLED NEIGHBORHOOD:
FROM A "CIRCLE OF FRIENDS" TO A "RING OF FIRE"

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P R O C E E D I N G S

MS. HILL: So ladies and gentlemen Commissioner Hahn has made it. We actually -- when I went outside to make an announcement I saw him running up the street. So poor Commissioner Hahn is now a little bit out of breath trying to bestedly get here on time. As I said earlier will dispense with the introductions. I'll give him a little moment to catch his breath and have a glass of water. As you all know Commissioner Hahn is really in the thick of things right now on the European front there's a lot of issues to talk about. He's going to give us a brief overview of some of the issues that he is contending with presently. And then as I said will go straight to Q and A with you in the audience as soon as we've heard. So thank you again for joining us, and Commissioner Hahn thank you for running to get here. We really appreciate it on a very busy day with so many difficult issues to contend with. The podium is yours. Thank you.

MR. HAHN: Thank you very much and first of all excuse for being late. But on the other hand I can promise you that today nobodies beaten up or pushed around at Brookings because as you know Europe is a soft power. This is maybe the difference. Maybe also the reason why am late. I have no bodyguards and nobody is pushing me, so that I (inaudible). But I think this is the better way you stay healthy.

MS. HILL: We agree.

MR. HAHN: One of my key challenges as commissioner for European neighborhood policy and enlargement negotiation is of course deepening the relationship with our neighbors. Neighborhood policy and enlargement of tolls for that. Geopolitical innovation analysts if Europe doesn't export and guarantee stability we will import instability and that's why of course our main objective is to have stability in our neighborhood. Pulling up draw bridges is not the answer and the common European foreign policy is therefore not a luxury but a necessity. The migration crisis just shows it and maybe we will comment on this later.

I think the European Union has achieved a lot in the past decade so we should not be macho is to go on this and enlargement firmly stays on the agenda. But it's conditional to reforms. We have learned our lessons from previous accession rounds that it is necessary to have a process with our

EUROPE-2016/04/15

candidate countries in order to allow them to be at the level which is acceptable by all citizens and therefore is more about the policies and less about negotiations which you have to do and therefore there is a focus on the economic development and of course I'm deeply convinced that economical development is also pushing fundamental development, but development on fundamentals. There is a relationship between both. You can only attract foreign investors but even people inside the country will only risk their own money to establish a company for instance if they can rely on an independent judiciary transparency low level of corruption, ideally no corruption. But this is something one has to address. And that's why the economic, so to say, focus is so decisive for us. But when we are talking about neighborhood policy is more than in the past that we are looking into our own interests. What are the European interests? And of course the main European interest if you're looking around if you have stability. I think it was said and somebody will start quoting this famous song of Johnny Cash, this ring of friends has evolved into a ring of fire and we are there to extinguish it and to create stability, prosperity, welfare in our neighborhood. I think this is (inaudible) the best to guarantee to have stability. And therefore the question is how to invest in stability. And it's so important to stress this term in investment because it is also important for us to understand much better we have to invest. We have to take some money but also other, so to say, resources. It's about our own energy, our own commitment to deal with our neighbors to be engaged to understand more so to say also their interests, their concerns, their travels, and their problems, but also their interest in their challenges. And that's why it is so important to have this clear understanding and perception we have to invest. Because if you invest, you expect to get something in return. And if I'm saying to get something in return, it's not only about money; it's about for instance piece cost ability, prosperity, satisfaction for our citizens. And this is probably more important, more, yeah, important for us than to get money back, okay. We would like to get money back which we have invested. By the idea of this kind of investment is indeed to have the stability. We are looking into it. And once again if you're looking into our neighborhood and if you compare it to the situation 10 years ago the situation is certainly less stable than it was 10 years ago. There are terrible conflicts, violence in many of the Arab transition countries. We have transnational terrorism. We are confronted with the Russian foreign policy which doesn't respect the serenity of neighbors. And last but not least we have refugee and migration crisis. And therefore of course one could arrive at this description that we are now

EUROPE-2016/04/15

surrounded by a ring of fire. So in 2015 I took a hard look at the way we work and ask what can we do better and how. And once again our central objective is stabilization. We have to become smarter at promoting stabilization both in the East and the South. If not, instability will continue to proliferate. But stabilization doesn't mean popping up autocratic or corrupt regimes. Not all we are politic but more realistic politics more pragmatism is needed. Neighbors face incredible, complex modernization challenges, especially in the role of law and economic development. Of course we have to accept that this will not happen overnight. It requires also in that respect a kind of patient investment. And by the way this is something we have also to admit that some of our member states still need some internal, may I say, developments. Therefore, it's crucial to push the fundamentals, but also as I have said the economic development. Without them partners will flourish. So stabilization means working for long-term political, economic, and social transformation but in a more robust hands on and may I say less naïve way. Say for instance the refugee and immigration crisis. Without addressing the root causes, instability, lack of perspective and conflicts, we won't get very far. At the same time we have to defend our short-term interests and literally draw the border. I think it's so important for us, the Europeans, to invest in an effective border control, and land but also at sea. Without an effective border control we are nowhere. And this is something we have to have an focus and the hope that our member states and those of the European parliament will come very soon to a decision tabled by the European commission already last year. So what we have to do about this? Not only the border control but in order to create disability in our neighborhood first we have to understand there is no one-size-fits-all solution. We have to accept that greater differentiation is needed. Our partners are very diverse, not just between the east and the south. But if you take for instance the east, within the east and the same applies for the south. That means designing and tailoring solutions for us, the European Union, but also for each partner to get more leverage and finally to have a better interaction. Second, by retaining these ambitions we need a focus on the specific number of priorities. Also this is a result of a necessary tailor-made approach. And finally if you take the economic aspect it's not only about this. There is also a very strong element, a very strong component, and this is security. In particular focus on preventing radicalization which leaves very often to violence. We're also working on the security sector reform, counterterrorism, and border management. Is something where in the past the union in particular my policy area was never involved. We didn't

EUROPE-2016/04/15

provide money for that, but we have changed our opinion taking into account that very recent developments and how things are interlinked to each other. So our aim is definitely to increase our own flexibility. Also our own flexibility in terms to apply different solution, different programs. And I have also to admit that our neighbors never stopped to surprise us, and therefore we have to be flexible to respond in an adequate mean and to develop always new tools if necessary. And for instance the trust funds as such a good example were two years ago we started to anticipate what might come up and have introduced these new instruments which allows us to act much more quicker than it was the case in the past two very recent developments in the region. I mean it's not a particular secret. The European Union and its institutions sometimes a little bit cumbersome. I'm always saying where to cumbersome to sink, yeah. And this is also something you can rely on. That's why nevertheless sometimes it's necessary to be a little bit more speedy, more flexible. And for that purpose we have created this trust fund so you can trust us. It goes into the right direction. And therefore can't finally, ownership is also so important, so crucial. It's about a real partnership with our neighbors. It's not that we would like impose something and quasi-take it or leave it, but it's about creating mutual time in network of trust and confidence between us and our neighbors and identify real the area where we can and we should cooperate. And finally I believe in most of the cases, or I will say always we share the same interests. Also our partners would like to have stability, prosperity, perspective for the people. In many of these countries they are facing a brain drain. Often a brain drain towards Europe and this is something we also have to address. Because for us if we would like to have stability in our neighborhood we have to have an interest to turn to (inaudible) in order to give people a perspective to move back to work on the further development of their country to use the experience gained for instance in Europe when working or studying. But it's also important to have this perspective, this task in mind. And therefore tailor-made solutions are so important. I give you a few examples. (inaudible) and Lebanon also has an outcome of this refugee crisis. We have developed and designed specifically what we call a compact agreement with the country, a comprehensive one which not only includes financial engagement but also to look into some regulatory measures which might supportive to further develop these countries. Or if I give you a very concrete example as a result of many trips or missions to these countries, these regions they are facing by the way a similar problem like we have in Europe and maybe also here in the states. It's a lack of skilled labor

EUROPE-2016/04/15

workforce. So we have to invest, for instance, in vocational training that the interest of the business sector are matched with the education, qualification schemes. And in that respect I think we should invest much more. And this is another contribution to the further development in these countries. Or if you take Tunisia I was there only last week. I think they have taken very courageous decisions and we have to support them. We have to help them. It's quasi-the European hub in the region. They are committed to democracy. They are really committed to harmonize, so to say, their social and historical background with the enlightenment. And I think this is something we have to support. We have to support. And really Tunisia could serve as a kind of gateway to Africa for us, the Europeans. If you take Libya -- and by the way, here Tunisia played a very important role facilitating finally together with many others. Hopefully now a government which might be still fragile but for the first time there is something and we can build on it and hopefully it will stabilize that only the country but therefore the whole region. If you look at the Eastern neighborhood there is a way. They are a very good basis for cooperation with Ukraine. (inaudible) in Georgia with the association agreement probably there might be some questions later on about our assessment and about the situation in Ukraine. The impact of the (inaudible) referendum situation in Moldova. But let's be clear. In general I think we are with all up and down on a good way, on a good path. It's not easy. But if we are pushy enough, and we are clear enough what has to be done. But if you also so to say intelligent enough to understand what is achievable and what is not achievable. Also in terms of the timeline and the time perspective I think we can achieve a lot. And this is all in the interest of these people. And I mean Ukraine is certainly a particular challenge and I don't want to elaborate too lengthy on it. May I say there is in your government in place there are many being concerned that it might be less reform on the previous one. If you look so to say into the names it might be the case. But on the other hand may I say this government also there is only a tiny majority and there are other, nevertheless, I believe, if they are willing to take political decisions they are probably stronger than the previous government. And it's now the task, the obligation and the duty of the international community to push them into the right direction. And if we coordinate our efforts, and this is one of the reasons why I am as a nonfinancial so to say expert participating in the spring meeting to use the context of our international financial institutions and partners to coordinate our efforts in different countries, in our neighborhood. In Ukraine as an example Moldova is another one. And as I have it here in my briefing

EUROPE-2016/04/15

(inaudible) might be the same. And so I can tell you examples from different countries. Armenia (inaudible) other ones where we are following this very tailor-made approach and solution to identify ways and means how we can incorporate results overstretching the possibilities and the room of maneuver of those countries. But I think it's also here our interest, their interest, and may I say it should always be the interest of the neighbor for when they -- this is in particular Russia, to work together to share the common economic interest. And if you all together able to develop the economic potential of this region with millions of people this would give us all a lot of opportunities and could contribute and can contribute and will contribute to the stabilization of the region. So let me say some final words on the migration challenge which is for the moment of course one of the most pressing issues in Europe and probably (inaudible). Because one has to differentiate between refugees and migrants this is very often mixed up. I think we have found, also heavily criticized with turkey I would say a solution but an agreement which finally led to a significant decline of refugees/migrants to Europe while the Western (inaudible). I'm stressing this term migrants because on the last summer 80 percent of the people arriving in Greece have been Syrians. Around the new year and early spring I would say this share was 20 to 30 percent. The rest or the huge majority have been people from other parts which in the windfall of this wave wanted to come or want to come to Europe for a very understandable economic reasons. So we have to find ways to regain control about our external borders. We are not to blocking them, but we have to be clear who can come in and who cannot come in. And in that respect I think it was necessary to have this cooperation with turkey but to have also to stress that the action plan comprises not only areas related to the refugee crisis but is also a part stimulating our mutual cooperation turkey is for us the Europeans a key strategy partner. And I would say for Turkey if there is a rational assessment, Europe is the most important partner because we are reliable, we are comfortable, and if they are looking into the strategic situation that you have a strong interest to have a partner which is once again a comfortable and also partner which is the most important one in economic and (inaudible) terms. That's why part of this action plan is also to push for an upgrading of our custom union to speed up if you like the (inaudible) negotiations but also be the liberalization is another issue which is important for stimulating the economic mutual development. But man say my bigger concern in terms of migrants may be less refugees is (inaudible) that's once again is so important to have a government in Libya in place in order to have at

EUROPE-2016/04/15

least (inaudible) for the future. If you like, I would like to stop at this point. Once again I think it's important and I would like to stress this because maybe it wasn't so expert said in particular applied in the past. But we are really following our own interests in relationship to our neighborhood. In that respect may I say the United States might serve as a good example how to be successful. And this is also important for us if we have stability in our neighborhood we can go the next step we believe as Europeans the European way of life, democracy, so to say, supporting the individual is the most successful concept. Otherwise it would not be possible if only seven percent of world population are by far still the biggest economic block in the world. We are contributing 22, 23 percent through the global turnout and this is still a remarkable figure. I don't say we have to defend it. This is unrealistic. But it still indicates how strong we are. And maybe we should tell this, and that's why I'm here, that we might be a soft power but behind the soft power there is a lots of determination and may I say the same United in diversity is not a signal of weakness, it's a signal of strength. Thank you very much.

MS. HILL: Commissioner Hahn, thank you very much. I'll turn it over to the audience in just one second after you got your microphone attached to you I'll take three questions are so at a time and then go back to you. I have a microphone here. One thing just to conclude when you ended that paradoxically the refugee migrant crisis is also a sign of success of Europeans power. You know, there are a lot of places that don't attract migrants, and Europe has actually been overwhelmed by the success of his model. And I think this is obviously something that we should bear in mind here.

One of the -- before pulling the audiences in too there are so many other crises that hadn't popped. As we bring in the other questions you could reflect on that. I hesitate to say it from my own accent it will be obvious that you might end up with one more neighbor. Hopefully not. After June 23 which can answer some interesting elements on this. You might not want to really comment on that. I mean some of these issues are a little tricky this respective moment, but I think you're certainly in an expanding area of the European commission. There are a lot of things I'm sure people will want to ask you about. So who's got the mic?

MR. HAHN: May I say I'm already busy enough with my existing neighbors.

MS. HILL: Yes. You preferred that didn't you?

MR. HAHN: I'm happy to leave it as it is.

EUROPE-2016/04/15

MS. HILL: Yes. I think that's kind of the message a lot of people are that you're saying.

Sir, if you could just first of all say who you are and then a question please for the commissioner and then will take to others.

MR. KOWASI: Meso Kowasi with the United Macedonian (inaudible). Today there's massive protests in Macedonia given the current situation with the president pardoning about 56 cases of gross misconduct, particularly non electoral fraud. And so what are you planning on doing. I know you've had a statement in regard to the president's decision. What are the next steps query what role do you see yourself in, and are they going to be other EU officials getting involved?

MS. HILL: Thanks very much.

Just behind you, the lady.

MR. VAN MICHAEL: Thank you, Commissioner. I'm Carl Van Michael visiting Nordick fellow at CSIS. I was wondering if we could talk about the Eastern partnership for a moment. There is certainly a sense in this town or some people might say that the Regal Summit lacked ambition. I wouldn't agree with that and I would say that the arguments and the efforts for political and financial integration and still very much there. But I would welcome some thoughts from you perhaps where you see this process going and if there's any momentum there. And certainly with the landscape in Europe right now expansion might be a tricky issue. At the same time the arguments as you mentioned are very much there in place. So where do you see the Eastern partnership going and what can we expect within the next perhaps two or three years with respect to Georgia and perhaps also Ukraine we thank you very much.

QUESTIONER: Hi. My name is (inaudible). I'm with the (inaudible). And also as a European I wanted to know if you will consider this present agreement between the EU and Turkey and (inaudible) deportations are (inaudible) as part of these are martyr policies that you were talking about. And if that is the case how will that help to solve the migrants and refugees crisis. Thank you.

MS. HILL: Thank you. Three quite diverse questions.

MR. HAHN: (inaudible) I'm really disappointed about the very recent developments. We have invested a lot in having this June July agreement from last year putting the country back on Euro Atlantic past. And I mean also most of the deadlines haven't been met when they should have been met.

EUROPE-2016/04/15

Finally it was done. And that's why the fact that now the elections at 5th of June and the difficult situations. And finally and honestly I don't know how it will look like after the elections. I think I can only urge all the parties and also the civil society, and in particular the political parties to come back to the negotiation table and to stay committed on the euro Atlantic perspective of the country. If they are not working together, if they are not to stay focused to have fair elections the country will not in the new government will not be, say, internationally accepted, not to say recognized. And this is what is the decisive and what all of them should understand what is at stake. And I hope we can pass this message. Members of the euro parliament and myself will try another effort to bring them together to facilitate something. I can nothing promise. But it's also part of something where I hope they gradually people in the region and in some other parts understand that to democracy means to strike a deal, a compromise and not to have this winner or loser attitude. Otherwise you will never be successful. And the people in the region deserve a better future. And a better teacher is only achievable if there is a clear European perspective. And this includes European or a Democratic understanding of rule of law. And I think this is already in answer to the pardoning comprehensive pardoning of people by the president of the state. About the Eastern partnership you have rightly mentioned (inaudible). We have the annual summits. Honestly I believe we have to change a little bit this character that it becomes more a kind of stock taking event because if you have always a Summit there are always expectations. And I doubt it we can always deliver on something new. I mean in the past we have announced and delivered where they wanted to have it on the DC FDA on an association agreement, Visa liberalization. So it's now really to implement what has been achieved. This is certainly less glorious. It's hard working. And therefore my preference would be to have the annual stock taking meetings where we can see what has been achieved and once again for the different countries we have different solutions also based on their own opportunities. But in general may I say the common brackets are definitely to support the economic and societal development of these countries and to create welfare, peace, and stability which is of our interest and I will say also in the interest of the neighbor.

On Turkey honestly I didn't quite understand the question.

QUESTIONER: Was issued deportations. In other words moving, returning people from the European Union to Turkey and whether this is really going to help the situation as I understood it. Is

that correct query

MR. HAHN: Look, the intention of this agreement or if the solution was to try out this human trafficking and smuggling. And once again to say we would like to check who is arriving in coming to Europe. We haven't abandoned the opportunity to seek asylum. This was never the issue. But we have to check who can really get asylum and who might be a migrant. But the whole agreement is so to say from our side also expecting all the international laws and agreements. And this was the reason why this return procedure was (inaudible) delayed. It was not delayed because we had to prepare the legal ground in order to guarantee a correct procedure respecting international agreements and international law.

MS. HILL: I'll take a question right at the back. Somebody had their arm up before. Yes that's right. Thank you. And then I'll come back down again.

MS. BERSTEIN-SPUTNICK: Leanna Bernstein-Sputnick, International News. A question on the Dutch referendum on Ukraine. Whether that's going to impact the association agreements going forward and also whether in your view you're concerned that Ukraine and other partners could view this referendum as the EU giving partnership with one hand and then taking away with the other.

MS. HILL: Thank you. There was a gentleman over here on the left. Yes.

MR. WALLS: Stephen Walls. I would like to ask you about the situation with the refugees where the Austrian government felt compelled to organize a regional solution involving most of the countries in central Europe. And even though this was welcomed by the president of the Council, Donald Tusk, it drew a lot of criticism from Berlin, from Merkel. So basically do you feel that this kind of regional solution fits in with the larger EU policy, or do you view it as a challenge to reaching kind of a European solutions within a larger EU framework?

MS. HILL: Thanks. Was one over here and then I'll come back to one and around again.

QUESTIONER: George (inaudible). Commissioner, thank you for your speech. One of the points you mentioned was that the approach you use with respect to promoting stability is to convince Russia of the benefits, of the common benefits that come with promoting greater stability, particularly long-term economic benefits. How effective do you think that strategy has been, and do you employ or do you intend to employ other methods as well to promote greater stability?

MS. HILL: Thank you. Commissioner.

MR. HAHN: Well, on the Dutch referendum the outcome has to be respected. There was a self commitment by the Dutch government if there's a certain turnout to respect this. But one has to say 27 member states have already rectified the association agreement. So for the moment it's provisionally in force. It only (inaudible) affects the association agreement, not the DC FDA's of this deep and comprehensive trade agreement is not affected by this referendum. But the ball is now in the camp of the Dutch government. They have to come forward with an idea. I think they are reflecting on it. Once again we have to respect this popular vote and we will see what are the next steps. But for the time being there is sort of a -- no reason to change anything in the relation with Ukraine. Well, that's what I can say for the moment. On this behavior of Austria and some other countries in Europe, one has to say (inaudible) one of these examples where there is a particular issue which affects some countries and many other countries of the European Union are less affected. And therefore the general, so to say, interest to find a solution is less intensive than would be the case if all are more or less equally affected as it was for instance the case just previously on the economic -- due to the economic and financial crisis. And this was the reason why some countries took certain measures in order to push. And I should say one should see it under this kind of spotlight to push for European solution. So at a certain moment it was a measure being applied by one or two countries, but finally leading to a critical decision on the European level. At the end only a European solution is a sustainable one. That's why once again I stress the need of common European border protection mechanism. That's the only way out. Georgia is an example. Once again what I would like to pass is a message. Also in the way we are acting Europe is not an aggressive partner. We are not trying to extend our territories. What we would like to see is stability, peace, prosperity in our neighborhood giving people in the countries the rights, the possibility to decide on their own and demonstrate that a peaceful development is achievable. And for that once again we have to see the individual possibilities of each of our neighbors. And I think the way we are dealing kindly with Georgia is one of these good examples. And I hope people can see very soon the added value of this kind of cooperation. We have the DC FDA I would now say one and a half year in force. There have been already some first signs that this pays off. Export to Europe has increased. And these opportunities which are, so to say, transferred into jobs in the country. And this is another element how to

stabilize and to develop a country and the society.

MS. HILL: Thanks very much. Have a question here at the front.

QUESTIONER: We have the 15 billion plus Euros of the E&I. The EDF which I know is not really you and you have to be careful what you say because (inaudible) might not take it too well, but is steady building plus. Now they are happily aligned in terms of time frame. They go 2014 to 2020, both of them. Two questions in that respect connected to one another. First of all, how do you see the way will use the E&I after 2020? Would you see that money has been used with a rain approach or very few carrots but very, very big carrots so being very concentrated? And the second one which is a bit more speculative in that respect, do you think that what we're seeing there is effectively the conditions coming into play for an attempt in the coming years to budgeterize but EDF and somehow aligning more closely with the work you're doing through the E&I? Thank you.

MS. HILL: Thanks. Gentleman here and then here.

QUESTIONER: Thank you. And I had a question about what role if any you thought the United States and NATO would play in the enforcement of border security in and around the European Union. Thank you.

MS. HILL: Thank you. And then a question here at the front.

MR. RILEY: Thank you. David Riley from the British Embassy here in Washington. My question follows that one very neatly. You set out very well, Commissioner, the large number of challenges we face now might require a comprehensive and sort of full-spectrum response. And EU NATO Corporation I think feels more important than ever. I mean my government feels we're falling short of what we need to achieve. So in your mind what words a successful (inaudible) summit look like in terms of securing deliverables on EU NATO Corporation?

MS. HILL: So the Warsaw Summit in NATO and whether that will help with EU NATO cooperation. Another question was about the US role in border security as well. I suppose quite a few people in the US are wondering whether VISA introduction also come in. Does somebody else have a relative question we I saw somebody waving their hand back there at one point as well we does anybody else have a question that follows on from any of these? No.

Commissioner, we'll go back to you. Thank you.

MR. HAHN: Starting with the EDF. Honestly I don't want to comment on it. But in general I would always prefer to have it inside the budget. But this is something which is subject to discussions with our member states. On E&I the way how we spent the money. I think indeed here I am trying to change the way a little bit the way to do this. First that's why always in my introduction I have already stressed this character or this notion investment because I like to move from being a donor or a spender to an investor. But it's a more about this, so to say, principles I have elaborated. I mean if you give somebody money, if you'll give a grant, maybe people are less analyzing and assessing the quality of a project is really a good one. If you give a loan which you have to repay the quality of the assessment and the project is certainly a better one. And if we apply even more financial instruments we can leverage our financial opportunities. Number one. Number two, if we have less projects we create definitely more visibility and we can also focus on certain areas. For instance yesterday we had I think a very good discussion with our financial partners, World Bank, monetary fund, EBT, EAB on energy efficiency in our neighborhood. We have a joint effort to address this issue. Why I'm saying this? People could say, okay, this is something addressing climate action and so on. But to have more energy efficiency has a huge political impact which again has an impact on the stability in the region. Like we all give you two figures. In the south we have an increase of 6 to 8 percent annually in terms of the energy consumption -- (inaudible) consumption. So in 10 years time the consumption is doubled. That means that many countries the dependency on energy and energy supply is increasing. So our interest must be to work on further diversification of energy sources but also of energy supplier. But an important element is to slow down the increase of energy or electricity consumption. And that's why energy efficiency is so important. And by the way if you're looking into the as relation of buildings in the south but also in the east you can gain a lot or you can lose a lot. And if you address this you're automatically boost the local economy because (inaudible) isolation is extremely labor-intensive and is giving job opportunities for small or medium-sized enterprises. So it's in many dimensions a win-win situation. Or if I take the east Ukraine, in Ukraine the waste 11 times more (inaudible) than the European average. If they would be at the level of the European average they wouldn't need to import any cubic meter of gas. Imagine what this would mean in political terms for the country if they are not forced to import any gas. And this is why you'll see this link between certain areas of measures and the impact on the policy and further on the kind

EUROPE-2016/04/15

of stability we would like to achieve.

On U.S.-NATO, honestly it should be the task of the Europeans to take care about their own border protection. And this is honestly my aim to achieve this. And I will do everything what I can do. But I appreciate for instance the flexibility and the quick response when it came to deploy a NATO operation in the Aegean Sea to monitor the whole situation because this is what NATO is doing to monitor and to observe, but certainly to support certain measures on the Turkish proposal on the Greek side. I think this is a good example, but it's also a kind of exemption as it affects two NATO members countries which is not the case everywhere around Europe. Once again my aim is simply to have a peaceful development of our neighborhood. And may I say the fact you have said at the beginning we are a soft power but apparently a very attractive one. So the softness is still attractive. But I have no problems to say finally we have to complement the softness by some hard facts. And that's why I believe by the end of today we need a real common European foreign and security policy.

MS. HILL: This issue that you raised at the end was the reference to the to the Warsaw Summit. I know there will probably be a couple of questions about that. Your comments do come against the backdrop of the reports that were all over the U.S. press today of Russian aircraft buzzing a US ship in the Baltic incurring a Polish helicopter. The exercising of hard force right there in Europe's maritime waters. That brings other (inaudible) in. I know that's not exactly in your purview, but it does make it much more complicated in the context of trying to secure Europe's borders. And I wondered if you might have some thoughts on this. And I'll also bring into this in the audience. Also because we were never here at the beginning neglected to thank one of our key partners and actually making this event possible. (inaudible) Green Foundation. I see my colleague (inaudible) sitting here, and I hope he was pleased with the response about climate and energy issues. But you probably know that there was quite a very important interview that President Obama gave to an American journalist, Jeffrey Goldberg, in the Atlantic magazine here that's created quite a stir in foreign policy circles, at least in this think tank here. And the president, Obama, in the interview, he did downplay this fact of extremism and extremist violence, but he did say that the big existential thought in his view remains climate change. And as you've touched upon this in the energy response, given the refugee and migration crisis I think we can only anticipate that this is going to be more of an issue in the future. Have you started to think in the engagement with the

EUROPE-2016/04/15

neighbors about how one might mitigate some of the climate change issues and some of the investments that you've been talking about? You did touch upon that energy efficiency in some way. But there's been any active thinking in that basket of the European Union's activity on how you might actually start to work with some of the neighbors now. I mean certainly increased the certification in some of the neighboring regions, we've got long-term drought in some of Europe's immediate neighborhoods within European countries as well a great deal of concern obviously about climate change and rising sea waters, about how that might be factoring into some of your policies now. And then there was a question here from a colleague visiting here from the European Union. And then I'll take one more question from this gentleman here at the back and allow you to wrap up as well. So allow.

QUESTIONER: My name is (inaudible). My day job is with the External Action Service in Brussels but I'm here as a visiting fellow. My question is regarding what you just mentioned at the end they are regarding a stronger CSFP and also one of the terms that came into currency during the review of the neighborhood policy that is the neighbors of the neighbors. And I think you'll agree that the realization was that Europe could not effectively implement its goals in the neighborhood policy without taking into consideration the neighbors of the neighbors. With Ukraine obviously Russia is the key. How do you see things going forward now with the sanctions and with the implementation of Minsk because obviously without that it's very difficult to achieve the objectives that you have set out for Ukraine. On the south I'd like to ask about Turkey. This is not a neighborhood issue, but the enlargement. Part of the deal with Turkey was that the enlargement process would be revitalized. And we see possibly Cyprus resolution, removing that obstacle also. How do you see this playing out during your term? And lastly, one that has not come appear but I think certainly in my. In Brussels working on the southern neighborhood each it was a huge disappointment. Initially in the beginning of the Arab spring it looked like it was going to be engaging with Europe in all fronts. And now it's very much one of those transactional, so-called transactional countries. With regard to the neighbors of the neighbors, one of the reasons I think Egypt really strayed was that some of the Gulf countries came in with money and with influence and really steered Egypt away from engagement with Europe. You see that changing at all also during your term? Thank you.

MS. HILL: Thanks. And then one last question to the gentleman here on the left. Thank

EUROPE-2016/04/15

you.

QUESTIONER: (inaudible) Embassy of Moldova. Commissioner, could you please comment on the current stage of the implementation of the project related to building the (inaudible) connectors among EU member states and between EU and (inaudible) from Eastern partnership. Thank you.

MS. HILL: I think we've given you a lot to finish on there. I don't want you to have to run to your next meeting, so thank you for your patience with all those questions.

MR. HAHN: Well, we'll start with the last one on Moldova and the (inaudible). This is another element to create stability (inaudible) to diversify once again (inaudible) in particular supply and to create more independence for all our partners. In the current (inaudible) is that I think there is an interconnect already at the border between Romania and Moldova installed or built. I'm not a technician. But what is missing is that the last stretch between the border and (inaudible) but certainly it will come and it's one of our, so to say, most emblematic (inaudible) in the region. On this whole issue of climate change I'm grateful with President Obama at the end of his term in office recognizes this huge importance. I think the Europeans have always spearheaded this issue worldwide. And may I say for instance my colleague was traveling for more than one year around the world to prepare very (inaudible) the Paris Summit and at this time apparently was seen as a successful Summit. But more has to be done. I can only tell you in my previous mandate as commissioner of regional policy for the (inaudible) funds in Europe I started to introduce or I pushed and finally it rubbed out to have a legal provision in our own regulations that for energy efficiency measures and renewable energy production our member states and in particular those who are getting a lot of money from the European Union have to use a minimum percentage of the oil allocation for energy efficiency and renewable energy production measures. And because on average 20 percent of the money and finally turned out to that I think of 38 percent of the money was programmed by our member states exactly for this purpose. And may I say this has served as a role model for myself to apply something similar or to look at something similar in my new dossier. An example (inaudible) they have a huge potential hydropower which is not yet really exploited. Albania is the only one has done a lot. But some other countries like Serbia, probably Montenegro could use more of them. And this is why was in the so-called (inaudible) process. It's a regional corporation

EUROPE-2016/04/15

between the six (inaudible) Balkan countries. The next step will be to work on a hydropower master plan for the region, which is not only about renewable energy production but it means also to have a common energy market, common tariffs, working on a, so to say, reliable grid system. Having contractual arrangements between the countries. The one producing renewable energy. The others like Kosovo, they have a strong fossil and a cheap production plant I think based on the coal. And for the peaks you need this traditional way of energy production. And if you have this in place it's another element of cooperation, reconciliation in the region which is definitely helpful in political terms. So I think that this is something. And may I say I'm extremely grateful that in September there will be a big migration conference I think in New York on a global scale. It will be certainly the biggest challenge for the whole world in the 21st century, in particular because of the climate change and all the effects related to it. On the neighbors of our neighbors I think it's important to stress that we are not only, so to say referring or reaching out to Russia but also to the Arab world. And I used the opportunity of this weekend to see a lot of partners from the Arab world, financial institutions, to explore how we can cooperate in this region because probably we share finally the same interests. As I have explained previously it's about stability. And I think we need a pragmatic approach. And if there's one stability and when we have (inaudible) to say this we can go the next step. And the next step is probably not during my mandates. But also to say I would like to see so to say a kind of heritage that others can build on in a way that they can go the next step with our partners in the region to improve living conditions of people. We are starting, or we have already done and will do it further on, to support civil society initiatives in all of our neighboring countries. But one has to be realistic that you can't change mentalities, cultural experiences within a couple of months or within a season. It takes some time, but one to finish on, "one has to be committed." And thank you very much for being committed to getting over here as well. We really do appreciate that. We know how difficult it was for you today with all of the other events that you had to attend. I think this has been a very rich set of questions, and we wish you all the very best of luck with your next meetings and with a very challenging mandate that you have. Thank you so much, Commissioner Hahn. Thank you.

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