

**ADDRESS BY THE PRIME MINISTER OF THE CZECH REPUBLIC –
COSAC CONFERENCE, 11.5.2009**

Ladies and Gentlemen,

It is an honour for me to be able to greet you here in Prague as part of the Czech presidency. As the only directly elected body of the European Union and the national parliaments, the European Parliament is the backbone of European democracy. On the one hand, the European Parliament is progressively emancipating itself from the European Commission and the European Council. On the other hand the Member States' parliaments, as the keepers of the principle of subsidiarity, will become more involved in the legislative process and in the formation of European rules. This is essential for preserving the legitimacy of the integration project so that all the necessary measures that we adopt in the EU can be approved using democratic procedures and kept as close to citizens as possible.

This is my first opportunity to address you as Prime Minister of the presiding country. I would like to assure you that my main concern is carrying the Czech presidency through properly and without upheaval, and smoothly continuing Premier Mirek Topolánek's active and successful leadership. We are well aware that our national concerns must not jeopardise the running of this half-billion strong community. Thus, since my being designated Prime Minister, handover of powers has been taking place and I am by degrees familiarising myself with the EU agenda.

The tasks we face require maximum input, and I shall do my utmost to see that the Czech presidency continues according to the original plan. I feel a major obligation towards all citizens of the 27 Member States to ensure that the governmental changeover does not cripple the EU's fighting power. To follow on from all that has been achieved during the first half of the presidency. To continue the active approach in resolving the gas crisis. To keep dealing with the impacts of the global economic crisis, in respect of which a consensus and a common, anti-protectionist approach have been arrived at with the emphasis on Europe-wide collaboration and a united stance towards the G20 and the IMF. To keep building good relations with the new US administration, which got off to a strong start owing to President Barack Obama's visit to attend the EU - USA Summit in Prague. To manage further summits with Russia and China successfully.

It goes without saying that I also wish to retain good co-operation with the European Parliament. During the process of co-determination, negotiations with the European Parliament on almost fifty measures in the legislative area have already been successfully closed during the first four months of this year.

Today I do not wish to revisit in detail all the dramatic circumstances that the Czech presidency has had to deal with virtually since 1 January 2009. I want to focus on the future. Although I do sense the wave of scepticism that has spread throughout Europe since the fall of the Czech government, and although I do hear all those voices that are now saying that the small, new states are not mature enough to preside over the EU effectively, I will do all I can to convince you that the opposite is true. I am not a politician, and so it cannot be expected of me that I will offer a far-reaching vision. However, I can promise you hard work that is

founded on rational thinking and that stems from facts and economic analyses.

The political programme of the Czech presidency is already planned out, and I wish to take up in full its priorities, the three E's: Economy, Energy and the European Union in the World. Indeed, I want to continue fulfilling the current tasks that were necessitated chiefly by the global economic crisis. I am convinced that there is a great deal to follow on from.

Economy

As far as our first E - Economy - is concerned, fighting the impacts of the crisis is the main priority. During the first quarter of 2009 more than EUR 400 billion was pumped into the European economy as part of the Economic Recovery Plan emergency measure, and increase of financial guarantees for countries facing payment problems was approved at the spring European Council.

Obviously, we must push on. Apart from the direct financial injection into vulnerable countries and critical sectors of the economy, long-term structural reform, investment into the infrastructure and adoption of steps supporting development of private entities' economic activity are all necessary. At the same time, confidence in the financial markets must be renewed and the flow of funds in the form of credits must be restarted.

In all these areas the Czech presidency has succeeded in negotiating effective measures, whether they be agreement on the directive on reduced VAT rates, adaptation of the Structural Funds Regulations or significant changes in supervision of financial markets. Particularly worthy of mention are the improved regulation in key areas of the financial markets and the simplified payment conditions within the EU.

During discussions on the quest for instruments with which to regenerate economic growth, we must not forget the man in the street for whom the economic crisis means, above all, the threat of losing his job or livelihood. This was likewise the main reason for convening the special Employment Summit that was attended by social partners and that took place on 7 May in Prague.

Energy

The second priority area of the Czech presidency's programme is energy and the issues surrounding it. From the long-term perspective these issues formed one of the key pillars of the presidency preparations. As a country largely dependent on import of Russian crude oil and natural gas, the Czech Republic is especially aware of the sensitive issue of the energy security of the EU as a whole, and intends to do everything possible to strengthen this area.

We want to continue dealing with the gas crisis and, above all, to glean experience for the future. It must be borne in mind that a new crisis similar to that in January could strike at any time. We must therefore focus on finding and adopting short-, medium- and long-term measures to strengthen our energy security. In this respect the decision of the spring European Council, which approved investment of a substantial amount of the so-called five-billion package into infrastructure projects for support of energy security, primarily the Nabucco project, is to be commended. The South Corridor Summit that was held last week was another momentous step towards diversifying suppliers of energy to the EU.

Aside from the gas crisis and the search for long-term solutions to support Europe's energy security by way of supplier diversification, the Czech presidency has focussed on finalising discussions on the Second Strategic Energy Review priorities. It has also succeeded in concluding an agreement on the Third Liberalisation Package as well as on other key legislative measures to support energy efficiency, which will likewise reduce our dependence on energy supplies from other (often unstable) countries. The Czech presidency is, moreover, mindful of preparation of the EU's united stance for the Copenhagen Climate Summit at the end of this year.

The European Union in the World

Within its framework the third priority – The European Union in the World - confirms the long-term premise that if the EU wants to stand up to global competition it must definitely tackle its role as a global player. We must play a role in the field of international policy that corresponds to the European Union's economic and political potential.

The EU has a special responsibility towards those countries that are its immediate neighbours. In this area it also has the most effective means for asserting its influence, whether by way of offering the prospect of future EU membership or of privileged partnership. This is why the Czech presidency has invested so much energy and political capital into the Eastern Partnership project that was successfully launched by way of political consensus at the European Council in March. The Eastern Partnership Summit, which took place in Prague last week, is the first step towards implementation of this project.

The Western Balkans and their European perspective is the second area of key importance. Despite certain difficulties – particularly the delayed talks on Croatian accession – it is necessary to point out the Czech presidency's efforts to retain this perspective, demonstrated above all in the satisfactory outcome of the Informal Meeting of Ministers of Foreign Affairs at the end of March and delegation of the European Commission's request to prepare an opinion on Montenegro's application for EU membership. As you are surely aware, Albania has now also officially aspired to join the EU. The Czech presidency will henceforth strive for continued EU expansion and strengthening of the European Neighbourhood Policy.

US President Barack Obama's visit to Prague at the beginning of April, which I mentioned earlier, was also a great success. The informal EU - USA Summit that was organised for this occasion was an extraordinary opportunity to commence collaboration and exchange of views with the new US administration on the key issues of economy and security. I see this as a good investment into the future. Collaboration and understanding between the USA and the EU are pivotal to global stability.

Ladies and gentlemen, rather a lot has happened over the past four months. Certain events have been somewhat unexpected. I believe that so far in this difficult situation, the Czech presidency has discharged its role with the maximum of effort and to good effect. My government is fully aware of its responsibility to follow this through successfully. I am also conscious that the presidency and the results it achieves depend upon the co-operation of all of you – of the Member States, the EU institutions, and particularly of the European Parliament and the

European Commission. I shall strive faithfully for such co-operation. I am confident that we will succeed in continuing the work we have done together so far and in continuing all the good that has been done during the first four months of the Czech presidency. If we do succeed, I am convinced that following the elections to the European Parliament and subsequently to the European Council, preparation of which is sure to be extremely demanding, we will be able to hand over the office of President of the Council to our Swedish colleagues with a sense of a job well done. Thank you for your attention.