

TUESDAY 20 OCTOBER 2015

Members present

Baroness Armstrong of Hill Top
Baroness Coussins
Lord Dubs
Lord Horam
Earl of Oxford and Asquith
Lord Risby
Baroness Suttie
Lord Tugendhat (Chairman)

Examination of Witness

Mr Lawrence Meredith, Head of Unit, Strategy and Turkey, Directorate General for Neighbourhood and Enlargement Negotiations, European Commission

Q77 The Chairman: Thank you very much for coming. I know that you have been parachuted in for this at short notice. In case you are not seized of what we are about, we are all members of the House of Lords Select Committee on the European Union, in particular the Sub-Committee on External Affairs. Our last report was on EU-Russia; now we are doing European security strategy. We had a good meeting at UKREP last night with Angus Lapsley. We met a host of people this morning, and now we have the pleasure of seeing you. You are one of those rare birds, a British official in the European Commission, so could you first tell us what you do?

Mr Lawrence Meredith: Thank you very much. The Commissioner is sorry he was not able to join you today, but I am pleased to be able to represent him on this occasion. I am head of strategy in DG NEAR, which means that I do two things of most relevance to you. First, I am the person preparing the review of the European Neighbourhood Policy on behalf of Commissioner Hahn. I also have a counterpart in the European External Action Service, so we do this jointly. Secondly, I also prepare the enlargement strategy, because one of your questions leans in that direction. Those are my main areas of responsibility.

Q78 The Chairman: To kick off, the impression one gets talking to people is that increasingly the Mogherini exercise is expected to focus on the neighbourhood rather than broader. Would you define what you mean by “the neighbourhood” in this context?

Mr Lawrence Meredith: We are reviewing the neighbourhood policy, which in European Union terms means that we cover 16 countries stretching on the south side from Morocco through to and including Syria—I can list each and every country if that is helpful—and the six so-called eastern partnership countries: Ukraine, Moldova, Georgia, Belarus, Armenia and Azerbaijan.

The Chairman: Where does Turkey figure in that?

Mr Lawrence Meredith: In EU-speak, Turkey is one of our enlargement countries, so we cover it under our enlargement policy.

Q79 Lord Horam: One thing witnesses have said to us is that some of the instruments traditionally used in EU policy have proved to be a little technical without a political framework and need to be looked at again, in the light of the changes since the Solana review and so on. Do you see the need for a political framework and a more realistic approach to the use of these instruments?

Mr Lawrence Meredith: This is not the first review of the European Neighbourhood Policy, which was set up in approximately 2003-04. The last review, as you may know, was completed in 2011 in the rather specific political context of the so-called Arab spring. The main reason we are doing the review again so soon is that there have been substantial changes and increased instabilities, primarily in the neighbourhood. In that context, the main thrust of the review is to adapt to the changed realities. If there is one overriding theme driving this, it is that we need a more tailor-made approach, which is an answer to your question. Therefore, we need to look at the whole set of instruments at our disposal and see to what extent they are fit for purpose and for which country, because we are seeing a big differentiation between the needs from a Syria, for example, through to a Ukraine.

Q80 The Chairman: In the past, the EU presented itself as a rather transformational institution that underlay the Solana exercise, which our compatriot had so much to do with. Now it appears to be a much more—how can I put it—down-to-earth transactional arrangement. We are not talking so much about human rights, spreading democracy and all that; we are talking about living with the world as it is. I am overstating the contrast perhaps, but how would you react to that?

Mr Lawrence Meredith: First, the values agenda, as it is called, remains extremely important. This is one of the European Union’s key interests. It is not so much a question about that as an objective; it is about how to achieve it. We are looking at what has been best practice, where we have achieved leverage and what we can build on what we have learnt over the past 10 years in this, frankly, difficult context, so we are making a difference on the ground and having an impact on the values side.

Secondly, in the nature of this review—we had a public consultation and received over 250 inputs that we have been analysing, which is an important point to make—some people said that it had been too much “enlargement-lite style without the carrot”. I know that is something you have been looking at yourselves. In that context, one has to recognise that one needs the political will in the countries to change. It is extremely difficult to create political will, so we have to put incentives on the table but also build where there are opportunities to make progress.

Q81 The Chairman: There is one point I should have asked you to clarify at the beginning. Can you explain how your review of the neighbourhood fits into the Mogherini exercise?

Mr Lawrence Meredith: When President Juncker took up office, he made a commitment that we would review, within the first year of the new Commission’s mandate, the European Neighbourhood Policy, and that is the exercise we are currently engaged on. We had a joint consultation paper, published in March, to which we had 250 replies, and that is leading to a policy response, which should come out in mid-November.

High Representative and Vice-President Mogherini is working on the global strategy. A paper was put to the European Council in June, and now an engagement to continue that exercise until June next year. As the person leading at service level the neighbourhood policy exercise, I have been asked to work extremely closely with the team working on the global strategy, and I am doing that. At a political level, the High Representative herself has oversight of, and responsibility for, both exercises. I can assure you that this is being closely co-ordinated, for obvious reasons.

Q82 Baroness Suttie: Forgive me for asking a political question, but perhaps you would not be surprised that it comes from me. You are the first UK representative we have seen today. Do you feel that in the process of your neighbourhood review and the wider Mogherini strategic review the current uncertainty because of the British referendum is putting us at a disadvantage? Are we properly or fully engaged, or do you feel that we are slightly out of the loop in some of the discussions going on at the moment in these reviews?

Mr Lawrence Meredith: I can speak only as a civil servant of my own experiences at working level. The short answer is no.

Q83 Lord Dubs: What is the situation regarding enlargement for countries—I am not talking about the Balkans—like Moldova, Georgia and so on? What sort of policy do we have? Is the eastern neighbourhood an end in itself, or what?

Mr Lawrence Meredith: That is another very good question. The main point I want to make—I am looking to quote it exactly—is that this issue has been extremely hotly debated between Member States. The result is what we have in the so-called Riga summit in May on the eastern partnership countries. That is the outcome we have been able to reach at 28. From memory, that talks clearly about recognising these

countries' European aspirations and choices¹. That is where we have got in that debate.

Lord Dubs: I am sorry to ask, but what does that mean?

Mr Lawrence Meredith: That means that we hear them signalling a clear desire to be closer and, in some cases, an expression of interest in membership of the European Union. The discussion reached at the level of the 28, the EU response, is set out in this much-debated and carefully worded language. That is about as far as I can go. What I can say is that we are doing everything possible to support those aspirations through our work. They have the most ambitious agreements ever reached in the form of the new generation association agreements and the deep and comprehensive free trade areas, and we are providing very strong support and additional financing to help them with implementation. Implementation will be a major challenge, and some people have estimated that it could take as long as 10 years fully to implement the current commitments in the association agreement.

Q84 Baroness Armstrong of Hill Top: As to Turkey, we have been talking about enlargement. We gather there has been lots of activity between different parts of the Commission and Turkey in the last couple of weeks, and certainly there has been from the Council too. Enlargement was offered as a kind of carrot, but the whole thing stalled and has gone downhill until there has been a crisis. How do you assess the EU and its relationship with Turkey?

Mr Lawrence Meredith: I am not directly responsible for Turkey, but I will do my best to answer that.

Baroness Armstrong of Hill Top: You are doing enlargement.

Mr Lawrence Meredith: I have a view on the strategy. I am just making that point. First, we believe that accession is the best available path for the future of EU-Turkey relations but that there are many other aspects on which we also engage with Turkey. Accession is a key vision that they have stated they want. The conditions are clear, and both sides are working towards that. We can discuss the points you have made about the speed of that progress if you wish, but that is one track.

Secondly, we are currently engaged in looking at a number of other avenues to support the broader political relationship. That is done by the European External Action Service, but in close co-ordination with the DG NEAR, for example working towards establishing a high-level economic and energy dialogue². We have strong shared interests on migration³ and the security side. I think you see that broader

¹ Joint Declaration of the Eastern Partnership Summit, Riga 21-22 May 2015 available here:

<http://www.consilium.europa.eu/en/meetings/international-summit/2015/05/21-22/>

² The envisaged high-level economic dialogue, which Commissioner Hahn intends to launch in 2016 together with the Commissioner for economic and financial affairs, will be underpinned by the opening of Chapter 17 (economic and monetary affairs) accession negotiations. A high level energy dialogue was launched in March 2015 by Vice-President Šefčovič. DG NEAR has launched preparation with DG ENER of an updated screening report for Chapter 15 (energy) to feed into this dialogue.

relationship, together with the clear accession path, in contrast, by the way, with what we have offered to the 16 neighbourhood countries we have been discussing. It is important to remember that. We have had Lord Dubs's question. You see that in the strength of the engagement right now. One of the reasons I am here is that my director is on a plane again to Turkey; otherwise, he would have liked to be here. I do not know whether that counts as a strong reason, but that is a factual clarification.

The Chairman: We have the impression that almost everybody is on a plane to Turkey.

Mr Lawrence Meredith: I am with you for as long as you need me.

The Chairman: There is a certain amount of chaos in this. It has been put to us in some of the earlier evidence we have had that everybody is now queuing up to see the Turks, but there is no very coherent approach.

Mr Lawrence Meredith: As I said, the people most directly responsible for Turkey are there already, are on their way or are just coming back. From my angle, I can say only that I understand there has been extremely close co-ordination. Obviously, in a moment of intense engagement, different parties may have different views, but I believe there is extremely close co-ordination both inside the institutions and with Member States.

Q85 Lord Risby: If we cross the Mediterranean for a moment, we see an enormous diversity of countries with different political systems, underpinnings of democracy, economic development, stability and everything else. From a practical point of view, you mentioned that, when you interface as part of the neighbourhood policy, you give incentives. I am curious to know how that works. When you are talking to an individual country as part of the neighbourhood, are the incentives, shall we say, streamlined to fit local conditions? Are we talking about using aid as part of the incentive, because we heard this morning that increasingly it is part of the European Union view to have a more strategic objective, or is it giving encouragement to access our enormous single market? I am curious to know how this works in practice as you evaluate each country under the general umbrella of the neighbourhood policy.

Mr Lawrence Meredith: It is all of the above, but, to link back to the earlier question, we are currently reviewing exactly how all this package works together. We do not have a final position on how we are going to set it out, but I can say that we are looking to ensure that there are three important changes going forward, learning from the 10 years in which we have been engaged so far. First, we believe it does need to be much more strongly tailor-made to each of the countries. We are seeing much greater differentiation in their political and economic situation than was the case in 2003-04.

³ The EU acknowledges the considerable pressure the Syrian refugee crisis imposes on Turkey and has so far set aside EUR 176 million under different EU instruments.

Secondly, in that context but not only, also building on lessons learnt, for each country there needs to be a strong package, and that will include the elements you have been describing and the political vision of that particular relationship, which may vary from one partner to another. For example, some have association agreements and some have co-operation agreements. They have different degrees of engagement and different structures to support implementation. We also have a mobility angle, which is a very strong lever and incentive. We have the access to the market that you describe and the particular trade regime, which is more ambitious in the case of deep and comprehensive free trade, or slightly less so for those not aspiring to that. We also have substantial funds. For the period 2014-20, €15.4 billion will be made available. This is a considerable sum. We also understand that the challenges are considerable, and there are 16 countries. It is really important that as we go forward for each country there is a clear package blending different available instruments, so we fully agree with you.

Thirdly, we are not acting on our own. The EU institutions are only one part of this approach. Therefore, I think there will be a very strong commitment in the Mogherini global strategy—and we are taking this on board in the neighbourhood policy review—to much stronger engagement with Member States, both formally and informally, in appropriate ad hoc groupings, and not just with Member States. There needs to be stronger ownership by the partners. One of the key points is that once we are developing a package it is not something we sit in offices here and invent; it is negotiated with partners so there is true ownership.

When it comes to financial matters, not just assistance but the broader economic vision, we need to engage strongly with international financial institutions—the European Investment Bank, the European Bank for Reconstruction and Development and the World Bank, as we do—and put that package together also with them so we get the most bang for our buck. I hope that addresses your point.

Q86 Baroness Coussins: Going back to the eastern region, our last inquiry into EU-Russia relations produced one conclusion, which was that Member States had not had sufficient focus on that region. One of the reasons everybody seemed to be taken by surprise by what happened in the Ukraine and Crimea was that neither the EU nor individual Member States, not least our own Foreign Office, had sufficient analytical capacity, including language skills, to be able to be on top of developments. Had they had more analytical capacity, they might have been able to foresee what was coming down the line. If you are engaged in creating new neighbourhood policy, is it your impression that things are now beginning to turn for the better in that regard? Do the EU and Member States now have the political will, analytical capacity and the necessary resources to back up a new policy?

Mr Lawrence Meredith: I could answer the question in Russian, if that is helpful.

Baroness Coussins: I am glad to hear you could.

Mr Lawrence Meredith: I am just making the point that we do take this extremely seriously. Capacity can always be strengthened, and if the Member States are kind enough to offer us more resources we will do an even better job. There has been a strong readjustment. That is clear from what followed the Vilnius summit, in particular because I think it was a Russian decision that led to the conflict in Ukraine. The Vilnius summit is one thing; then there is what happened in Ukraine. In response to that, there has been a lot of attention to this area.

There was a tension before, which was why we ended up with the Vilnius summit, so I slightly challenge the premise that there was no tension in the region. As to the way things evolved, the situation was not one that people had foreseen. Of course that is correct, but we have spent a lot of time on this and will continue to do so. I work constantly on this with the European External Action Service. I have just come back from a mission to Moscow, which is the first of its kind for over 15 months because of the difficulties in the relationship. We felt that it was important to inform what we were doing and to listen to their views both on that and other issues.

The intensity of the discussions with both partners and Member States around the Riga summit shows how fundamentally important is the relationship between the EU and its eastern partners now, and that we are also aware of the importance of the relationship with Russia in this context. This is all very well documented. I hope that addresses your point. If there is any other aspect you want me to cover, I will do my best to help. I am not working directly on the EU-Russia relationship, but I have just come back from Moscow and so am quite well briefed.

Q87 Baroness Suttie: How would you assess generally the relationship now between the Commission and the EEAS? We have heard from other witnesses that this may not be as functional as it could or should be. In the context of the Mogherini strategic review, how do you think that relationship could be improved, if indeed you think it should be? Obviously, it is a big question, but I ask it in the context of your personal experience.

Mr Lawrence Meredith: In my personal experience, let me say two things. First, at working level, I am head of a secretariat that is running the review of the neighbourhood policy. I have a co-head of the secretariat in the European External Action Service. More important than us, this process is led by the HRVP and Commissioner Hahn, and under them they have appointed as respective heads of the task force the Secretary General of the European External Action Service and my director general. It is the top people in each of the organisations who have been meeting regularly almost on a monthly or, where needed, more than monthly basis.

As to my contacts, "daily" does not do it justice. I was talking to my counterpart before meeting you; I will see him shortly after meeting you. I am sure he will want to know what has been discussed, apart from anything else, so in this exercise there is extremely strong co-operation.

I would like to add for the record that this also reflects my own personal experience since the EEAS was created. I was also involved in the Kosovo-Serbia dialogue where, without such joined-at-the-hip co-operation between the External Action Service and us, supported at the time by Baroness Ashton, we could not have delivered the results that we were able to deliver. I have been given the clear instruction, based on my past experience, to make the relationship seamless and effective. Others will judge how successful I have been on that, but certainly it is a key part of my job description.

Your question went broader. The clear message to staff in President Juncker's Commission is that this needs to be joined-up policy, in which context, as I answered the earlier question about links with the global strategy, we are asked, and want to, work together seamlessly and intelligently, complementing each other. The only way for me to do that, as one of the co-authors of the neighbourhood policy review, is to work with the two co-authors of the global strategy extremely closely.

I know that when looked at from the outside these processes and the institutional set-up can seem complex and complicated, but those of us who have been here for 20 years do our very best to make it work. I believe it works well.

Q88 The Chairman: Can I ask you a mechanical question? You talked about close contact with Member States. There are 28 Member States and not everybody is equally interested in everything, so how does that work? Some Member States will be very interested in a particular area, some less so. In the World Bank, there are groups, are there not? You have a director who represents seven, eight or more countries. If you are dealing with north Africa, for instance, which perhaps is not at the top of Ireland's or Latvia's agenda, how does this work?

Mr Lawrence Meredith: Let me answer on two levels. You know as well as I do that there are structures that relate to contacts between the Commission and the External Action Service, with Member States. For example, in preparing both the joint consultation paper and the review communication that we will issue shortly, we have had regular joint meetings—I have been trying to avoid jargon for the benefit of the record—with MaMa and COEST, which cover the south and the east. That is the easiest way of expressing the two Council working groups. We brought them together, so that is already one choice. We have done that six or seven times—I do not know exactly how many—and we have also had at least two engagements. You said you were speaking to the UKPSC ambassador. We have had two engagements with the full Political and Security Committee, and we have also met COREPER, so at all levels this review has been thoroughly discussed and prepared formally with Member States.

The reality of being a Commissioner or EEAS official here is that we make ourselves available on request to any Member State that wishes to talk to us, either individually or in smaller groupings. We do not have a formal structure such as you describe in the World Bank for ad hoc groupings, but that is how it works in practice.

I would add one clarification. When I was embarking on this review, I went with my director general to the then Latvian presidency. They made a point of engaging on the south. Everybody knew that they had strong interests in the eastern partnership, but they actually led the discussion on the south. It was their political choice to send a signal that, as the presidency, they wanted to cover the whole agenda. Although they did not put it like this, subliminally they understood that to make progress on the areas most important to them they also needed to have full discussions on the areas important to other Member States. The EU is now a very well-judged machine. A lot of Member States think carefully about how they want to achieve their objectives and realise that they need to bring others fully on board to do so.

The Chairman: If I understand you correctly, countries whose primary interest is to the east would none the less engage in the south because they are aware of the need to have support for what they want to do in their area and that it is more likely to be forthcoming if they are engaged in the other area.

Mr Lawrence Meredith: That is one of the reasons why, looking forward, we are very likely to maintain a common framework. It is a strong binding instrument inside the European Union precisely because some Member States have stronger interests in the south and some in the east. To reach a consensus, be it on policy objectives and in particular financial objectives, it works rather well to discuss the 16 together for precisely that reason.

Q89 The Chairman: The continuing migration crisis in the summer has had a huge impact. Would you be able to define what you think has been the principal impact on your working methods: "intensification", "urgent" and all the rest of it?

Mr Lawrence Meredith: The area for which I am responsible and which we are currently discussing—the European Neighbourhood Policy—is a key aspect of the current debate on the refugee crisis, precisely because one of the most important sources of refugees is Syria, for example. It is obvious that as that crisis unfolds, evolves and continues we are looking at it extremely carefully. First, it has led to an even more prominent role for issues related to migration management and also careful reflection on how to take that forward in a positive way, because it is not only on the management side; you need the relationship with the countries, as is clearly signalled in the relevant European Council conclusion.

We are responsible. The impact of the review and policy will be the future shape of the EU's relations with these countries. That needs to be done in a way that supports the objectives agreed at the European Council on the current crisis. For our part, we have been vocal inside the house in saying we need these countries also to deliver on the objectives over the longer term. It is important to see this review together with the work, and that we are also consulted, where possible, on the measures being prepared on the migration side, such that we have oversight of how that impacts on the relationship with the country. We believe that the long-term buy-in and engagement of these partner countries is crucial to the long-term solution. As you

said yourself, urgent measures are being taken, but this policy review looks at the medium to longer-term relationship with these countries. We believe that is really important.

Q90 Lord Horam: Following up the point on the refugee crisis, particularly in the southern Mediterranean countries, one aspect is that it affects not only the countries inside the ENP, and we should involve them, but also the neighbours of the neighbours and the Sahel countries—Mali, Chad, Central African Republic, Somalia and so on—from which many of the refugees or economic migrants came originally. They are simply coming through Libya, Tunisia or whenever. How far has that affected your view of the operation of the ENP? You have to deal not only with the neighbours but the neighbours of the neighbours.

Mr Lawrence Meredith: Perhaps there are two points I can make in response. First, careful consideration has been given as part of this review—indeed, it was one of the questions in the public consultation in March—as to whether the current framework, i.e. the 16 countries I described at the beginning, is the right one. That will have been addressed. On balance, we are moving towards confirming that it is, although there is no final decision on the policy.

What is clearly needed is a much more flexible, pragmatic and longer-term engagement and a recognition that, if you want to talk about migration—we had identified this even prior to the intense nature of the current crisis, but it is more than confirmed by what is happening now—it is not sufficient to talk in a bubble of 16 countries because it happens to be the European Neighbourhood Policy. That is not our wish or objective. There are reasons why we think that is a useful grouping for the policy per se, but we also recognise that there are key issues. I do not know where we will finally land in the paper itself, but consideration is being given to issues such as migration, energy and security.

When you discuss these, you may wish to have more flexible formats not limited by where the EU happens to have drawn the line on its policy. We are currently in deep reflection—ideas are welcome—on how we can best do this in practice so we do not end up with a one-off conference, and what kind of process you might want to put in place. Then there are the complex issues that we have been discussing. If the EU moves, it moves at 28. That creates a certain framework in which to operate. Which partners do you want from the European Neighbourhood Policy? Which other partners would you want? We completely agree with that aspiration, and we are trying to work out how best to do it in practice.

Q91 The Chairman: Now that opinion in Germany has turned somewhat and the barbed wire is going up around an increasing number of frontiers—Hungary, Croatia and so on—do you have any information as to whether the flow of people out of Syria and Turkey, or across the water and land, to Europe is diminishing, or are the numbers continuing unchecked?

Mr Lawrence Meredith: I am afraid that today I am not in a position to answer that, but I could certainly look into it and try to provide you with a written answer as rapidly as possible.

The Chairman: Thank you very much indeed, and for coming in at short notice.