



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Affaires étrangères
et européennes

Declaration on Foreign Policy

presented by

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to the Chamber of Deputies
in Luxembourg

21 March 2017

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FOREIGN POLICY ADDRESS

INTRODUCTION

Mr President,
Ladies and Gentlemen,

1. Since my last address, more than a year ago, at which I remarked that our world was even more divided, disoriented, and dangerous than in previous years, we can unfortunately not report any sort of improvement. In many ways, we live in a more chaotic world today. Existing conflicts, civil wars, and wars continue and new ones arise; terrorism, or its threat, seems omnipresent, and authoritarianism is spreading, even in our neighbourhood. Even if the refugee crisis in Europe appears to be less pressing, people are still dying in the Mediterranean and we have still not addressed the root causes of this crisis.
2. The European Union remains stuck in an existential crisis and Brexit is not exactly making things any easier, which is the least we can say. Nationalism and populism are on the rise in many places around Europe and our politics seems unable to come up with the right answers to the questions of a population worried by the manifold crises around the world and the phenomenon of globalisation. Indeed, it is not easy for nation states to find answers to a reality that is not contained by national borders. Therefore, we can only tackle major challenges in Europe as a Union, in order to seize the initiative and find common solutions.
3. Unfortunately, this sort of cooperation within the EU, but also on a global level, has become more difficult. Those who call out democratic deficiencies in various EU Member States are regularly criticised. However, I stand firmly by my remarks, because I consider it the duty of all those who believe in democracy to protect the fundamental principles of democracy and the rule of law. In this world, there are more and more politicians who believe that their having been elected confers upon them sufficient legitimacy to disregard the separation of powers. They attempt to weaken the checks and balances that stand in their way, or they contest fundamental rights like freedom of expression. They must not prevail. If we do not react, we

become accomplices of the enemies of pluralistic and open societies, or we hide behind the veil of indifference.

4. It is difficult to believe that today, 60 years after the signature of the Treaty of Rome and more than 70 years after the signature of the UN Charter, we once again hear reminders of the tragedy of European history and of all its terrible suffering. We cannot let this happen. We must oppose these tendencies with all the democratic means at our disposal; we must defend our freedoms and values; we must continue to commit ourselves to the peace project of Europe, to cooperation and integration. This is our responsibility to future generations.

POPULISM

5. The social, economic, and security policy challenges facing the European Union continue to be momentous. Donald Trump's US presidential election victory has energised right-wing populism and will confront the Transatlantic relationship with a whole host of challenges. As for migration, we have indeed seen the arrival of fewer refugees and migrants in 2016. Most gaps along the Balkan route have been plugged, but thousands of people still opt for the dangerous Mediterranean route in their flight from war and suffering and in search for a better future. Another reason for the EU's contemporary conundrum is, of course, Brexit, which I would like to contend with in more detail.
6. The rise of populism and nationalism in many European countries is deeply worrying, even if the election results in the Netherlands have come as a relief. Populist parties offer their electorate apparently simple solutions to highly complex issues. However, their proposals are made up out of thin air; they rely neither on facts, nor on the realities of today's world. They construct enemies and rely on "fake news" or "alternative facts"; they deceive and obfuscate. Populism takes aim at the so-called establishment, at minorities, at refugees and migrants, at other cultures and religions. It relies on the exclusion of "the Other". Right-wing populists attempt to exploit prejudice, discontent, fear and jealousy and draw political capital from them. There is always someone else to blame!

7. We must do everything in our power to prevent the populists from sinking their teeth into our democratic system. They abuse democratic institutions to get into power and once they succeed, they undermine the rule of law and question fundamental values. We must not underestimate this danger. History teaches that dictatorships always arise when the rule of law and fundamental values have been hollowed out. Can't we remember history's lesson that populism and nationalism lead to perdition? We must resist and that also means that we cannot take the achievements of the European Union for granted. Nothing can be taken for granted anymore! We must fight for our Union, for our fundamental values and for the rule of law. Not on occasion; every day!
8. In Europe, many people suffer directly from the consequences of the economic and financial crisis. The economic situation of the European Union may have improved over the last years, but we are not out of the woods yet. The situation in Greece in particular, but also in a number of other countries, remains preoccupying. I have great empathy for the worries of people in these countries and we must not allow that the burden of structural reforms, which often have socially devastating and inhumane consequences, is shouldered the most by those people who are the worst off to begin with.
9. This is one of the many reasons why we need a strong social dimension of the European Union. We have defended this position also during our EU Presidency in the second semester of 2015; we continue defending it, more strongly than ever. A strong European Union requires a strong social dimension. If we in Europe want to be there for our citizens, if we want people to continue believing in Europe, we must think and act more democratically in the EU. This means that we will need to continue building the social programmes of the EU, especially for the countries where structural reforms hit the poorest of the poor. This means that we must share responsibility in the European Union; it also means that we need more solidarity in the Union, not only on migration issues.

MIGRATION

10. Allow me to address the issue of migration for a moment. In 2015, the UN High Commissioner for Refugees counted 65.3 million refugees and internally displaced persons: it was the first time since the end of the Second World War that this many people were forcibly displaced.
11. Migration is a complex issue. It encompasses many different situations, those of refugees, fleeing war or persecution, those of economic migrants, those of illegal as well as of legal migrants. Populists persist in trying to conflate these issues, to oversimplify complex situations, and to make us forget about rights and duties. This cannot be our approach.
12. First and foremost, these are human lives we are talking about! Behind all the numbers, there are children, women, men, and families.
13. As a consequence of the large migratory flows of 2015, the Dublin system could no longer function correctly and the Schengen System was under threat. We had to learn the lessons and draw consequences from this and work to future-proof the system.
14. This has not been easy – you know this as well as I do. Europe needs a common approach. The search for European solutions is the only way to tackle this issue.
15. The EU is geographically close to conflict zones. For this reason alone, it is impossible to compare its policies to those applied by Australia or Japan.
16. The EU must ensure that refugees who are fleeing from the worst conditions on earth are guaranteed the highest level of protection of their human rights, as foreseen by international law. We must all, without exception, fulfil our obligations. However, it must also be possible to return people who are not protected by the 1951 Refugee Convention and who are in Europe illegally, to their home countries, as foreseen by the law. Nevertheless, we must continue searching for ways to broaden legal avenues for migration. Europe continues to need migrants. We in Luxembourg may be best placed to testify to the important contributions migrants make to society.

17. On the international level, Europe has done a number of things concerning migration in 2016.
18. The EU-Turkey statement – despite all of its weaknesses, which we have debated here in Parliament – allows us to break the business model of the smugglers. Only 47 refugees have arrived on the Greek islands on average every day since its entry into force. During the month preceding the deal, the daily average was 1700 arrivals, in very dangerous conditions, as we all know! At the same time, while 70 people perished in the Aegean in 2016, there were 1100 victims in 2015!
19. Another question under consideration in the EU is whether in the future, asylum requests can be dealt with outside the EU, to be followed by resettlement.
20. This can only work under strict cooperation with the United Nations High Commissioner for Refugees. In camps like the ones we find in Libya right now, this is impossible. Inhumane conditions prevail in these camps. In this context, I also wanted to state clearly that there is no safe place outside the EU to which refugees who were rescued in the Mediterranean, can be sent back.
21. Concerning migrants, the European Commission and the European External Action Service have published a first communication to build new partnerships with third states in July. The communication recommends an integrated approach, which includes various policies and instruments, in order to bring migratory flows under control. We presented five African countries with so-called “Compacts”: Niger, Nigeria, Senegal, Mali, and Ethiopia.
22. These Compacts are also a part of the follow-up of the Valletta Summit, which took place under our EU Presidency in November 2015. Luxembourg has thus far been committed to ensuring that the spirit of Valletta lives on in the Compacts. As you know, “more for more” was our leitmotiv during this Presidency, and we stood firmly against the principle of “less for less” with relation to development cooperation.

23. The migratory situation is of course an aspect of conversations about development cooperation and humanitarian aid, but our development policies do not serve the single objective of preventing migration.
24. The number of asylum requests in the EU remains high, with 1.24 million requests in 2016. This figure is lower than in 2015, where there were 1.35 requests. At the same time, illegal border crossings have gone down significantly. About half a million people have illegally crossed the EU's outside borders to enter Europe. This is about a third of the dramatic figure of 2015.
25. Thanks to the EU-Turkey statement, as well as to stricter border controls on the entire Balkans route, fewer people have entered the EU through Greece in 2016. In parallel, 18% more people have arrived in Italy than in the previous year, which can be explained by the instability in Libya, as well as by a number of factors like conflicts, poverty, and hopelessness on the African Continent.
26. I believe it to be evident that we cannot leave Italy and Greece alone; it is not right that these two countries should bear the burden alone, because of their geographical location. Improved weather conditions may lead to increased migration flows. On 19 March alone, more than 3,000 were saved off the coast of Libya, while 38 human beings lost their lives on that day. That same weekend, 330 people arrived on the Greek islands.
27. For this reason, in 2016, Luxembourg rigorously implemented the measures that had been adopted at EU level in 2015. On four occasions, our asylum experts were seconded to one or the other country in 2016. Luxembourg also provided interpreters on the ground.
28. Relocalisation continued too. In 2016, Luxembourg accepted 167 relocalised persons. Luxembourg is doing its homework. Unfortunately, the relevant EU decisions are not being implemented by all 28 Member states; certain countries have even seized the Court of Justice of the EU.

29. This behaviour is jeopardising the enormous progress in terms of asylum made by the Italians and Greeks. Both these countries are shouldering a sizeable amount of the work in the EU in terms of asylum, and their responsibility is considerable. The hotspots represent security and both these countries are now registering asylum seekers in conformity with European law. This progress has made it possible to put a stop to the politics of simply waving through illegals. However, we also know the conditions that refugees live in in the camps on the Greek islands. Primitive infrastructure, squalor, and even violence, drugs and prostitution. The Greek State has few resources, hence it is important that it should be supported with solidarity; a solidarity, which is also necessary for every individual refugees, who is thus given a new perspective in a new country. This is the face of a Europe showing greatness.
30. In order to bring the situation under control, the European Commission has proposed a number of changes to the Common European Asylum System in 2016. These concern notably the setting up of a proper Asylum Agency. The reform of the so-called Dublin Regulation is also on the agenda. This reform is also important for us, because Luxembourg currently has a large number of Dublin cases. Unfortunately, these proposals, which also include plans for a redistribution mechanism, have been put on hold, for as long as discussions over solidarity are ongoing. It is a fact that the search for a compromise in EU migration policy is becoming ever more difficult.
31. In the context of legal immigration, visa liberalisation is an important issue. Unfortunately, there can be certain abuses in this area on occasion; we are witnessing this phenomenon for instance with the Balkan states. For this reason, the EU Council agreed a new suspension mechanism with the European Parliament in February this year.
32. On 7th March, the European Court of Justice rendered its judgement on humanitarian visas and allowed Member States a certain room for manoeuvre in terms of the granting of this type of visa.
33. In general, much greater emphasis was placed on security aspects of migration in 2016, in particular in two areas: securing external borders and returns. The Frontex Agency received

a strengthened mandate. A new document for returns, the EU *laissez-passer*, was also adopted. In October, we adopted a joint approach with Afghanistan, which facilitates the organisation of returns when the situation allows it and to strengthen the country against migrant smuggling. Besides this, the reintegration of returnees is a priority for action. As Minister for Immigration, I am well aware that returns to Afghanistan have to be considered very carefully on a case-by-case basis.

34. Only when the influx of arrivals eases off, will we be able to find a compromise on the measures proposed at EU level in 2016. We have all noticed that individual actions by certain countries are endangering the collective *Acquis*.
35. I can therefore not state often enough that solidarity must be a keyword in the EU. This is not only the case for legal texts and treaties, on paper, but also concretely, in policy and in the implementation of measures, which have been jointly adopted.
36. There is no miracle cure for migration. The EU needs political will and an all-encompassing approach that covers all aspects and is founded on the values of openness, tolerance, and respect, in all of its member states.

BREXIT

37. The Government regrets the result of the referendum of 23 June 2016 in the United Kingdom. Brexit is bad for all of us: for the UK, for the EU, and for Luxembourg. There are no winners with Brexit. Next week, the United Kingdom wishes to inform the European Council later about its decision to leave the European Union.
38. For this decision, the United Kingdom must not be punished. No reasonable person would want this. As a European Union, and this is true also for Luxembourg, we want to maintain good relations with the British people; and therefore we push for fair and transparent negotiations. However, we must also ensure that the 27 countries that wish to remain in the EU together, do not pay the price for the decision taken by the British citizens, and that these

countries are in no way disadvantaged. It would be unacceptable if at the end of these negotiations we would be worse off than the United Kingdom.

39. As you know, the procedure for the British Exit is clearly determined in Article 50 of the EU Treaty. As soon as the UK has notified the European Council of its decision to leave the European Union, which is due to happen on 29 March, the European Council will determine the guidelines for a deal on the details of the withdrawal. The negotiations should, in principle, take two years and if no agreement has been reached after two years, and if this delay is not prolonged, then the United Kingdom will no longer be in the Union.
40. The Declaration at 27 of the European Council, without the United Kingdom, of 15 December 2016, is a good tool for further details about the internal procedure and the working methods. You know that the Commission President has designated Michel Barnier, a former French Foreign Minister and former EU Commissioner, as the chief negotiator. Michel Barnier has a mandate from the Council and reports to it regularly. For us, it is important that we work closely with Michel Barnier in these negotiations. The Foreign Ministry is taking over the coordination of the negotiations in close cooperation with the Prime Minister's diplomatic staff and with our Permanent Representation in Brussels. We use existing structures and coordination mechanisms for this - the Inter-ministerial Committee for the Coordination of European Policies.
41. Concerning the negotiations in Brussels, we must be careful that a number of principles and rules are respected. I believe that we need to know clearly what the exit of the United Kingdom looks like before we negotiate a new agreement with the Brits. Until the UK leaves the European Union officially, EU law continues to apply – with all rights and duties of a member state.
42. One of the first points, which will have to be addressed in the negotiations, is the EU budget. It is now clear that these negotiations will be extremely difficult and complicated. However, an agreement on the financial implications of Brexit is a key element of Britain's exit. The United Kingdom must fulfil all of its obligations under the 2014-2020 financial

framework. We must avoid that the British exit will tear too large a hole into the EU budget.

43. A second important point in the negotiations will be the rights of EU citizens who live in the United Kingdom and those of the Brits who live in the Union. 1.2 million Brits live in the EU and 2.5 million EU citizens live in the UK. There are more than 6,000 British citizens in Luxembourg and about 700 Luxembourgers, as well as roughly 1,000 Luxembourgish students in Great Britain. This is about the future of many people and I hope that citizens will not be used as bargaining chips. I am confident that we will find an agreement and that all these citizens can remain where they are now. This is in our shared interest.
44. Another important point is the internal market, more specifically financial services. We must pay attention that the so-called “level playing field” remains in effect in order for our financial centre to remain competitive. This means it is necessary that London retains the same regulatory and prudential framework as Luxembourg, and retains an equivalent framework after Brexit. It is for this reason that the system of equivalences allowing different financial services to access the European market is so important and we must ensure that this system is adapted to the new realities after Brexit.
45. In all of this, let it be said that Luxembourg will be an important actor in the negotiation process with the United Kingdom. We have important interests to defend. And we will do so in an open and fair manner, but we will defend our position tooth and nail. We will not accept any cheap compromises, which will be detrimental for us and in particular for the financial centre of Luxembourg. “No deal is better than a bad deal,” said Theresa May in her address on 17 January. “No deal is better than a bad deal,” applies also to Luxembourg.

THE FUTURE OF EUROPE

46. 2017 is an important year for the European Union. It is a year that is loaded with tension, not least because of the general elections in various member states. This year, we also celebrate the 60th anniversary of the Treaties of Rome. Back then, 60 years ago, the real cornerstone of the European Union was laid in Rome. To commemorate this occasion, the 27

Heads of State and Government will gather on 25 March in Rome. Not only to celebrate the 60 year-long existence of the European Union, but also to consolidate the cohesion and solidarity between the 27 member states.

47. Thousands of people have demonstrated in the last few days in many European cities in the context of the social movement “Pulse of Europe”, in order to send a clear message for a united Europe. We need more of this kind of courageous commitment in the spirit of the European idea, particularly in the current context of debates about the future of Europe. Neither should we forget this seminal sentence, attributed to Jean Monnet, especially today, where the European Union is not at its best: *“Si c’était à refaire, je commencerais par la culture.”*¹ Europe, and especially its institutional dimension, is often hard to understand, even for those who have been on board for 13 years. For citizens, it is nigh on indigestible. However, the culture of dialogue, through literature, fine arts, music, for instance, has brought a much more organic understanding to people as to what belongs together in Europe, and what must not be torn part.
48. It is now all the more important for the 27 member states to move closer together and brandish our common acquis. In the declaration to be made at the Summit this Saturday, the EU member states wish to point to the achievements of the European Union, to the project of peace, which is the EU’s fundamental calling; to the community of values which we have fostered together and which is the backbone of our Union. This is right and proper. We should not forget what we have built over the course of the last six decades. What Europe means; what it stands for.
49. The European Union is a unique project of integration, which has brought us prosperity and stability, freedom and peace. Erasmus and Schengen, environmental and consumer protection, economic and monetary union; all of these are the *Acquis* of a united Europe. We may rightfully be proud of it.

¹ “If I had to start over, I would start with culture.”

50. This does not mean that we should not cast a critical look to the future, a future without the United Kingdom. We must set clear priorities and keep an eye on what matters to our citizens: security first of all, in Europe and around Europe; good and sustainable jobs; the protection of our prosperity and of our social market economy.
51. The Declaration of Rome shall furthermore recall the fundamental values of the Union and the fundamental principles, without which the implementation of the practical priorities of the European Union cannot succeed: first among these, the principle of solidarity. As long as EU member states do not show solidarity with each other, as well as with those who come to us because they are on the run from war and persecution, we cannot make any progress. However, our community of solidarity will not be built in a day. It will be forged through great exertion, through daily cooperation. It is also forged in crises and in times of transformation, as we know today.
52. In the lead-up to the Rome Summit, the European Commission has recently presented a white paper on the future of the European Union. In this white paper, Jean-Claude Juncker lists five scenarios. When you look at the individual scenarios, you realise that some of them are out of the question for Luxembourg. Simply continuing with the status quo, without further reflection or change, appears not to be the right path. I cannot imagine either that the EU should be reduced to the internal market alone. On the other hand, the scenario that the Union should act jointly more often than until now, is a very desirable one for Luxembourg; in fact, it is our ideal solution, albeit not a very realistic one, given that many member states do not want this at all. This leaves two more options which are possible and which, in my opinion, can be combined rather easily: a multi-speed Europe and a Europe that does less, but does it better. Such a multi-speed Europe must not be a provocation against the Eastern member states. On the contrary, it must be an impulse to make the EU move ahead and every country can, should it desire so, join right away or later.
53. When faced with the challenges that we are currently faced with, our expectations of ever-closer cooperation cannot be high enough. Only when we cooperate can we as a European Union defend our interests in the long term. The weight of Europe in the world is

decreasing – be it in economic terms or in terms of demographics. Tensions on the international level are increasing; many parts of the world are gearing up for war. The Europe we know today, with its progressive social systems and its high societal standards, is coming under increasing pressure. Only through cooperation can we counteract these tendencies, decide on central questions on the international level, and secure in the long run what we have achieved thus far.

54. The Union must continue to stand for the respect of the fundamental principles of the rule of law. I have said this before, but wish to insist on it once again. Without these principles, as laid down in the Treaty, the European Union cannot function in the long term as an alliance of modern nation states. The European Union was founded as a community of values, and must remain thus. The respect of the Copenhagen criteria of 1993 is not only decisive when entering the European Union; they are also to be respected constantly and comprehensively thereafter.
55. The initiatives of the European Commission in the area of the rule of law have so far not yielded the expected results with regards to the situation in Poland. Current obstacles to the procedure of Article 7 of the Lisbon Treaty, which makes provision for strict sanctions against a member state that no longer correctly upholds the principles of the rule of law, are high. On the other hand, the European Union cannot simply stand and watch how its fundamental principles are trampled underfoot. The Union must use the necessary means and adequate instruments to protect the principles of the rule of law. In my view, the Council must abandon neither the Commission nor the Parliament. In the Council, we need to hear more voices confirming that in an EU Member State, neither the separation of powers, nor the freedom of the press, nor the independence of the judiciary can be diluted in order to give free rein to the ideology of a ruling party.
56. In the past, Luxembourg has supported all initiatives in this area fully, and we will continue doing so in the future. We belong to those Member States that, as “Friends of the Rule of Law”, are especially committed to the respect of the rule of law in Europe. We also support the initiative of the friends of the rule of law to create a peer-review mechanism within the

Council of the European Union, which will allow member states to keep an eye on the situation of the rule of law in each member state.

57. We need a Europe that is even closer to its citizens. We need a more social Europe, in which the social dimension has its rightful place next to the economic and financial one. If we do not manage to achieve this, citizens will lose their trust in Europe.
58. Most of all, to move forward, the European Union must show a lot more fighting spirit than may have been necessary in the past. Luxembourg is committed to this at the European level. We attempt to cooperate closer with like-minded countries. Europe is, ultimately, what its member states make of it. This is what we shall focus on, and it is never too late for that.
59. With regards to the important European subjects that will be on our plate in the coming months – I am thinking of Brexit, our future relationship with the United Kingdom and especially everything about the future of the European Union – the government wishes to work very closely with the Chamber of Deputies. On Brexit, for instance, I stand ready to present the work of the Council of Ministers (General Affairs Council) in the relevant parliamentary Committee and to open it up to discussion, with the same level of intensity we brought to the table discussing the recent trade agreements. The same applies for the main lines of the future of the EU, which will need to be debated after the festivities in Rome; including the social dimension of Europe, the economic and monetary union, and the future of European defence.

THE ECONOMIC SITUATION IN EUROPE

60. Even though unemployment and social vulnerability remains too high in the EU, there are positive signs, based on developments published by the European Commission in mid-February. On this basis, the economies of all European member states would grow for the first time in ten years in 2016, 2017 and 2018. These projections see economic growth in the EU hit 1.8% in the years 2016-2018, while member states' respective national debts are expected to be reduced gradually. This will have a positive impact on the labour markets and the unemployment rate in the EU. However, despite these rather positive forecasts, the EU Commission is right to warn that we must remain vigilant, because we are living in times of

political instability. This instability stems in part from elections in a number of European countries, from the Brexit, and from the new US Administration, which still has to show its true colours in a number of important areas. We must continue consolidating the European economy in order to render it more resilient against exogenous shocks.

61. In this context, Luxembourg remains committed to the strengthening, stabilising, and deepening of the economic and monetary union. A strong and well-oiled economic and monetary union contributes to the future-proofing of the European economy, to making it more resilient to crises, and to reducing the risk of a new economic and financial crisis. It is among the most important projects of the EU and it would be a mistake to neglect its finalisation. As long as it is incomplete, the Eurozone and the European Union in general remain unfinished construction projects. I am therefore looking forward to the proposal for the further development of the economic and monetary union by the EU Commission President, to be presented this month.
62. I am of the opinion that EU member states should deploy considerably more efforts to deepen the economic and monetary union. Luxembourg is advocating a gradual approach that does not require a change of the treaties. This is not only about a deepening of the banking- and capital markets union in principle. The long-term creation of a common European deposit guarantee and a deepening of the fiscal union are essential pillars of a stable economic and financial union. However, this requires a minimum of European solidarity, which, as we have unfortunately seen in other EU policy areas, is far from evident. There is a consensus in the EU to strengthen the legitimacy of the economic and currency union. A strengthening of the EU's social dimension would contribute to this dynamic.
63. In the context of the economic and monetary union, we must not forget an important aspect, a fundamental element of the values that define the European Union and of which Luxembourg has heretofore been a proud and committed advocate: the social dimension. It has always been a central element of the Grand Duchy's European policy and we managed to bestow particular visibility upon it during our Presidency and to inscribe it on the top of the EU's agenda. Last year, the social dialogue was relaunched and we have to work hard to attain

the objectives of the Europe 2020 strategy. In order to ensure the future of the Union, it is important that the social impact of each budgetary or economic decision is the deciding factor. Allow me to illustrate this: when we look at the figures for youth unemployment in Europe, it is amply clear that we have to adopt efficient measures to improve the situation. In particular in the current context, where Eurosceptic voices in many countries are becoming louder, we must make an effort to ensure that future European investments contribute to building a social and sustainable future, giving the younger generation hope and trust in the European project.

TRADE POLICY

64. In European trade policy, a number of visionary decisions were made last year. I would like to pick out two: on the one hand, the signature of CETA, on the other hand the reform of the anti-dumping instruments, through which the EU can better defend itself against unfair trade practices.
65. We can all agree that CETA has caused quite a stir. The Chamber of Deputies will doubtlessly have future opportunities to have critical discussions about this agreement. At this time, I would rather not return to the plethora of arguments that we have traded. Yet, I would like to state for the record that in a time, where others are thinking about borders, both those made of concrete and those that are more subtle but no less dangerous, the EU has managed to come to a standard-setting agreement with an important partner. And we are talking about standards that entail imposing the primacy of politics upon a form of globalisation which in general is oriented only according to a short-term profit maxim. I remain deeply convinced of this.
66. A progressive trade policy is paramount to allow us to stand up for our values in a world in which the economic weight of the EU appears to be shrinking. A world in which technological transformation is calling into question deep-rooted habits and in which it is becoming harder for people to fulfil the requirements of the labour market. However, we should not believe that free and fair trade – both linked irrevocably, in my opinion – is a silver bullet for the more negative impacts of globalisation. For this, we need the interplay of

different policy areas and instruments, both at a national and at a European level. Only thus can we manage to bring societal transformation back into tune with the expectations of our society.

67. Free and fair trade also means that we, both as an EU and with other partners, impose rules to guide this trade. However, it is not enough to contribute to the elaboration of these rules; they must be implemented and respected. This is where we fall short in real life. This is why we must give ourselves the necessary means to ensure that our companies are not disadvantaged by other countries: disadvantaged, because they do not get the same access to these markets as that which we offer in the EU, or disadvantaged because other countries are selling their products, which are sometimes the result of an overcapacity, at prices which are not kosher. In free-trade jargon, we refer to this as dumping.

68. Of course, our means must be 100% compatible with the rules of the World Trade Organisation (WTO). By the way, the WTO is the only international entity in this field with which the USA is currently engaging. This explains why we as the EU check and double-check whether our anti-dumping instruments are still in conformity with its rules. For this reason, the Commission has tabled a proposal for the reform of our anti-dumping rules last year, which we as the government of Luxembourg consider to be going in the right direction. When this work is concluded, which could be as early as in the course of the next few months, the EU will be sending a strong signal that the protection of European businesses against unfair trading practices is in harmony with the rules of a fair and free global trade order.

TURKEY

69. As you know, 2016 was a turbulent year for Turkey. The attempted coup d'état of 15 July has shaken the foundations of Turkish democracy. It was inconceivable that the democratically elected government of an EU accession country could be toppled through a military coup. We condemned this action in the strongest terms and expressed our sympathy and solidarity with the Turkish people, who took the defence of their democracy to the streets. We have always shown solidarity with the Turkish people when it came to terrorist attacks. Nothing can justify such attacks.

70. However, we cannot agree with the actions of the Turkish government and its reaction to the coup attempt. In September, when Turkish Foreign Minister Cavusoglu promised to cooperate with the Council of Europe in Strasbourg, I was full of hope. But the evolution of the situation in Turkey since then is unacceptable. It is unconscionable that the fundamental rights of its citizens are thus trampled underfoot. More than a hundred thousand people were suspended from their jobs and functions. Thousands were imprisoned, among them journalists and parliamentarians. Media outlets, NGOs and schools were closed down. Human rights and democracy have been violated. President Erdogan has proposed to reintroduce the death penalty. This is unacceptable. This is a red line, which must definitely not be crossed.
71. Yes, Turkey and the EU need each other as partners in migration policy. Yes, Turkey is an important partner in NATO and an important stakeholder in international relations. Nevertheless, the positions taken by the Turkish President in the last few months, his actions in terms of democracy, rule of law, and human rights, cannot simply be accepted. It was therefore the right decision when the EU scaled down financial support for Turkey in the context of accession negotiations. The negotiations themselves have been de facto interrupted.
72. The events of the last few days will clearly leave their mark on the EU-Turkey relationship. Is anyone in Turkey truly oblivious to how screams of fascism or religious wars in the EU amplify the risk that the culture of diplomacy itself is undermined? Is anyone oblivious to the fact that economic and social progress in Turkey is happening largely thanks to the great economic potential in partnership with the EU? Moreover, that a breakdown of relations would be to the detriment of millions of inhabitants in Turkey and of millions of Turks and Europeans of Turkish origin? I can only express the hope that there will be a swift mentality change. But very often, hope does not stand the test of reality.

UKRAINE/RUSSIA

73. The year 2016 was unfortunately also marked by the crisis in Ukraine. More than 10,000 people have lost their lives since 2014 in the fighting in Eastern Ukraine.
74. Despite long negotiations – both in the Normandy format, where Germany and France mediate between Russia and the Ukraine, as well as in the trilateral contact group, where the OSCE is the go-between Ukraine on the one hand, and Russia and the separatists on the other hand – the ceasefire is still not respected. On the Ukrainian side alone, there have been 41 deaths since January 1st, 2017. Mr Markin Sajdik, Special Representative of the OSCE, has once more called for the withdrawal of heavy weapons and for the implementation of permanent storage structures, and underlined that safe access of observers must be guaranteed in order for humanitarian efforts of the international community to continue. Without a cease-fire in the Donbass region, there is no chance for the Minsk agreements to become a reality.
75. The parties to the conflict must pursue the implementation of the political dimension of the Minsk agreement. The crisis in the Ukraine can only be solved through dialogue. After encountering problems in 2015, the Ukrainian government continued to work on the necessary reforms in 2016, and managed to make progress notably in terms of the fight against corruption, and the justice reform. These reforms are still found wanting, however, and the government must pursue its efforts and implement all measures of reform concretely. This is what I told President Poroshenko when I was in Kyiv last week.
76. I used this visit to appraise the situation in Donbass, where I was able to walk in the area of Mariupol to Shyrokyne, only a few hundred meters away from the contact line. What I saw there is not a war waged by just a few individuals, but by an organised army; with completely devastated villages and great human suffering. The images from Donbass are images from a war region. They are the same images of desolation that we know from the surroundings of Mosul in Iraq.
77. Our government has disbursed over € 1.2 million for humanitarian projects in the Ukraine since the beginning of the conflict. During my visit, I announced another half million for 2017,

with which we want to support health infrastructures and children in the crisis regions. We have supported the OSCE mission both financially as well as through an observer, who participated in it last year, in the area of Luhansk.

78. After the illegal annexation of Crimea, and because of the destabilisation of Eastern Ukraine, the European Union had no choice but to adopt targeted sanctions against the separatists and against Russia. Sanctions are only an instrument to defuse the conflict. They are closely linked to the integral implementation of the Minsk Agreement and can be lifted as soon as the required conditions have been met. The sectoral sanctions have for now been extended until 31 July 2017. At that moment, the Council of the EU needs to reassess the situation. In this context, a constructive engagement by all parties is necessary to bring about the implementation of the Minsk agreement.
79. The full implementation of the Minsk agreements is also of the utmost importance to normalise our relationship with Russia again. We must continue to search dialogue with Russia, even though we may have vast differences right now. Economically and politically speaking, Russia needs Europe and Europe needs Russia. So we must find a way to make the current situation evolve; in my opinion this is only possible through diplomacy. I made this very clear when I met Russian Foreign Minister Lavrov in Moscow last September.
80. I therefore hope also that the Russian delegates will once again participate in the work of the Parliamentary Assembly of the Council of Europe. It is evident that the onus is in particular on Russia now. Dialogue and understanding between parliamentarians are important, meaningful and necessary, but they must happen on the basis of shared fundamental values and the rules of the Council of Europe.
81. On top of this, Russia also needs to make serious efforts in terms of democracy and the rule of law. Before 2014, all of us in Europe had high hopes that practical cooperation in many areas, from energy to economic modernisation, would allow us to make progress. We clearly were also expecting to achieve deeper partnership through this practical cooperation on other important issues: issues of democracy, of the rule of law, of shared responsibility for this world. We have engaged in good will, and have been able to put a number of projects

into the pipeline. Alas, I have to report today that not many of these expectations have materialised.

SOUTHERN NEIGHBOURHOOD

82. Allow me now to dwell for a moment on the Southern neighbourhood of Europe, North Africa and the Middle East. It is a region plagued for too long by conflict, chaos, and wars, which are the causes of extremism, sectarianism, migration, and poverty. The conception of the Arab world is often one of political, social, and economic crises. On top of that, there is the religious aspect: the rift between Sunni and Shia. However, allow me to underline this, once again: this is mainly about political interests, about political primacy in the region.
83. The Arab World has a very young population, where almost 60% are under 30 and where almost 3 million young people join the labour market every year. The rate of youth unemployment is one of the highest in the world. The absence of socio-economic opportunities is the root of many problems in the Middle East.
84. The conflicts in Syria, in Iraq, in Libya, and in Yemen all have one thing in common: they can be resolved only through political means. In all of these countries, there is no military solution to conflicts.
85. On the national levels, a dialogue has to be conducted between the different stakeholders. An inclusive governance must be elaborated jointly in order to find sustainable solutions to marginalisation, discrimination, and exclusion. The diversity, rights, and aspirations of all religious and ethnic communities must be respected. Only through national reconciliation can a lasting stabilisation of this region be brought about. Only thus can sovereignty and territorial integrity of these countries be guaranteed.
86. In order to tackle these common – I use this word consciously – threats, we Europeans must not cut ourselves off from our neighbourhood. We must cooperate directly with these countries. Terrorist attacks in our three neighbouring countries, in Paris, Brussels, Nice, and Berlin, have cost 277 human lives, while hundreds of people were injured. These attacks were aimed at all of us and we must jointly counter them. We can solve terrorism only through

international and multilateral cooperation. Let us not forget either that most jihadist attacks are happening in the Middle East and that the vast majority of the victims are Muslims.

87. The fight against terrorism is a double challenge: it must be conducted with determination, effectively and efficiently, but we must at the same time remain true to our own values and the rule of law.
88. The conflict in Syria has cost over 300'000 human lives and provoked the greatest humanitarian crisis since the Second World War. Why? The first answer is, and remains: because a dictator is holding on to power whatever the cost. Because he does not shy away from using egregious violence against his own people. We need to think only of the pictures of Eastern Aleppo, which are unparalleled in their cruelty. It is not beside the point to call it the Guernica of the 21st century.
89. During the six years of the Syrian conflict, new wars inside the war have emerged: the proxy war between Iran and Saudi Arabia for regional supremacy or the fight of Turkey against Kurdish groups, or that of the Global Coalition against the Islamic State. The situation on the ground is becoming increasingly complex; the alliances between the opposition militias, some of which are becoming ever more radical, sometimes change every week.
90. The January Astana conference was therefore the first glimpse of hope in a long time. Iran, Russia, and Turkey, which support different sides in the conflict, got together and agreed on a limited ceasefire. A sustainable political solution in Syria depends in large part on the attitude of the countries, which have political, military, or economic influence on the Syrian conflict parties. Turkey and Russia, despite months-long tensions, despite all divergences, now cooperate anew.
91. The dynamic of Astana made it possible for a large part of the Syrian conflict parties to return to Geneva. We hope that the Special envoy of the UN Secretary-General, Staffan de Mistura, will be able to convince the parties to hold constructive talks. After six years of war, it should be clear to everyone that a military victory for anyone is impossible, but that everybody is losing. The day after tomorrow, negotiations will resume in Geneva, hopefully with all parties present.

92. The choice in Syria must however not be between two tyrannies, between the Assad regime and the jihadists. Therefore, we must remain committed to supporting the moderate opposition, and inclusive negotiations in Geneva, based on the communiqué of 30 June 2012. The opposition must become a more coherent stakeholder for it to be able to design the political process more effectively.
93. I would like to appeal for a ceasefire between Turkey and the Kurds in Syria. Two of our partners are fighting each other here. The Turkish offensive against the Islamic State is commendable and has made progress recently. But it must continue to focus on Daesh. The Kurds, as I could see for myself during a visit to Iraqi Kurdistan in December, are our allies in the fight against the extremists; they are the boots on the ground of the “Global Coalition”, as it were. The Islamic State in Syria may have been weakened, but it can still launch counter-attacks, as we saw in November, when Palmyra fell into the hands of the jihadists a second time. The Syrian regime is mostly fighting the more or less moderate rebels, without bothering too much about the jihadists. Meanwhile, Kurdish forces have launched an offensive on Raqqa, the “capital” of the Islamic State in Syria. In military terms, we must prevent the transfer of Daesh fighters from Mosul to Raqqa, as well as the continued existence of Daesh in Syria after their eviction from Iraq.
94. The EU is the main provider of humanitarian aid in Syria and in the region, but our slogan vis-à-vis Syria must remain: “No help for reconstruction without a political process”.
95. UN Security Council Resolution 2254 (2015) must be implemented. This means: creating a mechanism, which makes a political transition possible, in which the whole of the Syrian population is represented in its diversity. This implies a new constitution and new elections.
96. But even a political process must not make us forget the atrocities of the last years. There must be no impunity for these crimes. Hence our efforts, during our Security Council mandate, and hence our support to a mechanism for the investigation of war crimes in Syria, which was agreed upon by the General Assembly in New York last year. It is estimated that, in the last 6 years, at least 60’000 people died in Assad’s prisons. This underlines yet again that Assad is clearly not “the lesser evil”.

97. Despite the catastrophic situation, we must not abandon all hope. Our commitment, the shared commitment of the international community, is more important than ever.
98. In Iraq, the military situation is slowly being reversed. The Iraqi army's offensive on Mosul has made great strides, even though the Western part of the city remains to a large extent still in the hands of Daesh. It is expected that the Islamic state will lose all of its territorial possessions in Iraq this year.
99. However, that does not mean that Iraq will be free of the danger of terrorism. Iraq must undertake fundamental political reforms. In December last year, I travelled first to Baghdad and then to Erbil, in Iraqi Kurdistan, in my function as President of the Ministerial Committee of Benelux, along with Didier Reynders and Bert Koenders, to show our support for the political reforms and national reconciliation.
100. The best weapon in the fight against jihadists like Daesh is to prove that the different ethnic and religious groups in Iraq can coexist and cooperate. The cooperation between the Kurdish Peshmerga and the Iraqi forces in Mosul is the best example of this.
101. This also needs to be translated into concrete measures, amongst others through more regional autonomy and an end to sectarianism in politics.
102. In Baghdad and in Erbil, we underscored the unity and territorial integrity of Iraq, but also expressed our recognition for their extraordinary sacrifices in the fight against terrorism and the admission of peoples displaced by the conflict.
103. The Israeli-Palestinian conflict is probably the longest unresolved conflict in the world, which despite its length has lost none of its political, strategic, and emotional importance. The entire region will not find peace until its oldest conflict has been resolved in a sustainable manner; otherwise, it will continue to provide a breeding ground for frustration, hatred, and radicalisation, both in the region and in the world.
104. The year 2017 is a very symbolic one for the Middle East conflict. The Occupation will be 50 years old in June, while the Madrid conference, which led to the Oslo Accord, took place 25 years ago, and the political separation between Ramallah and Gaza – between Fatah and

Hamas, along with the blockade of the Gaza Strip – began 10 years ago. Current evolutions on the ground give rise to fears that the situation is worsening, whether through the destruction of Palestinian structures, or the building of Israeli settlements in the Occupied Territories, including East Jerusalem.

105. Since 20 January, since the inauguration of the new US President, Israel has announced over 6'000 new buildings in the settlements, more than during the entire year 2016. Even though every Israeli government has conducted a settlements policy, it is hard to shake the impression that all restraints have now been abandoned.
106. Israel's settlement policy raises doubts as to whether it is still committed seriously to the Two-State solution. Since Oslo, the number of settlers has doubled, to roughly 600'000. If Israel wished to ensure its democratic as well as its demographic future, there is no alternative to the Two-State solution. Israel must decide between the Two-State solution and the settlements policy.
107. Israel, the stronger party, makes the creation of a Palestinian state more difficult day by day. This is a short-sighted policy, which risks replacing the Two-State solution with a One-State reality, consisting in violence and occupation.
108. The international consensus for a Two-State solution was clearly underlined by the UN Security Council in resolution 2334 (2016) in December, as seldom before. This resolution states unequivocally that the borders of 1967 are still in place and that the settlements are illegal. The Paris Conference of 15 January 2017 has once more confirmed this international consensus. Without either Israelis or Palestinians at the table, this was a symbolic conference, which also showed that the so-called peace process has hit rock bottom.
109. The international community must continue to insist that this international consensus remains valid and that there is no "anti-Israel" or "pro-Palestine". We are friends with both. However, international law applies and we Europeans reserve the right to criticise whoever breaks it, including the Israeli government.

110. European positions must continue to be based on the parameters that were defined in 2009. The neighbouring Arab States must cooperate actively, e.g. in an enlarged Quartet. And the US must remain on board, given the importance of the Two-State solution in an international negotiation framework.
111. Unfortunately, we currently have great divergences of opinion in the EU Council about how to deal with Israel/Palestine after the adoption of Resolution 2334 and the change of the US administrations. Two “facts” which seem to cancel each other out. The French initiative has also run aground. I have learned from President Abbas himself when I met with him in Geneva on 27 February that President Trump wants to receive him in the White House in the coming weeks, which is to be welcomed. Things in general appear to settle a little, including the matter of a transfer of the US embassy to Jerusalem, or the statements on the principle of the Two-State solution.
112. Luxembourg will continue to help work on joint positions in all diplomatic initiatives and in the EU. This also applies to the recognition of Palestine. France’s initiative is particularly important here. Luxembourg was by the side of France in the Security Council in 2014, and we supported their initiative for an international conference in Paris. We are not the only EU member state that shares the position of France in terms of the recognition of Palestine.
113. For Europe, the situation in Libya is also of tremendous importance.
114. In December 2015, the various Libyan parties to the conflict have signed a political agreement. This agreement makes provisions for the creation of a national unity government, which is then to be confirmed by Parliament. This vote has not yet happened. This contributes to the current chaos in Libya, which is to the benefit of the business of human smugglers. Last year, 180’000 migrants came from and through Libya; this situation will remain thus for as long as there is no unitary and stable government in Libya. Tragically, 4’500 people lost their lives in the Mediterranean on their way to Italy last year.
115. In Libya, nothing can happen without the Libyans. All Libyan stakeholders must commit to real dialogue in a constructive spirit.

116. For Luxembourg and for the EU, the political agreement remains valid, and must be implemented, notably through a partnership between the East and West sides of the country, the creation of a single army, under the control of legitimate civilian authorities and the confirmation of the government by parliament. General Haftar, the “strong man” in the East, will have to be involved somehow. The EU also supports the Libyan state with the training of a national coast guard, but these efforts will remain fragmented and ineffective without a unified state apparatus.
117. Still, there is also positive news from Libya. Last year, Daesh was still controlling hundreds of kilometres of the Libyan coastline, but it has since been chased away. We must build on this achievement and work for a fundamental stabilisation of Libya, otherwise terrorism and jihadism will remain a threat.
118. The Middle East also has a few other positive stories to tell.
119. A little more than a year ago, the nuclear agreement with Iran, the Joint Comprehensive Plan of Action (JCPOA), entered into force.
120. This agreement is proof that diplomacy and endurance pay off. It is a decisive step to resolve the problem of the Iranian nuclear programme.
121. Now, we must ensure that the agreement is fully implemented by all stakeholders and in all its components. For this reason, it is particularly important that the JCPOA has been anchored in a resolution of the UN Security Council, and as such is legally binding on all countries in the world, not only on the parties which have negotiated it. It can therefore also not be denounced unilaterally.
122. Even such a good and verifiable agreement cannot simply do away with decades of mistrust, as was the case between Iran and the United States, or Iran and the Gulf States, or Iran and Israel.
123. The only remedy to this mistrust is the strict and continuous implementation of all the elements of the agreement, by all parties, without provocation.

124. Luxembourg will continue to work in this regard with its EU partners.
125. At the same time, and that is both in the spirit of the JCPOA, as well as a long-standing position of the EU's policy vis-à-vis Iran, we will work on the normalisation of our relations with Iran.
126. As you know, I was in Iran in February, for the third time since 2014. An economic mission under Etienne Schneider visited the country in October and the Speaker of the Chamber of Deputies travelled there in January 2016.
127. During my trip, I signed a treaty on joint investment promotion and protection allowing us to strengthen our bilateral trade relations.
128. This approach corresponds to the logic of the current international consensus to normalise political and economic relations with Iran, and thus also to support the policy of openness of President Rohani. In short: "Change through trade".
129. In all my contacts with the Iranian authorities, I address also the issues that continue to worry us deeply – despite the JCPOA: the general situation of human rights in Iran, the issue of the death penalty, the rights of women and minorities, the discrimination against the Baha'i, but also the role of Iran in the region. Iran has a clear responsibility for peace and stability in the region, be it in Syria, in Iraq, or in Yemen. Constructive engagement is necessary, rather than competition for supremacy in the Gulf. For this reason, we must deepen the dialogue with Iran.
130. The policies of President Rohani are largely welcomed by the Iranian people. The latest parliamentary elections in Iran in 2016 have confirmed this. In May 2017, there are presidential elections in Iran and we hope that the current line will prevail and that there will not be a strengthening of the hardliners.

ASIA

131. Our relations with the Asian continent are very important for the European Union and for ourselves. For this reason, we are represented by five embassies on the Asian continent. These embassies cover 15 Asian countries in total, as well as the Secretariat of ASEAN, the Association of South-East Asian Nations, which is based in Jakarta.
132. This year, the EU and ASEAN are celebrating the 40th anniversary of their relationship. We are therefore organising an event at the Chamber of Commerce in May, together with the Ministry of the Economy, to enable contacts between our companies and countries like Singapore, Indonesia, Vietnam, or Malaysia, which have a high growth rate.
133. This year, we also celebrate the 90th anniversary of our diplomatic relations with Japan, where I will travel at the end of May. The EU and Japan are finalising the negotiations on a trade agreement, which will bring new opportunities for our businesses in the world's third-largest economy.
134. In 2017, we also celebrate 45 years of diplomatic relations with China. We have achieved great things with our Chinese partners these last few years and our relations have been strengthened on the economic, political, and cultural levels; China has become our first partner in Asia.
135. The situation in Afghanistan remains very difficult. There are enormous challenges in this country, which must be tackled in the coming years. The fight against the Taliban, the production of drugs, and corruption, are at the top of the Afghan government's priority list. The international community cooperates with the government to bring the situation under control.
136. Since 2001, Luxembourg has made a contribution of roughly € 75 million to Afghanistan, in terms of development cooperation and humanitarian aid, but also in terms of security policy. To this day, 274 Luxembourgish soldiers have served a tour of duty in Afghanistan. Luxembourg's Army will continue its participation in the "Resolute Support" Mission until 1 July 2018.

AFRICA

137. **Africa** is a dynamic and diverse continent of close to 1.3 billion people; until 2050, its population could grow to 2.5 billion.
138. Alongside our long-standing development cooperation commitment in Africa, especially in the Sahel, with our partner countries Burkina Faso, Mali, Niger, and Senegal, Luxembourg also remains committed in the context of the Common Security and Defence Policy. Luxembourg is an active participant in the EU Training Mission in Mali, as well as in the civilian EUCAP missions in Mali and in Niger. Our economic relations have also developed, notably through two economic missions led by the Chamber of Commerce in February 2016 to Senegal and Ethiopia, but also through the Business Partnership Facility recently created by the Luxembourg Development Cooperation, which encourages the private sector to participate in development and enter new markets at the same time.
139. The African Union is playing a crucial role in the political integration of the continent. Like every year, I am planning to go to Addis Ababa this year, to the headquarters of the African Union. This will also be ahead of the EU-Africa Summit, which will take place in Côte d'Ivoire in November.
140. The security and well-being of both our continents are closely linked. Terrorist attacks in Niger and Mali, but also the campaign by Boko Haram in Nigeria and in the Lake Chad Region against the government and the civilian population, show how terrorist organisations remain strong. The same goes for Somalia, where, despite presidential elections that were internationally hailed as a success, the fight against the Al-Shabaab militia is far from over.
141. Despite progress in the implementation of democracy in many African countries, the issue of the quality of democracy remains, as well as that of governance in the interest of all people, not only of the elites. The tendency to withdraw from the Rome Statute of the International Criminal Court appears to have been halted for now. But the dynamic according to which Heads of State and Government of most African countries seem to want one kind of justice for everybody and a different kind for the powerful, continues to prevail.

142. This is evident in all the countries that remain politically unstable. In the Democratic Republic of the Congo, it has not been possible, as planned, to organise elections in 2016, which has led to major demonstrations. People are fed up with corrupt governance and want a government that provides for their needs and offers them a credible perspective for the future. The situation in Burundi is particularly egregious, where President Nkurunziza holds on to power, at the price of a constantly worsening human rights situation.

143. The situation is also harrowing in South Sudan, where 6 million people are in a situation of catastrophe and 1.5 million people have been forcibly displaced. Despite the best efforts of a part of the international community, the extreme and systematic violence, as well as the man-made economic crisis and famine, seem there to stay.

United States of America

144. The change of power in Washington is an important wake-up call for all of us. It is both a symptom and an expression of a deep malaise in the population about profound transformation in society; about the effects of globalisation, about the “international post-War order”... it signals a certain fear of the future, as well as a longing for “times past”, even when it is not entirely clear which times are meant here. The mantra of the new US President – “America First” – mirrors the nationalism and isolationism we are familiar with from right-wing populist parties and that was prevalent also during the Brexit debate. The first actions undertaken by Donald Trump show clearly that he intends to turn the populist ideas with which he fought his election campaign into actual facts. This must give us pause, as Europeans, as defenders of integration and cooperation based on international law and fundamental values and principles.

145. At the same time, there are numerous question marks remaining about the plans and priorities of the new administration. The United States have been an important partner and should remain such; a friend, with whom we share decades of strong bonds; an ally, to whom we have a historical debt of gratitude, and with whom we cooperate on a daily basis; a strategic partner of Europe on the international stage, and an extremely important trading partner.

146. Even in the past, we have not always seen eye to eye, and we have never shied away from expressing divergences. Rather, we stood together for openness, for the respect for democracy and the rule of law, for solidarity and cooperation. This must continue.

147. The American Vice President underlined on the occasion of his first visit in Brussels in the name of the new President that the United States remain committed to cooperation and partnership with the EU. We want a constructive relationship with the US and we will do what it takes to make it happen. However, we expect from our American allies that they clearly and unequivocally stand behind a united Europe. This is not only in the interest of Europe, but also of America.

LATIN AMERICA

148. The change occurring within the big northern neighbour also has repercussion on the countries in the south of the American continent. It is too early to draw concrete conclusions, but a wall between the US and Mexico would have profound economic and political consequences for countries that have developed strongly during the last decades, with the help of the United States, but also Europe. Not to mention the human consequences. The impact would risk being particularly heavy on Mexico, a strategic partner of the EU. Luxembourg is working at the European level for the modernisation of the global agreement with Mexico. We also continue to support the partner countries of our development cooperation, Nicaragua and El Salvador, with which our Cooperation is implementing a number of innovative projects.

149. Last year also held particular significance for Colombia. After long negotiations and a number of obstacles, the peace agreement between the government and the FARC rebels finally entered into force in December 2016. While its implementation has worked reasonably well until now, there are a number of challenges remaining for which the support of the international community is vital. Luxembourg supports the peace process with a contribution to a project for the support of transitional justice in Colombia, and also on the European level, with a contribution to the Colombia Trust Fund of the EU.

150. 2017 will be a particular year for our relations with Brazil. These relations go back a long way. In the 1920s, ARBED found a foothold in Brazil and over the course of the years, Brazil has become one of the most important trading partners of Luxembourg outside the European Union. In addition to the 2'000 Brazilian citizens living in Luxembourg, many Luxembourgers settled in Brazil in the 19th century, and have their roots there now. Since 2011, we have a non-resident Ambassador to Brazil. This year, Brazil will become the first country in South America in which Luxembourg will open an embassy. This is a testimony to the excellent links we have with this country, but also a consequence of the growing importance of the South American continent for our country and our economy. The embassy will allow us to deepen relations with Brazil; in a second phase, we intend for this embassy to be co-accredited to other countries in South America, which become increasingly important for us.

NATO AND SECURITY POLICY

151. The development of the general security situation in the east and the south of Europe has forced the Atlantic Alliance since the 2014 Wales Summit to adjust its posture and to reassure in particular our Eastern Allies. The Warsaw Summit that took place in the summer of 2016 has reaffirmed these steps and has taken further decisions in the same direction. Luxembourg is playing its part and is actively involved in the reassurance measures, notably by participating in the NATO force to be stationed in Lithuania. As a reliable and trustworthy partner, Luxembourg thus underlines its solidarity with its allies and our partner countries. Luxembourg will also undertake the necessary efforts to fulfil the commitments of Wales. The Chamber of Deputies has been extensively briefed about this issue last week.

152. Discussions in NATO must however not only focus on the issue of the 2% in the next 10 years. Security goes well beyond defence. A country like Luxembourg, which invests 1% of its GNI into development cooperation, is making an important preventive contribution for a more peaceful world. This world can be destroyed 1000 times over with the existing nuclear weapons, those from the East as well as those from the West. Disarmament, generally speaking, would help to fight poverty. If every country in the world were not to spend 2% on

its defence, but only 1% on development aid, millions of people throughout the world would be better off.

153. In the coming weeks – when the last ratification procedures will have been completed – we will welcome Montenegro as the 29th Ally. This enlargement underlines not only the important progress that this country has made in the reform of its security forces and its army, but also that the European efforts, and the commitment of the international community, have borne fruit in the Western Balkans and have helped this region attain peace and stability. We are looking forward to working ever closer with Montenegro in the future, and to commit ourselves to peace in Europe by their side.

154. Luxembourg is also committed to a safer world with fewer weapons. We therefore participate actively in initiatives the aim of which is the disarmament of specific categories of weapons, as well as the limitations of certain weapon systems. In this area, we especially insist that progress has to be achieved based on binding treaties and conventions, which lay down clear and verifiable criteria, which commit states to concrete objectives.

155. Together with our different partners, Luxembourg has ratified the Arms Trade Treaty (ATT) in 2014 and has been implementing it since its entry into force two years ago. We have submitted the corresponding draft law, which aims to further strengthen our export controls system. We hope that Parliament can conclude its work on this matter in the coming months.

156. The security situation in Asia is characterised by another, particular threat. North Korea has launched no fewer than 25 ballistic missiles last year and has held two nuclear tests. These actions destabilise not only the Korean Peninsula and represent a threat to our ally South Korea, they also render the entire East Asian region insecure, as well as the whole of the international community. Some of the missiles that were tested could reach both the American West Coast and the European Union. This is a threat that we must take seriously. In the UN as well as in the EU, Luxembourg will continue to commit to putting pressure on the North Korean regime. If the regime in Pyongyang were ready to give up its ambitions to build a nuclear arsenal, then we are certain that the conflict in the Korean peninsula could be solved peacefully, through negotiations.

157. In the context of the Common Security and Defence Policy, Luxembourg continues its participation in various EU-led missions to solve conflicts in third countries. Luxembourg contributes one patrol aircraft to the EUNAVFOR Med mission through a Public-Private Partnership and gives financial support to the training of customs officials on the Libyan coast. Furthermore, two Luxembourgish NCOs are active in the EU Training Mission in Mali, to train the Malian Army.

158. In the civilian field, Luxembourg also participates in missions, like for instance in the last few years in Kosovo (EULEX), in Niger (EUCAP Sahel), in Mali (EUCAP Sahel) or in the Ukraine (EUAM). At this time, three Luxembourg police officers are on duty in the Sahel (1 in Mali, 2 in Niger). The participation in civilian missions remains a priority for the government, because it is a logical complement to help stabilise a conflict situation sustainably. We thus work actively to improve the rule of law in the concerned countries and help them on their way to a democratic and stable governance and society.

BENELUX AND GREATER REGION

159. Cooperation with the Benelux states remains an important vector of our external action, be it through cross-border projects or on the international level. In the context of the Presidency of the Council of Ministers of the Benelux Union, Luxembourg set three major priorities: improve mobility and security of people, promote environmental protection, and deepen the internal market.

160. We undertook concrete initiatives for the benefit of our citizens, which will allow Benelux to keep playing its role as a European ideas lab.

161. The citizen remains at the heart of the Presidency of the Greater Region, which Luxembourg took over on 1st January. The Foreign Ministry has offered its active support to the Department of the Greater Region in this matter, within the limits of its competences, and our teams will cooperate closely on this.

EUROPEAN INSTITUTIONS IN LUXEMBOURG

162. As host nation to different European institutions and entities, Luxembourg continues its efforts to guarantee the best possible working and living conditions for those who work here. From an economic, social, and cultural point of view, the presence of 14'000 EU civil servants and their families is of great importance to our country.
163. Concerning construction projects, the government is cooperating closely with the Commission on the Jean Monnet 2 project. The financing law for this project was adopted here in the Chamber on 17 November 2016. The project will be implemented in two phases and the final result will represent a functional and homogeneous solution for the roughly 3'000 concerned workers, which are currently spread out over different sites on Kirchberg and the Cloche d'Or.
164. With regards to the Commission, I also wanted to tell you that we are implementing other elements of the agreement, which I concluded in December 2015 with Vice-President Georgieva, or have already implemented them. For example, the Commission's new data centre in Betzdorf was inaugurated on 12 December in the presence of Commissioner Oettinger.
165. The European Parliament, with the support of the state of Luxembourg, is also making solid progress on its new building, the *Konrad Adenauer II*, and the same goes for the third tower of the European Court of Justice.
166. Planning work on the headquarters of the Court of Appeals of the new Unified Patent Court was delayed because of the British referendum last year. We have in the meantime made further progress and we expect that this new jurisdiction can begin this year here in Luxembourg.

CONCLUSION

167. The old dividing lines between North and South, East and West, rich and poor countries, appear ever more to be vanishing in favour of another, more fundamental dividing line: that between authoritarian and democratic states, between closed and open societies. It exists

between those, on the one hand, who believe that the international system should be power- and transactions-based; and those, on the other hand, who believe that international relations should be founded on clear rules and norms, as well as on the rule of law. The authoritarian states are often inspired by nationalism and have a zero-sum worldview. The democratic states believe in the value of international cooperation to solve common problems.

168. After the end of the Second World War, we rebuilt our world. We have designed international organisations, which were to prevent the scourge of war from tearing humanity apart for a third time.

169. The collective trauma of the Shoah and of the loss of 60 million human lives in the War on the one hand; the fear of the absolute destructive power of nuclear weapons on the other hand, were the cornerstones of the United Nations Charter. The Charter, in which human dignity and state sovereignty were both consecrated; in which the equality of all people, as well as the sovereign equality between all states, large and small, was laid down, once and for all.

170. This international system is in jeopardy when states do not respect human rights: around the world, we are currently witnessing a worsening of the situation of civil and political rights, along with a rekindling of conflicts. Throughout the world, civil society space is shrinking; those who defend human rights become themselves the victims of intimidation and violence.

171. Even before the Human Rights Council and the General Assembly of the United Nations civil society organisations are being attacked. The international human rights system itself is under attack. More and more states deny access to the Office of the High Commissioner for Human Rights – whom I welcomed on 20 January here in Luxembourg – and they no longer cooperate with the mandate holders of the special procedures of the Human Rights Council.

172. Luxembourg is a candidate to the Human Rights Council in the years 2022 to 2024: it is our first candidacy for this Council, since its inception in 2006, which is an important subsidiary body of the General Assembly of the United Nations. Just as we were a committed

member of the UN Security Council in 2013-2014, so will we be a committed and courageous member of the highest UN body for the promotion and the protection of human rights.

173. To believe that the international as well as the national achievements of the rule of law and democracy are irrevocable would be a grave strategic mistake. Just as the generations that preceded us had to fight for freedom and justice in two world wars, against fascism and authoritarianism, so must we now, once again, be ready to fight for our values, our international obligations, and the principles of our peaceful coexistence as human beings and as an international community of states. In his novel "The Trial", which he wrote during the First World War, Franz Kafka observed that "the lie [was] made into the rule of the world". This sentence remains as current as ever, but we must resist this, because without a modicum of a shared sense of reality and trust, the world would be ill-equipped to offer coming generations a perspective of hope.

Thank you for your attention.