

Speech Jerzy Buzek, President of the European Parliament at the February European Council

Dear Presidents,
Dear Chancellors,
Dear Prime Ministers,
Dear Friends,

I would like to raise two issues today economic governance and energy. But let me start by saying a few words about the situation in North Africa.

Situation in North Africa

The voice of the people demanding democratic change is loud and clear. We cannot and should not remain indifferent to those calls. We must be ready to support the democratic changes.

A delegation of the European Parliament is currently on the ground in Tunisia. I believe it is time to start thinking about a new strategy between the EU and Tunisia.

The lessons we learn here can also be applied to Egypt and the entire neighbourhood. Stability matters, but a stable neighbourhood is less important than a stable democratic neighbourhood.

You will find the Parliament a constructive partner in this matter.

Economic Governance

Our markets need clarity. An approval of the package on economic governance is key putting behind us the worst economic and financial crisis in decades.

I would like to assure you that the European Parliament wants to play a constructive role in the debate. We will seek to meet the June deadline on the six reports which are currently on the table. In order for the deadline to be met, we expect willingness from the Council to take on board the position of the European Parliament. For example, we are convinced that the rules should be strengthened, and that markets are reassured that sanctions will be applied.

I also know that you are waiting for the opinion of the Parliament on the Treaty change. I believe that our position could be ready by your next meeting in March.

Energy

Dear Colleagues,
One of you recently mentioned to me that we sometimes need to put aside the day to day governance of Europe and reflect on our common future. This European Council is one of those moments. Today, you will decide on a number of principles which will guide us for the next decades.

As you may recall, last May in the European Parliament with Jacques Delors, we suggested building a true European Energy Community. We called it a new EEC. We did not propose a new treaty or new institutions, but we saw such a Community as a brand name to package the ideas which are currently on the table. Because we need a shift in the way we think about energy, and we need to create political momentum for long term decisions.

Three topics were the most important in this European Energy Community initiative: (1) cross border interconnectors for gas and electricity which will allow us to build a single market in energy; (2) coordination of the purchase of energy resources from outside of the EU; (3) joint EU research in new technologies to produce low carbon green energy at an affordable price.

I have spoken to many of you on this, in my official visits or in meetings here in Brussels, I know that there exists a broad agreement. Thanks to the Commission, Member States and the European Parliament we have already done a lot in the EU but we need to do more.

Energy: From a fragmented to a Single Market in Energy

Dear Friends,

Our energy market is still fragmented. Our enterprises waste money when they can not sell the energy they produce. And some of our consumers pay energy bills that are equal to a second rent. To give an example: one country has wind turbines, but it cannot sell the electricity produced to neighbouring countries because there is a lack of interconnectors.

We know that the European Commission is addressing this. There are also some regional initiatives emerging. We have just seen the creation of the North Sea energy grid. The Hungarian Presidency proposed to create interconnectors linking the Baltic and the Black/Adriatic Seas. There are similar ideas in other European regions. This is the kind of thinking we need. Investments in interconnectors open up new markets, which benefits our consumers.

Can we do more? Yes. A European 'supergrid' is one of the answers to energy independence. We need to integrate supplies and consumers of energy throughout the continent. Let us connect "energy islands" with the rest of the EU, and complete the single market in energy as soon as possible.

But we must start with existing legislation, such as the Third Energy Package which is not fully implemented. If targets are not met, as stated by a recent resolution in the European Parliament, we will call on the Commission to resubmit key provisions in the form of regulations.

Energy: Diversification and new technologies for the security of supply

Dear Colleagues,

A single, well connected energy market brings more security for our consumers. But we know that for security Europe also needs diversification of supply. Solutions include oil and gas corridors in the South and in the North. Building more LNG terminals and creating sufficient strategic reserves is important. For example, the Parliament has called for support of the "Mediterranean Ring" which will allow cheap solar energy to Europe. Looking at the situation in North Africa, it will also provide jobs and investments in the region.

We all know that we are too dependent on external suppliers. We therefore need strict coordination in terms of purchases, in order to be stronger in our negotiations.

Diversification is also about new technologies and alternative energy resources. We also have commitments to fight climate change. But if we expect the market to invest in this field, we have to give legal certainty to the market. It is one of our main responsibilities. For example, if we want our companies to produce green energy we need to think how they can sell green energy. Let us look at tax

incentives of minimum pricing. Let us invest in the best technologies through the Strategic Energy Technology Plan of the European Union.

Energy: Efficiency and Savings

Dear Colleagues,

The Parliament believes that we have to put energy efficiency and energy savings at the top of our agendas. Our targets should be as binding as possible. Let us not forget the cheapest energy is the best energy we do not need to use and produce. Let us implement our Energy Efficiency Package.

Energy efficiency and savings, like recycling, will only work when the public is convinced that it is the right thing to do. This is why the Parliament agrees with the idea of transforming our buildings, to make them green and efficient. As public figures we have to start with our public buildings. For example in the European Parliament we have 100% green electricity. We use reversible pumps to heat and cool our buildings. These are the kind of simple ideas we should implement as widely as possible.

But we also have to convince the public further that it is better for them to insulate their homes, than to heat their gardens. Let us look at incentives for home owners. The Parliament would support the use of structural funds for this.

Energy: Investments

Dear Colleagues,

Energy in Europe is underfunded. The Commission tells us that over the next ten years, the EU needs at least two hundred billion Euros in energy infrastructure investments.

Most of it will have to come from private sources. Unfortunately some projects which we need to finance for reasons of security and solidarity, cannot attract enough private money. We need support from public financing. As I said previously, we can not have energy islands in the 21st century. EU integration also means full integration into the internal energy market.

Our Europe 2020 Strategy correctly identified investment priorities: innovation and energy. We have the ideas, the companies and the experience. Now we need proper financing.

Traditional grants are a useful instrument but they should be supplemented by smart financing and public loans. Investment in research and in innovations in the energy field should be the core of the 8th Research Framework Programme. Thanks to the best technologies we can achieve competitiveness and create the jobs which are the most desirable and essential for our citizens.

Energy: Final Remarks

Dear Friends,

When we open a motorway, or a new railway, it can look good on television. But today, it is as important to open pipelines and power stations, even if the decision benefits the next administration.

Energy is the new central point in our continuing construction. Creating a real European Energy Community is just as important as the 1992 project.

Jacques Delors told me that "if the Union is really incapable of working out a collective response to these shared problems, then clearly we need to ask what the European project is for"?

This is up to you, Heads of States and Governments, to define what we want to achieve.