It is an honour for me to have the opportunity to speak at the National Europe Centre, which plays such an important role in enhancing links between the EU and Australia.

Australia is a remarkable country. It has had one of the most outstanding economies of the world in recent years, and you can be proud of its multicultural society and cultural diversity, as well as, I believe, its extraordinary quality of life. A part of this multicultural society is also the Slovenian community. In the years of emigration (particularly in the second half of the 20th century), Australia offered a possibility of a better life to many our compatriots and has not only enabled but also encouraged them to preserve their identity. This community constitutes an important and valuable link in fostering economic, cultural, and through them also political contacts between our two countries.

Australia also provided significant support in our endeavours to gain independence and was the first non-European country to recognise Slovenia. We have travelled far since then, and are just about to become a member of Euro-Atlantic structures. This is the beginning of a new path and a new era for the Slovenian state.

On 9 May 1950, the then French Foreign Minister Schuman stated in his historic declaration that "Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity." Foreign ministers are, as a rule, very smart people and are usually not wrong. But back then, in 1950, not even foreign ministers could imagine how far Europe will reach.

The establishment of ties between the Western allies and the defeated Western European countries was of concern at the time. The forthcoming accession of the ten countries from Central and Eastern Europe and the Mediterranean, this most extensive enlargement in the history of the European integration process, has surpassed even the most powerful imagination of ministers and other far-sighted people.

The 1 May will see the remedy of the historic injustice that fatally divided Europe and cut off Central and Eastern Europe from the free and democratic development. The enlargement of the EU means the freeing of the European potential. It is also an important economic, geopolitical and strategic issue. Enlargement will result in certain differences for both, the EU itself and for its role in the international community. A union of 450 million people in 25 countries producing a quarter of the world's GDP has important responsibilities – to its citizens, to its neighbours and to its international partners.

The key issues of Slovenia's future are inseparably linked with the issues of the European future. The position that we gain in the broader European environment will, of course, depend on the nature of the enlarged EU. We therefore care about its future structure, its functioning and the question of who will lead it and whereto. A question needs to be posed as to what might happen should we not manage to adopt the new European Constitutional Treaty drafted in the Convention on the Future of Europe. What is the meaning of the idea of a Europe of two speeds or of a European solid core and periphery discussed by many a EU planner: Delors, Schauoble, Lammers and Fischer, and at present particularly by Germany and France? What is the meaning of the Big Three of the UK, France and Germany, or of the European directorate? Will the EU develop into a supranational community or will it remain intranational organisation as it is today?
Europe must understand the new political challenges that have confronted it since the beginning of the present millennium. It must renew the processes and procedures in order to meet the challenges it faces. Europe needs a Constitutional Treaty if we want to bring the process closer to people. The aim of the intensive debate we have held in the last two years is to draft a Constitutional Treaty.

This treaty should be based on the equality of Member States, nations and citizens as a reflection of the European continent representing a community based on common values and interests and it should allow for greater visibility and efficiency of the EU in the world.

The European Union is a *sui generis* community. It combines various political systems, large and small countries, more developed and less developed regions, different cultures and languages. This diversity will be even greater in the enlarged EU. In order to succeed, any institutional reform must take this into account and continue to enable diversity management.

The European identity has been shaped as a result of coexistence of differences, which is a paradoxical essence of the European Union.

I was a member of the Convention on the future of Europe which represented a laboratory of the enlarged Union, uniting governmental and parliamentary representatives from the present and new EU Member States, from Romania, Bulgaria and Turkey, as well as from different European institutions. It was open to the civil society too. This is why the conclusion of the Convention, resulting in a draft Constitutional Treaty, can be regarded as a success and its results as most legitimate. At the same time, one cannot conceal that the Convention shifted or slightly redirected the functioning of the Union towards intergovernmental adjustments and acting in the name of national interests, and not towards community action in the name of common European interest.

The draft Constitutional Treaty provided a good basis for the discussions in the Intergovernmental Conference, which took place in the second half of last year. The discussions made enormous progress simplifying the way the EU works, adapting it to its new enlarged reality and introducing important political innovations for the future.

Regretfully, we have not yet managed to come to a consensus on the text of the Constitutional Treaty, even though we have agreed in principle on most of the issues, including some key and delicate ones, such as the field of defence.

The Intergovernmental Conference ended in Brussels on 13 December, mostly due to disagreements concerning the voting power in decision-making in the Council and the number of matters that can be decided by qualified majority and do not require consensus. These remain the most demanding outstanding issue.

I believe that finalising this Intergovernmental Conference is one of the biggest political priorities for the EU. Slovenia wants to constructively contribute to reaching a compromise since it wishes that appropriate solutions be found soon, and with the participation of all members. We will continue to endeavour to strengthen the European spirit as advocated by founders of the European Communities/European Union ever since Monnet; we will endeavour to find solutions that will respect the principle of equality of members and enable the progressing of the European integration process.

An increasing number of ideas are occurring about a "Europe of two speeds" should we fail to reach a compromise. This concept should not become the foundation of European integration.
A certain level of flexibility will be required in the integration processes in the enlarged Europe. However, the idea about the group of "progressive" or "pioneer" countries and those that can only follow is not a goal of the future development of the Union. It can only be an emergency exist. But I hope that we will all move forward together, sharing the same rights and the same responsibilities.

There are many challenges ahead of the EU in the economic sphere as well – to maintain prosperity in the enlarged EU, achieve the objectives of the Lisbon Strategy, the objective of which is to ensure that Europe becomes the most competitive economy in the world, enlargement of the common currency area, and the extension of the euro-zone.

The complex international situation indicates very clearly that common policies are necessary. One of the basic challenges to the enlarged European Union is its role in the world. A question should be posed in this regard as to whether the EU enlargement has come to an end. Probably not. The United Europe in presently composed of 25, but will include 27 and even more countries in the future.

This is not a small number. Not only Romania, Bulgaria and Turkey wish to join the EU, but also countries in South-Eastern Europe, which have been offered European perspective provided they meet the required conditions.

And it is the Western Balkans in which the EU expects Slovenia to play a particularly active role, due to historical experience and knowledge of the region. A prospect of EU membership is a strong incentive for these countries to settle their internal situation, and make progress in the economy and other fields. These prospects also bring stability and security for the EU. Slovenia is in favour of the European perspective for countries in the Western Balkans. While decisively advocating the open door policy, we are nonetheless fully aware that the candidates for integration into the EU must be well prepared. We have learnt this from our own experience and from the demanding tasks imposed on us in the negotiation process.

We also have a responsibility to ensure that EU enlargement does not create new dividing lines. The EU refers to the new neighbourhood which includes Eastern European countries as well as the Middle East and North African countries. The EU must assume the responsibilities of a regional leader. The President of the European Commission, Mr Romano Prodi, talks about a "ring of friends" surrounding the Union and its closest European neighbours, from Morocco to Russia and the Black Sea.

The situation in the international community requires a coherent and efficient response. We must confront new challenges and threats that know no borders. If the EU wants to reinforce its international and foreign policy position and its role of a global player, it must develop a well coordinated foreign and security policy. The same applies to advancement in common defence.

Europe must fill the gap between its economic weight and its political role on the world scene. A harmonised action in this area is of particular importance for Slovenia and other small and medium-sized countries that will constitute a majority in the enlarged Europe. The reinforcement of Europe's international position will also add significance to the roles of individual members. Common systems result in financial and organisational disburdening, while providing citizens with better services.

The changed international security political situation has shown that individual countries, regardless how influential, and regional organisations can no longer provide appropriate mechanisms for settling the most pressing crisis situations. The EU is particularly well aware of
this and therefore decisively supports strengthening and enhancing cooperation with other international players that have been making considerable contribution to ensuring global stability and sustainable development. The European Security Strategy, adopted by the European Council in December last year, places special emphasis on efficient multilateralism. The existing multilateral mechanisms must be adapted to the emerging so-called "New World Order".

In a world of global threats, global markets and global media, our security and prosperity increasingly depend on a strong international society, well functioning international institutions and a rule-based international order.

In addition to the EU, an important role is also played by NATO, trans-Atlantic relations, key institutions of the international system, such as the WTO, and regional organisations such as the OSCE, which will be particularly important for Slovenia as the OSCE chairing country in 2005, Council of Europe, ASEAN, MERCOSUR... The fundamental framework for international relations remains the United Nations Charter, while the United Nations Security Council has the primary responsibility for the maintenance of international peace and security. The strengthening of the United Nations and enabling it to fulfil its obligations and act effectively is thus a priority of the European Union.

Relations with the USA and Russia, with the Asian-Pacific region, with new neighbours, the Mediterranean Basin, China... are undoubtedly among the key challenges to be faced by the EU when defining its global role and responsibility.

Slovenia is growing from a country that was adapting to the standards of the "elite European club" into a co-shaper and co-creator of the common policies and common future. Slovenia's success within the EU depends on ourselves, on our capabilities, on knowing the decision-making procedures in the European institutions, European law and interests of other countries, and on our ability to defend our own interests. The significance and weight of the EU countries are not measured only in terms of the size of their territories and population and similar quantitative indicators. They also depend on the ability of these countries to find solutions to questions affecting the EU as a whole, on their knowledge and experience, interest in global developments and on their contacts with non-EU countries.

EU membership will thus enable Slovenia to actively co-shape its future within the framework of a broader community of European countries, and to play its part in the efforts of the European Union and its partners (i.e. Australia) to shape a better future for generations to come. We will take an active part in the building of the relationship between the EU and Australia in order to support our common values and goals, such as democracy and the rule of law, to promote peace and security, non-proliferation, a sound world economy with low inflation, high employment, a stable international financial system and a strong multilateral trade system based on free and open market principles. My country will furthermore contribute to the common goals of the EU and Australia in the area of the Common Foreign and Security Policy, with special emphasis on human rights and fundamental freedoms, issues that affect world peace and security, the strengthening of the United Nations and the promotion of peace and stability in Europe and in the Asia-Pacific region.