It is a great pleasure for me to be here today, and I wish to thank Prime Minister Berlusconi for inviting me to this annual event.

I feel at home here. Not just because I see the faces of so many friends, with whom I have worked over the years. Nor because I always felt that I had a "special relationship" of my own with this country, and with this city.

I feel at home because my presence here, at this particular gathering, makes sense. It is symbolic of the degree of interaction and integration that we are building in the EU, between national foreign policies and responsibilities, and the Common Foreign and Security Policy. And it shows that the CFSP is not a Brussels-centred enterprise, solely based on EU Institutions, but a true collective undertaking, of which you are the indispensable "terminals".

This is not the time - and especially not the place - to give theoretical, or "ex-cathedra" statements. What I intend to do instead, is to give you some frank and straightforward views on three main issues of common concern:

- the place of Europe in the new geo-strategic context;
- where we are in the construction of the CFSP, including its crisis management components;
- the way ahead

Let me start from the changes occurring in the geo-strategic environment, and particularly with the wider European scene.

In Western Europe, the last 50 years have seen spectacular progress: from conflict and disarray to freedom, peace and stability. Beyond Western Europe the past decade will have seen "dramatic" changes in the geo-political environment: the fall of communism; the dissolution of the Soviet bloc; a transformation of Central and Eastern Europe; and the development of a new constructive relationship between the Euro-Atlantic Community and Russia.

In this new geo-political landscape the European Union is an attractive pole of stability, democracy and prosperity. The enlargement process is perhaps the most spectacular achievement of the EU in terms of projecting stability outside its borders. Already, in advance of accession, political,
economic and administrative structures of the applicant countries are undergoing an extraordinary transformation. Most of these countries' energies and political resources are focussed on the EU perspective. And their foreign policies take gradually the shape of like-minded partnerships with Brussels.

For the first time in our history we can look forward to the unification and stabilisation of our continent not on the basis of conquest, nor on the basis of an armed balance of power, but on the voluntary acceptance of and commitment to a set of values that inspires our civilisation.

For all those who still regard Enlargement as a worrisome and costly development, or a leap forward into uncharted territory, it would help to stand back and reflect how much safer a place Europe will be thereafter. And what a miracle this represents, for populations that lived for decades through the nightmare of the Iron Curtain.

The world has changed also in the sense that today we live in a global age, an age characterised by the degree of our inter-dependence, and our consciousness of this fact. This inter-dependence has many facets: economic, environmental, and political. It is an age when humanitarian or human rights crises in a distant part of the world appeal not only to our conscience but also to our own sense of security and stability. The scourges of our age - terrorism, drug trafficking, the exploitation of women and children, environmental challenges, and the proliferation of weapons - show little respect for national frontiers. These issues can only be addressed through transnational, global efforts.

It is my belief that in this global age a Union of our size, with our interests, history and values, has an obligation to assume its share of responsibilities. We could, in theory, walk away from these responsibilities – but we could not escape the consequences of doing so. However, I am convinced that the same reasons that give the European Union responsibilities – our size and interests, our history and values – also equip us to take responsibilities. The question, therefore, is not whether we play a global role, but how we play that role.

This sense of shared responsibility for the fate of our planet is reflected in the pressure, from leaders and public alike, for a more effective Europe in key policy areas, notably the environment and foreign policy. Opinion polls throughout the EU consistently tell us that the Foreign and Security policy is among the most broadly supported of EU policies. And from outside Europe, we are increasingly encouraged to play a fuller part in international affairs. There is a "demand for Europe": linked to our know-how in regional integration; to our readiness to address humanitarian crises; to the values of inclusiveness and social tolerance that are common to all our countries. Our aim must be to match this demand with an adequate offer.