

**MINUTES OF THE MEETING OF THE CHAIRPERSONS OF COSAC  
Dublin, Ireland, 28 January 2013**

**AGENDA:**

- 1. Opening address by Mr Dominic HANNIGAN T. D., Chairman of the Joint Committee on European Union Affairs, Irish *Houses of the Oireachtas***
- 2. Adoption of the agenda, procedural questions and miscellaneous matters**
- 3. Priorities of the Irish Presidency of the Council of the European Union – guest speaker: Mr Brendan HOWLIN T. D., Minister for Public Expenditure and Reform**
- 4. The Future of Europe: towards a genuine Economic and Monetary Union – guest speaker: Mr Maroš ŠEFČOVIČ, European Commission Vice-President for Inter-institutional Affairs and Administration**

**PROCEEDINGS**

IN THE CHAIR: Mr Dominic HANNIGAN T.D., Chairman of the Joint Committee on European Union Affairs, Irish *Houses of the Oireachtas*

Mr HANNIGAN welcomed the Chairpersons participating at the COSAC meeting for the first time: Mr Arto AAS, Chairman of the European Union Affairs Committee of Estonian *Riigikogu*; Mr Janvit GOLOB, Chairman of the Commission for International Relations and European Affairs of Slovenian *Državni svet*. Mr HANNIGAN also welcomed the Chairpersons who were attending the COSAC meeting for the first time as Chairpersons (who had previously participated in COSAC meetings as members of national delegations): Mr Miroslav KREJCA, Chairman of the Committee on the European Union Affairs of Czech *Senát*; Mr Gediminas KIRKILAS, Chairman of the Committee on European Affairs of Lithuanian *Seimas*. Mr HANNIGAN offered a special welcome to Ms Tsetska TSACHEVA, President of Bulgarian *Narodno sabranie*.

**1. Opening address by Mr Dominic HANNIGAN T. D., Chairman of the Joint Committee on European Union Affairs, Irish *Houses of the Oireachtas***

Mr HANNIGAN opened the meeting by underlining the development of the role of national Parliaments in the EU. He observed significant changes in economic governance in the EU and Euro area. Agreements had been made concerning a Single Supervisory Mechanism (SSM) for banks. The Fiscal Compact Treaty had entered into force at the start of this year. The so-called "two-pack" proposal for strengthening budgetary surveillance had been prepared and might come into force some time during the year. Mr HANNIGAN noted that national Parliaments had to ensure that they held their governments to account for actions taken at the EU level. He explained that national Parliaments had to ensure jointly that their voices were heard at the European level. He highlighted the opportunities for national Parliaments to maximise dialogue and cooperation with colleagues in the European Parliament.

Mr HANNIGAN emphasised that, while many essential decisions had been taken recently, it was of critical importance to make sure that citizens were kept involved in the decision-making process. It was vital that such debates took place not just at the

EU level but at the national level as well to bring greater democratic legitimacy and accountability to this process. Mr HANNIGAN said that the key objective remained to ensure democratic legitimacy and accountability at the level where decisions were taken and implemented. However, in practice, the complexities of the multilevel EU system made this less than straightforward. He said that debates about the role of national Parliaments in the creation of a real economic union must continue.

## **2. Adoption of the agenda, procedural questions and miscellaneous matters**

The agenda was adopted by the Chairpersons without amendment. Mr HANNIGAN informed the participants that the Troika had discussed the draft agenda for the upcoming XLIX COSAC that would be held on 23-25 June 2013 and he presented the topics on the agenda.

Mr HANNIGAN briefed delegates on the Troika's meeting that took place the day before. He stated that the Troika had agreed to invite representatives from Norwegian *Storting* and from the Northern Ireland *Assembly* as special guests to the Chairpersons' and Plenary meetings.

Mr HANNIGAN also noted that Irish *Houses of the Oireachtas* would send a letter to the European Union Affairs Committees of national Parliaments asking them to confirm their intentions to maintain the current co-financing mechanism for the COSAC Secretariat for two years starting from 1 January 2014.

Mr HANNIGAN presented the topics to be discussed at the Plenary: 1. Taking Stock and Looking to the Future; 2. The Future of European Integration; 3. Delivering on Development; 4. Enlargement – Maintaining Momentum; 5. A European Future for Young Citizens.

Mr HANNIGAN said that a letter from Slovenian *Državni zbor*, had been received and he gave the floor to Mr Roman JAKIČ, Chairman of the Committee on the European Union Affairs of Slovenian *Državni zbor*, to present the proposal. Mr JAKIČ noted that the Committee suggested having a broad discussion, in the Plenary, on the role of national Parliaments in creating the Economic and Monetary Union. Ms Lykke FRIIS, Member of Danish *Folketing*, noted that eleven national Parliaments had gathered in Copenhagen on 26 November 2012 to discuss their concerns about a worrying lack of concrete proposals on how national Parliaments could strengthen democratic legitimacy and accountability. The participants of the meeting had agreed to write a letter about these concerns to Mr Herman VAN ROMPUY, President of the European Council. Ms FRIIS invited representatives of national Parliaments to the second informal meeting in Copenhagen on 11 March 2013. The parliamentarians from the Dutch *Tweede Kamer*, from the Polish *Senat* and from the German *Bundestag* shared their opinions in support of the proposal by Slovenian *Državni zbor*. Mr Miguel Ángel MARTÍNEZ MARTÍNEZ, Vice-President of the European Parliament, noted that the agenda of the Plenary was very busy. He said that it was impossible to add more subjects to it unless somebody would suggest taking some topics out. Mr MARTÍNEZ noted that the item suggested by the Slovenian colleagues was an issue for the Speakers' Conference, which would take place in April. Mr HANNIGAN concluded that, although the agenda of the Plenary was very busy, the 19<sup>th</sup> Bi-annual Report would be an opportunity to debate on the

suggested topic. It would be possible for the conclusions of the second informal meeting in Copenhagen on 11 March 2013 and the Speakers' Conference conclusions to be reported at the COSAC Plenary. It was agreed not to make any amendments to the agenda of the COSAC Plenary.

Mr HANNIGAN presented the draft outline of the 19th Bi-annual Report which would include four chapters to examine the following important issues: 1. Genuine Economic and Monetary Union; 2. European Semester 2013; 3. EU Enlargement; 4. Subsidiarity. The questionnaire is expected to be sent out to each parliament in February.

### **3. Priorities of the Irish Presidency of the Council of the European Union - guest speaker: Mr Brendan HOWLIN T.D., Minister for Public Expenditure and Reform**

Mr Brendan HOWLIN said Ireland remained a firm believer in the EU and the European project and the benefits of working together to resolve the common challenges. The crisis had shown that the EU can respond effectively to severe challenges when its members act together cohesively and decisively. The crisis had also shown real flaws in the EU's governance. Ireland would do all that it could to implement the necessary reforms at both national and EU level. In this context, he underlined the responsibility of national Parliaments for contributing to the effective functioning of the Union and the importance of inter-parliamentary meetings which take place between national Parliaments and the European Parliament.

Against the backdrop of the benefits of EU enlargement and the unprecedented period of sixty years of peace in Europe for which the EU had received the Nobel Peace Prize, Mr HOWLIN pointed out that unemployment and youth unemployment were at an unacceptable high level.

The Presidency programme would focus on the objectives of achieving stability, jobs and growth. Mr HOWLIN confirmed the Presidency's commitment to implementing the European Semester. He welcomed the enhanced parliamentary involvement in this process, including the European Parliamentary Week, which had been supported as well during the informal Meeting of EU Affairs Ministers the week before as a way to increase the roles of national Parliaments and the European Parliament for providing legitimacy and accountability. In terms of legislative priorities, Mr HOWLIN mentioned the early completion of the "two-pack" proposals with the European Parliament; the proposals for Banking Union such as the SSM proposal and other proposals to strengthen financial regulation to protect consumers.

Focusing on the delivery of long-term sustainable growth and jobs, he listed the Irish priorities as the Youth Guarantee, providing young people leaving school with an offer of employment, continued education or training, and measures to improve the free movement of workers. In order to drive competitiveness and growth, the Presidency would focus on the Single Market Act and the Digital Agenda and programmes for small and medium-sized enterprises. Finalising agreement with the Parliament on the 7th Environment Action Plan and fighting climate change would also be a priority.

Mr HOWLIN cautioned that many Presidency priorities would be dependent on the conclusion of negotiations on the Multiannual Financial Framework (MFF). The Presidency had to secure the European Parliament's agreement not only on the MFF but also on future financing programmes. The Minister also highlighted the importance of the trade relations with Canada and the US for boosting the EU's external trade and the presidency's commitment to promote and advance the enlargement process.

He said that greater engagement between the EU and its citizens was necessary to ensure that citizens could express their views and opinions on EU policies, legislation and the future of Europe and take well-informed decisions in referendums on the EU. Members of national Parliaments and their EU Affairs Committees and the European Parliament had to play a critical role in this process.

In the debate which followed, 21 speakers took the floor. The Irish Presidency's priorities were mainly welcomed by speakers and, in particular, by Mr Gediminas KIRKILAS, Lithuanian *Seimas*, who confirmed that Lithuania would continue to work along the same lines and to deepen its approach during its Presidency during the second semester of 2013, especially in relation to the Banking Union and youth unemployment.

As concerns the **MFF**, participants, including Mr Rainer ROBRA, German *Bundesrat*, observed that the gap between the negotiating positions was narrowing but more compromise was required. Mr Herman DE CROO, Belgian *Chambre des représentants*, said that with just one percent of EU GDP many tasks had to be fulfilled. Mr Fernand BODEN, Luxembourg *Chambre des députés*, said many dossiers were dependent of an agreement between Council and the European Parliament on the MFF which was amplified by Mr MARTÍNEZ, who pointed out that the Irish Presidency would not be able to achieve its goals without an agreement among Member States and with the European Parliament. Fair allocation and sufficiency of funding was advocated by Ms Ana BIRCHALL, Romanian *Camera Deputatilor*, as was the allocation of adequate funding for the Europe 2020 strategy by Mr Edmund WITTBRODT, Polish *Senat*. Mr René LEEGTE, Dutch *Tweede Kamer*, was critical that only four national Parliaments (Dutch, UK, Swedish and Danish parliaments) held their governments to account for the way they collectively spent 90% of EU funds and encouraged other parliaments to follow this example.

In his reply, Mr HOWLIN agreed to the need for a spirit of compromise in the European Council, but pointed out that it was mainly the responsibility of the President of the European Council to forge this compromise. He reiterated the link between a successful conclusion of the negotiations on the MFF and the adoption of about 70 codecision legislative files. As Minister for public expenditure he personally welcomed the Dutch approach of expenditure screening.

On the **Banking Union** Mr Simon SUTOUR, French *Sénat*, said that despite the stabilisation mechanisms and the Treaty on Stability, Convergence and Governance in the EMU being in place now, much remained to be done to further stabilise the euro zone. Mr Edgar MAYER, Austrian *Bundesrat*, endorsed the view that everything should be done not to repeat recent problems. Mr Averof NEOFYTOU, Cypriot *Vouli ton Antiprosopon*, explicitly supported the creation of a SSM and the direct

recapitalisation of banks. Mr MARTÍNEZ highlighted that a Banking Union would be incomplete without a fiscal union and asked whether for the Irish presidency the political union was on the agenda or not. Mr Rubén MORENO, Spanish *Cortes Generales*, further added that, when debates were held about democratic legitimacy and accountability, it was necessary to talk about a political union during a new Convention too. With regard to the announced referendum in the UK, Mr Gunther KRICHBAUM, German *Bundestag*, criticised the proposed date as being too late and insisted that the European Union was not a cherry-picking exercise and advantages of forty years of EU membership should be highlighted.

In a general response, Mr HOWLIN pointed to the roadmap for the Banking Union adopted by the European Council in December last year which had to be concretised in the coming six months. He replied that the European Council conclusions on the Banking Union strongly resonated with him but that now concrete work had to be done to overcome the vicious circle of bank and sovereign debts. Mr HOWLIN renewed the commitment of Ireland to contribute to the establishment of an ever closer European Union. To Mr MORENO's remarks he replied that before a Convention could be called, politicians had to engage in the debate and to set out a road where they could take the people with them. To get the consent of people communicating tools and strategies had to be further developed.

Mr MARTÍNEZ criticised that lack of the social dimension of Europe among the Irish priorities and asked how the Presidency intended to follow up on the **Youth Guarantee** schemes. Tackling youth unemployment was supported by Mr SUTOUR and Mr MAYER who quoted the Austrian model. Replying to the remarks, Mr HOWLIN said the Presidency first had to obtain the Council's views on the proposed Youth Guarantee, but reminded them that the portability of pensions and the recognition of professional qualifications would contribute to realising the social dimension in a single market for labour.

While numerous participants supported the Irish Presidency in its efforts to reinvigorate the **enlargement** process, participants from candidate countries informed the meeting about the progress made in their respective accession negotiations: Mr Arni Thor SIGURDSSON, Icelandic *Althingi*, described the process of negotiations as mainly being on track, even though the current government decided not to open new chapters or to finalise new negotiating positions before the forthcoming national elections in April. Mr Mehmet TEKELIOĞLU, Turkish *Türkiye Büyük Millet Meclisi*, expressed his hope that a fresh start for the EU-Turkey negotiations could be made and new chapters could be opened during the first semester, while Ms Hajrula MISINI, Former Yugoslav Republic of Macedonia *Sobranie*, hoped that a date for the opening of the negotiations could be set. Mr Daniel MONDEKAR, Croatian *Hrvatski Sabor*, offered Croatia's support for other Western Balkan countries in helping prepare for EU accession. Lord Timothy BOSWELL, UK *House of Lords*, announced that his Committee was about to prepare a report about the lessons learned from previous enlargements which would be available soon.

Replying to the interventions, Mr HOWLIN underlined the necessity to have the mindset that the European Union has not yet set its boundaries and said he hoped that persisting stalemates could be overcome in the next six months. However, every

government of a candidate country had the right to set its own pace for negotiations and the decision of the Icelandic government in this regard was to be respected.

#### **4. The Future of Europe: towards a genuine Economic and Monetary Union – guest speaker: Mr Maroš ŠEFČOVIČ, European Commission Vice-President for Inter-institutional Affairs and Administration.**

Vice-President Maroš ŠEFČOVIČ explained the Commission's perspective on the crisis over the past 5 years. He said that there was not a "quick fix" and it had become clear that a serious overhaul of the economic governance of Economic and Monetary Union (EMU) was required to better reflected the interdependence of EU economies. This had led to measures such as the "six-pack" and the "two-pack", improving economic governance, the European Stability Mechanism – proposals that would have been unthinkable a few years ago. He said that a stronger, deeper and more effective EMU was needed to ensure that Europe never sees another crisis on this scale again. To increase citizens' trust in the EU he proposed that the EU must act collectively, to find long-lasting solutions to the crisis and set out a clear vision to ensure deeper EMU.

This had led to the Commission to issue the Blueprint for deeper EMU published in November 2012 and to the European Council meeting conclusions in December 2012 based on the proposal from the four presidents put forward by President Van Rompuy, which focused on things such as *ex ante* coordination of major national reforms; contractual arrangements between the Member States and the EU institutions; and solidarity mechanisms at EU level to support the implementation of reforms.

On the **Blueprint**, Vice-President ŠEFČOVIČ said that it included short-, medium- and long term measures to bring about a genuine EMU and whether these proposals required treaty change. He said that this could only be achieved at 27. He recognised that not everyone wanted to move at the same pace so proposed that the euro zone countries should be allowed to progress faster. He said that during the Irish Presidency the focus should be on current proposals on economic governance, the "two-pack" and the SSM, and the adoption of the MFF.

Vice-President ŠEFČOVIČ said that in the **short-term**, the competitiveness and convergence instrument, including contractual arrangements with Member States, would be the Blueprint focus. This entailed an obligation on the part of Member States to fulfil commitments, which would be matched by a guarantee of EU funding to facilitate the implementation of important structural reforms. The creation of a Single Resolution Mechanism to deal with banks in difficulty would also be proposed in the short term. In the **medium-term** (18 months to 5 years), the Blueprint envisaged moving towards a degree of budgetary integration or "sharing of sovereignty", which would require the amendment of the Treaties. In the **long-term** (more than 5 years), he said that the European Union should move towards a full Banking Union, a full fiscal union and a full economic union, based on the progressive pooling of sovereignty.

On the issue of **democratic legitimacy and accountability**, the Vice-President said it was necessary substantially reinforce the role of parliaments at both national and European level. He proposed this be based on two basic principles: the need to ensure

that accountability for decisions taken falls at the level where that decision was made, whilst also taking account of the level where the decision had an impact; and that the level of democratic legitimacy remained commensurate with the degree of transfer of powers from Member States to the European level. He said national Parliaments had a "vital role to play in bridging the so-called 'democratic gap' between 'Europe' and its citizens" as well as holding governments to account.

Vice-President ŠEFČOVIČ said that the Commission wanted a better dialogue with national Parliaments on Annual Growth Surveys and Country-Specific Recommendations so that national Parliaments could feed in their views at an early stage. He suggested that after the Country Specific Recommendations were adopted, direct contacts between the Commission and national Parliaments should intensify so they could "play a defining role in the crucial juncture between the European and the national Semester".

On the **role of the EP**, he said the Blueprint clearly emphasised its importance as the primary way of ensuring democratic accountability and scrutiny at European level. He argued that further economic integration should therefore result in commensurate involvement and direct participation of the European Parliament.

He argued that **interparliamentary cooperation** was of utmost importance. He said that Protocol 1 of the Treaty and Article 13 of the Fiscal compact provided the relevant tools for such cooperation and encouraged parliaments to put these provisions into practice.

In the debate which followed, 22 speakers took the floor, many of whom raised points related to the topic of democratic legitimacy and accountability. Mr Richard HÖRCSIK, Hungarian *Országgyűlés*, said that national Parliaments rather than governments should be at the forefront of proposing measures to increase accountability. Mr Fritz NEUGEBAUER, Austrian *Nationalrat*, questioned how to marry the fact that decisions on budgets were primarily a sovereign power with the fact that a deeper EMU would introduce more of a European dimension. Ms Zanda KALNIŅA-LUKŠEVICA, Latvian *Saeima*, said that Parliaments needed to take an active role to ensure the stability of the EU. Mr William CASH, UK *House of Commons*, said that he did not believe that sovereignty could be shared and said he was concerned about what he was hearing from the Commissioner and about many parts of the Blueprint on democratic legitimacy. Mr JAKIČ, and Lord BOSWELL questioned the arrangements envisaged within the Blueprint because of the clear responsibilities of national Parliaments in relation to their taxpayers and agreement and scrutiny of national budgets being one of the main powers of national Parliaments.

Commenting on the state of the dialogue between the European Commission and national Parliaments, Ms FRIIS complained that the Commission had taken over 6 months to reply to a written inquiry submitted by the Danish EU Affairs Committee. In reply, the Vice-President apologised for the delay and said he would continue to push for more conformity to the self-imposed 3 month deadline for replies. He was pleased to report the increased level of communication between national Parliaments and the Commission year on year and he welcomed more parliamentary involvement in the construction of greater democratic legitimacy.

Mr SUTOUR was concerned that too much was being decided at summits and it was necessary to open this up to also involve Parliaments. In this regard Mr René LEEGTE, Dutch *Tweede Kamer*, referred to the practice established by his chamber to scrutinise the Commission Work Programme in order to shortlist upcoming proposals which it considers of high political relevance. He proposed to announce subsidiarity checks in order to facilitate coalitions and cooperation among national Parliaments. This was complemented by the request of Ms Tineke STRIK, Dutch *Eerste Kamer*, who called for an improved access to Council documents including those relating to the EMU and the European Semester, to enable national Parliaments to follow the negotiations.

Mr Paschal DONOHOE, Irish *Houses of the Oireachtas*, noted that the stability in Ireland was very fragile and said that incentives to reform had to be continued to ensure the calm on the financial markets continued. On the EMU, Mr Philippe MAHOUX, Belgian *Sénat*, said that the Commission needed to look at the social dimension of the EMU and in particular at measures to increase employment. Mr Paulo MOTA PINTO, Portuguese *Assembleia da Republica*, quoting the interest rates in Portugal, said that the EMU was not currently working as a level playing field and said he wanted to see this change. Vice-President ŠEFČOVIČ replied that as the confidence of the financial markets increased, there had been an improvement but he called for countries such as Portugal to be better supported in their reform process.

A number of Members commented on the UK position and the recent speech by Prime Minister David CAMERON, including Mr Carlo CASINI, European Parliament, who stated that the EU was not simply the sum of national interests and objectives such as the Single Market but a model of peace and reconciliation and of prosperity for the entire world. Mr NEOFYTOU reminded people of the fact that, despite the criticism against the EU expressed in national Parliaments and public debates, Europe was still one of the best examples of social systems worldwide, although there are still problems to tackle in order for Europe to regain competitiveness and increase productivity. Mr Enrico FARINONE, Italian *Camera dei Deputati*, encouraged the view that the Banking Union in itself would not be sufficient to ensure the survival of Europe but that at the end of the day a political union would be necessary.