

**MINUTES OF THE MEETING OF THE CHAIRPERSONS OF COSAC
Rome, Italy, 18 July 2014**

AGENDA:

- 1. Welcome address by Mr Pietro GRASSO, President of the Italian *Senato della Repubblica*
Introductory remarks by Mr Vannino CHITI, Chairman of the Committee on EU Policies of the Italian *Senato della Repubblica*, and Mr Michele BORDO, Chairman of the Committee on EU Policies of the Chamber of Deputies**
- 2. Adoption of the agenda of the Meeting of the Chairpersons of COSAC**
- 3. Procedural issues and miscellaneous matters**
- 4. Priorities of the Italian Presidency and prospects for the European Union after the European elections - keynote speakers: Mr Sandro GOZI, Under-Secretary of State to the Presidency of the Council of Ministers in charge of European Affairs, and Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission in charge of Inter-institutional Relations and Administration**
- 5. European Structural and Investment Funds 2014-2020 - keynote speakers: Mr Graziano DELRIO, Under-Secretary of State to the Presidency of the Council of Ministers in charge of Regional cohesion policies and sport, and Mr Johannes HAHN, Commissioner for Regional Policy**

PROCEEDINGS

IN THE CHAIR: Mr Vannino CHITI, Chair of the Committee on European Union Policies, Italian *Senato della Repubblica* and Mr Michele BORDO, Chair of the Committee on EU Policies, Italian *Camera dei Deputati*.

**1. Welcome address by Mr Pietro GRASSO, President of the Italian *Senato della Repubblica*
Introductory remarks by Mr Vannino CHITI, Chairman of the Committee on EU Policies of the Italian *Senato della Repubblica*, and Mr Michele BORDO, Chairman of the Committee on EU Policies of the Chamber of Deputies**

Mr Pietro GRASSO, President of the Italian *Senato della Repubblica*, welcomed the participants at the inaugural meeting of the parliamentary dimension of the Italian Presidency. The President underlined the crucial timing in which Italy had taken over the Presidency of the EU Council at a time of epoch-making changes and challenges such as the economic crisis, migration and geopolitical instability in the region. Mr GRASSO acknowledged that mistakes had been made in the past that had put the democratic legitimacy of the EU to the test and had resulted in social injustice. He identified the objectives that Europe should focus on, namely revitalisation of growth, joint management of migration and fight against cross border crime and terrorism. Concerning the proposal on the European Public Prosecutor's Office (EPPO proposal), he mentioned that it should not be a choice between sovereignty and common action; he saw it as the only way how to govern the cross-border issues. Mr GRASSO referred to the speech by the Italian Prime Minister, Mr Matteo RENZI, in the European Parliament, saying that the lost soul of the EU was to be found in shared values, as envisaged in the Charter of Fundamental Rights. He underlined that, in order to regain the trust of citizens, the democratic legitimacy of European institutions and interactions between the European Parliament and national Parliaments should be strengthened.

Mr CHITI proceeded with his introductory remarks. He welcomed the election of Mr Jean Claude Juncker as President of the European Commission, saying that his election enabled the debate not only on platforms, but on candidates as well. He noted that, even though the turnout in the European elections had been low, it Mr Juncker's election was a step to the right direction in order to bring Europe closer to its citizens, enhance transparency and democracy within the EU. He then referred to the recent tragic events in Gaza and the airplane crash in Ukraine, noting the importance of appointing a new High Representative of the Union for Foreign Affairs and Security Policy. Mr CHITI underlined that the result of the recent European elections was a message by the citizens to address the issues of unemployment and to boost growth, as the ongoing economic crisis would result in the disruption of fiscal rules. In that respect, the June European Council acknowledged the importance of fiscal consolidation measures paired with measures to boost growth.

Mr CHITI pointed out that the upcoming in depth review of the Europe 2020 Strategy should result in an increase of its effectiveness, so as not to have an “anemic Europe”, as the economic and social dynamic was not currently strong enough.

Mr CHITI urged to jointly address issues pertaining to migration, which were first and foremost humanitarian ones and referred to the June European Council conclusions that called for an effective migration, asylum and border management policy based on the principle of solidarity and equal burden sharing.

Mr CHITI concluded by pointing out that a European supranational democracy should be pursued in a gradual, but consistent way as important decisions had been taken at the level of Heads of States, while Parliaments had only a restricted role in consultations. He underlined that the sum of 28 policies did not make up one policy and urged to strengthen European policies and parliamentary cooperation, as envisaged in the Lisbon Treaty in the process of a European parliamentary dimension.

Mr BORDO, Chair of the European Union Policy Committee, Italian *Camera dei Deputati*, welcomed on his behalf the participants. Using the title of the programme of the Italian Presidency of the EU Council “Europe: a new beginning” as a starting point of his reflection, he stated that the demand for change of the EU, which was addressed not only to EU institutions, but also to national Parliaments and Governments, was clearly depicted in the recent European election results. According to Mr BORDO, EU citizens did not demand to reduce the role of the EU, but rather to revitalise the process, as more than 70% of the seats in the new European Parliament had been granted to political parties wishing to strengthen the European integration process. In order to meet citizens' expectations, Mr BORDO said that a reorientation of EU policies was needed toward growth, employment and other global challenges that could not be met by individual Member States on their own. He stressed that national Parliaments should contribute in redefining the political and strategic priorities of the EU through strengthening dialogue with Governments and political parties rather than through concentrating on the subsidiarity check. He concluded by noting that the Italian Parliament will follow this approach during the Presidency within COSAC and in other interparliamentary fora.

2. Adoption of the agenda of the Meeting of the Chairpersons of COSAC

Mr CHITI informed the participants on procedural issues and presented the topics and the speakers of the meeting of the Chairpersons of COSAC. The agenda of the meeting was adopted without amendment.

3. Procedural issues and miscellaneous matters

The majority of the speakers taking the floor during the meeting of the Chairpersons of COSAC expressed condolences to the families of the victims of the Malaysia Airlines airplane crash over the Russia-Ukraine border, which had taken place on 17th July 2014.

Mr René LEEGTE, Dutch *Tweede Kamer*, took the floor in regard point 9 of the minutes of the last COSAC session and quoted a contribution made by Ms Marie GRANLUND, Swedish *Riksdag*, during the previous meeting in Athens saying that the process, the way of work and the content of documents should be reviewed, that the delegations should be working on the original draft and not on a Troika draft, that written comments should be prepared. He concluded by noting that the Dutch *Tweede Kamer* and the Danish *Folketing* agreed with the abovementioned. Mr CHITI answered that the issue would be dealt with when reviewing the letters received by the Presidency.

Mr CHITI then briefed the participants on the results of the Presidential Troika meeting held the day before. He first presented the agenda of the LII COSAC. Mr Gunther KRICHBAUM, German *Bundestag*, requested the inclusion of the European Neighborhood Policy and more precisely the Eastern Partnership in the agenda of the LII COSAC, while Mr Linas BALSYS, Lithuanian *Seimas*, fully agreeing, suggested holding a distinct sub-session on the Eastern Partnership during the LII COSAC. Ms Agnieszka POMASKA, Polish *Sejm* supported the idea that both Eastern and Southern neighbourhood were equally important, but suggested to discuss them in separate sessions so as to achieve a more fruitful discussion.

Responding to Mr KRICHBAUM, the Chair reassured him that the agenda would be dealt with flexibility taking into consideration developments during the coming month, underlining that the issue of Eastern Partnership would be covered by the agenda item “European integration prospects: Global role of the European Union and projection of its policies in the Mediterranean and Eastern Europe”. Returning to his point, Mr KRICHBAUM insisted that the issue of Eastern Partnership should be given a broader context and a more prominent role clearly pointed in the agenda, so as to indicate the special focus of COSAC, especially since the national Parliaments were responsible for the association agreements signed with Ukraine, Georgia and Moldova.

Mr Averof NEOFYTOU, Cyprus *Vouli ton Antiprosopon*, welcomed the initiative of the Italian Presidency to focus on issues with regard to the Mediterranean as the same drums of war could be heard also in the Eastern Mediterranean area. He concluded by noting that common EU foreign policy should not be one-dimensional, but should cover all areas of interest. Mr Simon SUTOUR, French *Sénat*, expressed his objections to the remarks made by Mr KRICHBAUM and Mr BALSYS, underlining that the Eastern Mediterranean area was an equally dangerous zone. He noted that during the Lithuanian Presidency only the issue of Eastern Partnership was discussed, while the proposal made by the Italian Presidency covered both the Eastern and the Southern neighborhood. Therefore, he suggested that the agenda was adopted, as proposed, without amendment.

Mr Antonio TAJANI, *European Parliament*, agreed with the Chair and, in order to meet the concerns expressed, proposed a rewording of the agenda item as follows: "European integration prospects: Global role of the European Union and projection of its policies given the difficult situation in the light of recent events in the Mediterranean and Eastern Europe". Ms Zanda KALNIŅA-LUKAŠEVICA, Latvian *Saeima*, invited COSAC to express its deepest condolences to the families of the victims of the airplane crash and underlined that the circumstances of the crash should be determined in the near future. Concerning the agenda of the next plenary, she noted that

COSAC should be ready to react on real time issues on the developments both in the Eastern and the Southern neighbourhood.

Mr CHITI said that the Presidency took note of the suggestions made and underlined that, irrespective of which country held the Presidency, a balanced approach had to be taken. COSAC should continue to focus on both Eastern and Mediterranean issues.

Mr CHITI presented the outline of the 22nd Bi-annual Report of COSAC, consisting of four chapters: 1. Europe 2020 2. Future of the EU – EU institutions and Parliaments 3. The Mediterranean and the role of EU Parliaments 4. EU agencies and national Parliaments. He announced that the questionnaire would be sent to delegations by the end of the month and that answers were expected by 15th September 2014.

Mr CHITI then referred to two formal letters received by the Presidency. With reference to the first letter relating to the participation of the Norwegian *Storting* to the COSAC meetings under the Italian Presidency, he informed the participants that the request had been accepted. The letter of the Dutch *Tweede Kamer*, designating questions for the upcoming hearings of EU Commissioners concerning the role of national Parliaments was elaborated by Mr LEEGTE, Dutch *Tweede Kamer*. He suggested that all national Parliaments provided their national delegations in the European Parliament with questions on how the Commissioners would respect and value the role of national Parliaments. Mr William CASH, UK *House of Commons*, endorsed the idea, while Mr TAJANI, *European Parliament*, noting it was an excellent proposal, but commented that members of the European Parliament should be totally independent. He suggested that a letter be sent by the Dutch Parliament in the form of invitation, addressed to the members of the European Parliament. Mr Paolo MOTA PINTO agreed with the suggested letter asking, however, for the reference to the EPPO proposal to be removed, as not all national Parliaments had objections on the proposal in question. Mr Ioannis TRAGAKIS, Greek *Vouli ton Ellinon*, supported the proposal and referred to the practice of the Hellenic Parliament to invite Commissioners for hearings on issues of their competence. Ms Daniele AUROI, French *Assemblée nationale*, agreed with the suggestion made by the Portuguese Chairman. Mr LEEGTE thanked the delegations for their support and endorsed the suggestion of Mr MOTA PINTO.

Mr CHITI then referred to a draft letter sent to the Troika's national Parliaments and signed by the Chairs of the Danish *Folketing*, the German *Bundesdag*, the Irish *House of Oireachtas*, the Dutch *Tweede Kamer*, Swedish *Riksdag*, the UK *House of Lords* and *House of Commons* on a number of procedural issues. The Chair underlined that the official letter should also be sent to the European Parliament, as member of the Troika. With respect to the proposals submitted, Mr CHITI mentioned that the issues concerning the speakers of the sessions, the video messages and the meetings of officials should continue to be left to the sensitivity of each Presidency, while matters referring to the voting procedures of contributions and conclusions required further reflection based on practices followed in past COSAC meetings. Mr CHITI referred to a document drafted in 2012 by the Permanent Member of the COSAC Secretariat on COSAC practices and mentioned that it could be reassessed at a possible meeting of the Troika, if needed, prior to the LII COSAC meeting in December. Mr CASH, UK *House of Commons*, made a distinction between administrative and procedural issues and substantive issues underlining the substantive point mentioned in the letter, referring to the increased tendency of speakers from the European Parliament and the European Commission to take up disproportionate amount of time in comparison to national Parliaments and asked that proper time was given to national parliamentarians, who were the representatives elected by the people in national elections, to express their views on the very important issues discussed in COSAC. In response, Mr TAJANI, *European Parliament*, pointed out that members of the

European Parliament should be respected, because they were also elected by the people, therefore there was no democratic infringement. Mr CHITI concluded by saying that an increase of duration of COSAC sessions to strike a balance between contributions made by national Parliaments and the European Parliament could be considered.

3. Priorities of the Italian Presidency and prospects for the European Union after the European elections - keynote speakers Mr Sandro GOZI, Under-Secretary of State to the Presidency of the Council of Ministers in charge of European Affairs and Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission in charge of Inter-Institutional Relations and Administration

Mr Sandro GOZI, Under-Secretary of State in charge of European Affairs said it was time for Europe to go back to a common idea of the European project, leaving behind phases when Europe was divided between North and South, creditor and debtor countries, and when Member States had lost mutual trust. He noted that the role of the new European Parliament and of national Parliaments could be vital to restore mutual confidence.

At the last elections, European citizens “loudly” expressed this need for change: the EU had to increase its speed in order to meet the expectations of citizens and face the current economic crisis.

Mr GOZI illustrated the changes that would characterise the Italian Presidency, with particular reference to the top positions of the European institutions, hoping for a good preparation of the August Summit. The European Council kept the promise to designate the candidate of the European political families that had at least relative majority in Parliament. Moreover, for the first time, as requested also by the Italian Government, Heads of States and Governments designated the President of the European Commission on the basis of political priorities that were clearly identified in President Van Rompuy’s Strategic Agenda. Mr GOZI underlined these positive circumstances and said that the Italian Semester was the first semester of five years of change.

Mr GOZI stressed that the Italian Government believed necessary to enforce all the existing rules and to give concrete meaning to the concepts of growth and flexibility.

Mr GOZI pointed out that one of the most important priorities of the Italian Presidency was a common investment policy at European level, something that had dramatically been missing in the past. He welcomed the commitment of President Juncker before the European Parliament to develop a €300 billion public-private investment plan in addition to what was already in the European budget. Mr GOZI recalled a European Parliament study that showed that we would need €700 billion in order to achieve the goals set up by Europe and stated that a better use of the resources at our disposal and new tools such as the project bonds could help the EU to foster economic growth.

Nowadays, as Mr GOZI pointed out, so many young people “equated Europe with nightmare” and blamed its policies for their condition. He underlined that the first answer to give them were national structural reforms and proposals such as the Youth Guarantee Scheme, which the Italian Government wanted to become a permanent programme of the EU until 2020.

In order to boost European economy, the Italian Government backed the Commission's Communication for a European Industrial Renaissance and asked to set a clear timetable to move forward.

Mr GOZI stated that it was also important for the EU to have an ambitious position on Climate and Energy issues in view of the European Council meeting in October and that it was necessary to work together on this topic.

He stressed the crucial role of Parliaments and the need to rethink and develop the parliamentary dimension in Europe in order to answer citizens' demand for change, transparency and democratic legitimacy, and to fight against the “troika and Sherpa Europe”.

A new European policy for fundamental rights was also mentioned by Mr GOZI as one of the goal of the Italian Presidency, in particular the necessity to monitor and prevent risks of systemic infringement of these rights, the so-called gross violation of fundamental rights, and to uphold the respect of the principle of the rule of law. He also pointed out that the Italian Government would encourage Member States to support the opening of the accession process of the European Union to the European Convention on Human Rights.

Concerning the asylum and migration policies, Mr GOZI stated that EU had to stop having to choose between the Mediterranean area and the East, that Member States have to share responsibilities and allocate more resources to FRONTEX.

Mr GOZI supported the idea of having an open and frank discussion in the General Affairs Council, and then in the Institutions including national Parliaments, on how the Lisbon Treaty had been implemented so far and on the potentials we had not yet explored. He added that it was necessary to reflect if we needed a new Interinstitutional Agreement or an update of the 2003 Agreement on better law-making. He noted that the Italian Government was also ready to discuss about the limits in the Treaties to achieve certain goals, such as a Government for the Eurozone.

Concerning the enlargement process, he informed that the Italian Government was very pleased with the Greek Presidency's achievements with regard to Albania's candidacy, and that it hoped to continue with Serbia and open new chapters. Finally, Mr GOZI pointed out that the Italian Government wanted to give a new impetus to the negotiations with Turkey.

Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission in charge of Inter-institutional Relations and Administration, referring to the plane crash in Ukraine, stressed the privilege we had to live in a zone of peace where we could discuss problems instead of fighting against each other.

Vice-President ŠEFČOVIČ pointed out that the situation after the European Parliament elections showed that things were different from the past with 50% of new members, a strong presence of women, euro-sceptic voices, but also a very solid majority that wants to support the change. The evidence that "this time is different" is represented by the fact that for the first time in Europe the voters had a say on who would be the President of the European Commission, as the candidates were known in advance. The first document that the Heads of State and Government adopted after the elections was about how to respond to the concerns expressed by European citizens. For the first time the European Council assumed the responsibility to issue the guidelines on how to respond to this demand. This fruitful process was reflected in President Juncker's list of 10 political priorities for the next European Commission that he saw as a very political body, concentrated on the major agenda.

Vice-President ŠEFČOVIČ reminded the main priorities set in President Juncker's programme starting from the call for a new boost for jobs, growth and investment for which €300 billion would be allocated.

Vice-President ŠEFČOVIČ then stressed the importance for the European Commission to overcome national barriers to the development of the Digital agenda that could bring €250 billion to the European economy over the next five years, together with the creation of a "European Energy Union", provided with an adequate level of infrastructures and diversified energy sources in order to achieve greater independence and security in this field.

Vice-President ŠEFČOVIČ gave particular emphasis to the efforts of the European Commission to stop the decline of the European Industry, now producing a little more than 15% of the European GDP, but on which Europe had built its economic success in the past.

For the Vice-President, the Free Trade Agreement between the EU and the US was a great opportunity for the European economy, but also an issue we had to consider with utmost attention for the raising concerns of European citizens on the transparency of the negotiations, that, in his view, should go with wide public consultations. The priority area of migration required more solidarity and better coordination among Member States and greater financial support to FRONTEX activities.

In conclusion, Vice-President ŠEFČOVIČ tackled the issue of the cooperation between the European Commission and national Parliaments that made impressive, even if gradual, progress that had been achieved also thanks to the ideas put forward, among others, by the Danish, the Dutch and the French Parliaments. The European Commission adjusted its way of dealing with national Parliaments trying to be more precise and quick in its replies, but also being ready to respond to the increasing request by national Parliaments for hearings of Commissioners, sometimes on very technical matters.

The European Commission should continue on this trend in order to share a common ownership of the political decisions especially on the topics of the European Semester and on structural reforms, till the point these issues will not be perceived as they were imposed by the European Commission, but as the result of a common task and project.

Vice-President ŠEFČOVIČ finally thanked very much all national Parliaments for the fruitful cooperation throughout his mandate.

In the debate which followed 10 speakers took the floor.

Mr Jozef HÖRVAT, Slovenian *Državni zbor*, expressed the importance that the European Union promoted a new agenda on the migration issue. In his view, immigrants could fill many vacant jobs in Member States if European citizens did not have the proper skills for them, supporting economic growth and competitiveness in Europe. Furthermore he asked the EU to promote legislation in order to attract highly skilled workers coming from third countries, and to harmonise the legislation on conditions for admission of third countries nationals for work purposes. He finally urged the EU to ease restrictions for intra-EU mobility for legally admitted third countries nationals in order to fight against unequal treatment.

Mr SUTOUR, French *Sénat*, underlined that Italy and France shared the will that budgetary rules could foster economic growth also in order to fight youth unemployment which was destabilising the European societies and undermining the confidence in the European Union. He agreed with the Italian Presidency that the EU could show to citizens its added value in supporting the re-industrialisation process and the SMEs, as the Digital agenda, the Energy and Climate issues, the

environmental protection and the infrastructures. Mr SUTOUR supported the idea of a fulltime Chair of the Eurogroup and expressed the necessity to make progresses in financial cooperation. The Italian Presidency was expected to be active in the Mediterranean with regard to the migration policies that may need a strategic framework.

Mr Edgar MAYER, Austrian *Bundesrat*, stated that the EU efforts to booster economy, even if they were pointed in the good direction, had not been sufficient. However, consolidation of budgets and the use of the existing levers could represent the best solution for Europe. Moreover, he emphasised the Common Foreign and Security Policy (CFSP) should provide a greater impetus speaking more and more with one voice. He finally expressed his support to Eastern countries' accession to the EU and to greater transparency of the negotiations of the Transatlantic Trade and Investment Partnership with the US, giving citizens the right to access to documents.

Ms Tineke STRIK, Dutch *Eerste Kamer*, expressed on behalf of the Dutch delegation the sadness for the horrific plane crash in Ukraine where many Dutch citizens had died, stressing also the strong will that the inquiry be transparent and independent. She asked COSAC, following the request made by Ms KALNIŅA-LUKAŠEVICA, to come up with a declaration on that issue.

Ms STRIK complimented Italy for the operation "Mare Nostrum" that saved many lives and asked the Under-Secretary of State Mr GOZI what the tool for sharing this task with the other Member States was.

Mr Peter FRIEDRICH, German *Bundesrat*, agreed on the idea that stability and growth should go together to be effective. He pointed out that tax harmonisation could lead to more revenues available for the Member States, and that the Free Trade Agreement with the US could also be a positive tool for European economic growth; however, the EU had to ask for parliamentary legitimacy of that agreement, at a national as well as at a European level.

Mr TAJANI, *European Parliament*, reminded that President Juncker had stated that the Union, in the next years, should not deal with all items, but should focus on some key issues, which was a clear message with regard to the European Parliament's relationship with national Parliaments. Europe should address major issues that could not be adequately dealt with by national Parliaments and strive to cut red tape. He strongly supported the view that a European environmental friendly re-industrialisation could be the major tool to recover from the economic crisis. On the other side, the Competitiveness Council that focused more on industrial and competitiveness policies should be promoted. Finally, he pointed out the importance to support European Tourism Industry so that Europe remained destination number one in the world.

Ms AUROI, French *Assemblée nationale*, emphasised the need to strengthen the links between the European Union and the citizens and wondered if the Italian Presidency intended to promote the Youth Guarantee Scheme and work on the social right of a minimum European wage. She stressed the importance of private investments promotion, as Mr Renzi pointed out, and asked for more details about the €300 billion of financial support announced by the President of the Commission. Ms AUROI supported the climate change and energy efficiency policies and fixing binding targets.

Mr Bogdan Radu ȚÎMPĂU, Romanian *Camera Deputaților*, attached particular importance to Foreign and Security Policy and asked for the immediate adoption of a common statement on the plane crash in Ukraine. He asked also to the Italian Presidency to open the dossier of the accession of Romania and Bulgaria to the Schengen area and to support the association agreements with Ukraine, Georgia and Moldova. Mr ȚÎMPĂU emphasised the importance to sign the Free Trade

agreement with the US, possibly during the Italian Presidency, and encouraged the EU to diversify its energy sources.

Mr Igor KOLMAN, Croatian *Hrvatski Sabor*, supported the Italian Presidency's positive view on the enlargement process and showed his interest for the accession of the Eastern countries, with particular regard to the possibility of a pre-accession process for Bosnia-Herzegovina. Mr KOLMAN stated the importance of the role of national Parliaments in the EU and expressed his confidence that the new European Parliament and the Commission would develop fruitful relations with them. With regard to the Council, he asked for more attention to national Parliaments and more transparency of its works.

Mr CASH, UK *House of Commons*, wondering what the Treaty base was for Mr Juncker's election, considered that, since 1979, voters in the European Parliament elections strongly decreased; this decrease showed the distance between the EU and citizens. In his view, it was essential to answer the questions if voters still wanted more EU, and to ask ourselves who really ran the EU, if it worked well, if the common currency was effective, what was about the deregulation process in order to support SMEs, where the money came from and where it goes to. Growth and jobs were dependent on those questions, for that reason, as euro-sceptic, he had to ask these questions, believing that this was the best way to have a true "fresh start".

Mr KRICHBAUM, German *Bundestag*, stated that Europe needed to strengthen competitiveness and that the next Commission had to focus on creating the conditions for growth and more jobs in industry in Europe. Concerning Structural Funds, he pointed out that it was necessary to enable Member States to generate and attract European funds.

Responding to the interventions, Mr GOZI underlined the need to strengthen the efforts to fully use Structural Funds. The Italian Presidency was starting, he said, with education for public administration in managing funds, where weakness had been identified, and had doubled the technical assistance funds in an effort to train administrators and had set up an agency for territorial cohesion to support regional administration as well. He added that in the Presidency's programme the need was identified to resume the debate regarding the implementation of fiscal, economic and social union that had already started but had not fully been implemented yet. He agreed that the questions should be asked as to how the EU had been functioning until now and whether the Economic Monetary Union (EMU) was working properly, and, if not, how it should be improved. He stressed the Italian Presidency's priority to reduce European red tape and bureaucracy and to enhance democracy. In relation to competitiveness, he underlined the Presidency's commitment to it. In relation to tourism, stressing the need to strengthen this policy area, he said that the Presidency would submit proposals as to how it could be more closely linked to industry. Regarding the Digital Agenda, he stressed that it was an important priority of the Italian Presidency, which had started with the Digital Venice event, and expressed hope for progress with the Connected Continent programme. Concerning FRONTEX, he underlined the need to respect fundamental rights, increase funds and develop partnerships with EU Member States and source and transit countries. According to Mr GOZI, Member States needed to commit more extensively to joint operations, develop partnerships and enhance economic cooperation programmes to jointly manage migration flows.

Vice-President ŠEFČOVIČ, responding to the interventions, expressed the new European Commission's commitment to consider legal migration and be tough on illegal migration. He also stressed the need to look at the "Blue Card" and to be precise in what we would like to get from such a concept and in how to deal with the challenge of unemployment. In this respect, he referred specifically to the vocational studies and practical experience of young people in Austria and

Germany, which was being promoted as best practice. He added that the Youth Guarantee Scheme needed to be widely utilised in supporting the youth and referred to the latest idea in the Council to extend the age for benefitting from the scheme from 26 to 30 years of age. He agreed that the concept was there, but that the absorption of EU funds was inadequate.

In the second round of interventions, 9 speakers took the floor.

A number of them referred to enlargement. Mr Mehmet Sayim TEKELIOĞLU, Turkish *Türkiye Büyük Millet Meclisi*, supported the view that opening new chapters in the EU accession negotiations for Turkey during the Italian Presidency would inspire new momentum to the negotiation process and asked for the opening of all remaining chapters, especially chapters 23 and 24. He added that the dialogue on visa liberalisation launched in December 2013 would provide new momentum to EU-Turkey relations and mentioned the completion of internal procedure both in EU and Turkey for the conclusion of the Readmission Agreement. Mr Richárd HÖRCSIK, Hungarian *Országgyűlés*, said that there was a need, after the plane crash at the Ukrainian border, to emphasise enlargement. Stressing the importance of living in a peaceful and secure Europe, he supported the continuation of a credible enlargement policy and advancement in the negotiations upon merit and upon fulfilment of the accession criteria and implementation of necessary reform. Mr TRAGAKIS, Greek *Vouli ton Ellinon*, referring to the Thessaloniki Summit in 2003, mentioned that the Hellenic Presidency was the first to address enlargement towards the Western Balkans and Turkey, provided all commitments and obligations were upheld, as set by the EU. Ms Anca Daniela BOAGIU, Romanian *Senat*, supported enlargement, while Ms Ermira MEHMETI, *Sobranie* of the Former Yugoslav Republic of Macedonia, urged the Italian Presidency to emphasise more strongly the importance of enlargement had had on the democratic transformation of the aspiring countries, while she encouraged the Presidency to devise and support the model of parallel negotiations on FYROM's name issue and EU accession.

Mr TRAGAKIS, Greek *Vouli ton Ellinon*, referred further to the consequences of the financial crisis in the life of citizens, mentioning especially the high youth unemployment in the South. He welcomed the decision of Athens to dedicate €6 billion to tackle unemployment until 2020 and referred to Greece's request to triple the amount to €20 billion and to include the young between 25 and 34 years of age in the scheme.

Mr Øyvind HALLERAKER, Norwegian *Storting*, expressed his satisfaction in seeing the CFSP as a priority of the Italian Presidency. He supported the promotion of dialogue with Russia, stressing at the same time the need to condemn Russia's activities in Ukraine and maintain the sanctions, as the use of force to re-draw borders was unacceptable and must have consequences. He stressed recent events showed the need to strengthen cooperation between EU and NATO.

Ms Carlota RIPOLL, Spanish *Senado*, referred to sustainable growth, employment, security of common borders and migration as priorities also in her country. She added the European solution allowed Spain to overcome difficulties. In addition, she acknowledged the efforts of the administration and citizens in implementing structural reforms and referred, amongst others, to the importance of completing the EMU, ensuring competitiveness and convergence, guaranteeing a fair system of social protection, training and education and completing the energy market.

Mr Edmund WITTBRODT, Polish *Senat*, expressed Poland's support to the three goals, matching the Europe 2020 Strategy, which the Italian Presidency had set: advancing growth, getting closer to the citizens and enhancing CFSP. Emphasising competitiveness, he stressed the importance of evaluating the Europe 2020 Strategy. He particularly stressed the significance of a common energy

and environment policy in building a stronger Europe based on diversification of energy sources and safety of energy suppliers. In this context, he reiterated the need to speak with a common voice *vis-à-vis* suppliers and to be more independent from regime countries that did not share European values.

Ms BOAGIU, Romanian *Senat*, said it was important to consider the need to equally distribute funds between South and East underlining that the rule of law was not always guaranteed and that democracy was jeopardised in certain countries both inside and outside the EU; she mentioned the influx of Eurasian capital from countries that could not be seen as supporting democracy. She supported further the enforcement of the principle of subsidiarity in the framework of the existing Treaties.

Mr NEOFYTOU, Cyprus *Vouli ton Antiprosopon*, referred, amongst others, to the need to emphasise EU's failures and social problems avoiding a uni-dimensional solution focusing on fiscal consolidation. Underlining the importance of growth and development policies, he acknowledged that industry was also of great importance. However, he added, colleagues from industrial countries needed to acknowledge that not all countries in Europe could be industrial and that some relied on the provision of services. Harmonisation of financial transaction tax, he emphasised, would achieve nothing but removing services from Europe.

Responding to the interventions, Mr GOZI reiterated the Italian Presidency's commitment to enlargement and to promote cooperation in a region of strategic importance for Europe, stressing the upcoming European Commission's progress report on Turkey, which, according to him, provided an opportunity for a serious debate. He added that the launch of the EU Strategy for the Adriatic and Ionian Region would promote cooperation in a region strategically important. On the Europe 2020 Strategy, he expressed the Presidency's readiness to address it, while, on energy, he agreed that diversifying the energy mix and implementing effective energy policy measures to strengthen EU's position on the global level was top priority. On the decisions on Ukraine and Russia, he underlined that there was no difference between EU and Italy's positions; Italy had been a key player in decision-making regarding Ukraine, including in the decision-making on sanctions. On distribution of funds in the South and East, he said that juxtaposition between East and South should be avoided, just as such a juxtaposition should be avoided between North and South. On sustainable development and structural reform, he supported achieving these through the youth guarantee, referring to the need to use the 2016 budget line as well to ensure the programme was in place until 2019 at least.

Vice-President ŠEFČOVIČ, replying to the interventions, said that the Commission needed to be credible on the enlargement process, but that it needed also to see credible efforts from the countries concerned. He underlined the importance of the rule of law and of chapter on justice and home affairs in the accession negotiations' process and in Member States and mentioned the Commission's recent monitoring mechanism. On energy, he agreed that the EU had to speak with one voice and that the Union approach had to prevail. On the source of 300 billion Euros mentioned, he referred to the need to mobilise and "unionise" Europe's capital market and to consider the better use of the potential of the European Investment Bank and explore the further use of Project Bonds. On bureaucracy, he emphasised that the current and future Commission was serious concerning cutting red tape and overseeing how measures to simplify the application of EU law were transposed on national level. He called for common efforts regarding this issue.

4. European Structural and Investment Funds 2014-2020 - keynote speakers: Mr Graziano DELRIO, Under-Secretary of State to the Presidency of the Council of Ministers in charge of regional cohesion policies and sport and Mr Johannes HAHN, EU Commissioner for Regional Policy

The Chair, Mr BORDO, Italian *Camera dei Deputati*, expressed, on behalf of his colleagues, condolences for the victims of the tragic crash of the Malaysian Airlines airplane and invited participants to observe a minute of silence to pay tribute to the victims, among which there was a member of the Dutch *Eerste Kamer*.

In his introductory remarks, the Chair stated that the debate would tackle important issues: the drafting of Partnership Agreements with which each Member State had to define the framework of the utilization of European funds; the consideration of thematic objectives on which Member States intended to focus upon; the existing instruments that could ensure better spending capabilities. The ability of Member States to employ European funds was in his view equally important; he recalled that, according to the European Commission data, at the end of 2013 the actual disbursement of the total resources available for the period 2007-2013 on average at the EU level amounted to 66% with positive peaks of 80% and negative performances around 39%. He inquired whether such poor performances were due to the inability to manage and plan for spending purposes or to the excessive complexity of European regulation. In the light of Italy's experience, he wondered whether that was partly the result of paradoxical rules in the Stability and Growth Pact, which provided that a regional or national quota was necessary for co-financing, thus setting limits with which some states could not comply. He said that was why Italy had requested the change of the system.

Mr Graziano DELRIO, Under-Secretary of State to the Presidency of the Council of Ministers in charge of regional cohesion policies and sport, stated that, after complex 2-year negotiations, an agreement was reached on the cohesion legislative package last December. Thanks to the contribution of the European Parliament, the EU had an important resource base amounting over €366 billion for the period 2014-2020 for public funding and thanks to co-financing the total amount should be an excess of €500 billion up to 2023, which was a significant sum for promoting the Union's growth. He mentioned that the current European cohesion policy had been fundamental in addressing the impact of the global crisis in the period 2007-2013. It should be ensured that investment might increase considering also the current need to comply with the budgetary constraints and their effects for regional and local authorities.

He recalled that Italy had been debating the need to ensure consistency between fiscal consolidation and the objectives of supporting public investment; the Italian Parliament's resolution also indicated the operational mechanisms that must be implemented in order to overcome this contradiction. He underlined it was therefore essential to program a political debate within the framework of the informal ministerial meeting scheduled on 10 October that would focus on the relations between economic governance and cohesion policies. Apart from the volume of available resources, other issues to be addressed were the quality and the effectiveness of their employment and the need to guarantee that these investment decisions led to positive effects.

He mentioned that developments in recent months had shifted the debate towards enhancing effectiveness to the benefit of citizens and business enterprises, improving planning capabilities and ensuring the quantitative measuring of the outcomes. He stated that the common strategic framework for the 5 funds was going to facilitate the link with economic governance and existing *ex ante* conditionality was essential in order to allow the expected goals to be attained. He stressed the

need to be in line with the EU 2020 Strategy and continue to focus on partnership as a fundamental tool. This would allow various regional players to contribute to the drafting and implementation of the various programmes.

He then made a reference to the Italian initiative to develop in 2012 the plan for the period of 2014-2020 in constant exchange with the European Commission; the Partnership Agreement submitted in April indicated the expected results for each thematic objective and the specific targets and measures required. Investment was focused on enhancing the competitiveness of business enterprises and human capital, promoting innovation, and on social inclusion. He added that, on innovative enterprises, the Partnership Agreement envisaged incentives based on the need to employ researchers in business enterprises; measures to support the purchases of services for technological innovation for corporate strategic organisational and commercial capabilities; and initiatives to promote startups and new innovative firms. On employment measures, Italy indicated that the European Social Fund (ESF) was above the minimum threshold in promoting employment opportunities; promoting youth employment using the Youth Guarantee was a top priority for the Government. He explained that the enhancement of administrative capabilities, in terms of organisational capacity, was also targeted and that Italy was currently in the process of completing administrative reorganisation plans involving all regions.

On cohesion, he mentioned that it was decided by the Italian Presidency to promote a structured political debate on cohesion policy which accounted for 1/3 of EU's budget and was not formally debated on a regular basis at the political level within the Council. Therefore, in addition to the ministerial meeting and in line with the initiative of the Polish Presidency in 2012, on 19 November 2014 a session was going to be convened on cohesion policy within the General Affairs Council meeting. Its purpose would be to acknowledge the importance of innovation of the new regulations, to enhance democratic oversight over funds, strengthen the dialogue between national bodies and EU institutions, and to make cohesion policy more relevant for European citizens.

Mr Johannes HAHN, Commissioner for Regional Policy, stated that the European elections made it clear that communication with citizens should be improved on the millions of projects implemented within the framework of the Structural Funds and invited participants to contribute to this.

He then thanked the Italian Presidency for its intended efforts to create a permanent structure within the General Affairs Council on the use of Structural Funds. These funds accounted for 1/3 of the EU budget and due to the new policies, there was a very clear idea on how to use them: thematic concentration of funds, the need for certain conditions to be met in advance, strong outcome orientation, and performance reviews were currently in place. He emphasised that this would require permanent political exchange amongst Member States and at European level. On national co-financing and how it could be calculated based on the Maastricht criteria, he acknowledged the diverging views amongst Member States, but mentioned it was an issue that needed to be discussed politically. He urged to improve administrative capability and shorten the implementation period.

He recalled that, before the crisis, European Structural Funds made up 7% of all public investment in Europe, while currently they accounted for 20% and, in around half Member States, for 50%. Therefore, there was a responsibility to protect the interests of European tax payers and ensure necessary oversight without placing a huge burden, as was the case in many countries, because this was an obstacle to use funds given the red tape involved. He added that this issue should continue to be addressed by national Parliaments and that in the European Parliament there was a high level of activity related to executing the budget and the error rate.

European regional policy was re-aligned to focus investments on infrastructure and currently economic activities were primarily promoted, with support that doubled from 70 to 140 billion euros. He argued that, if each of the 23 million European SMEs were to hire one of the 27 million unemployed persons, unemployment would almost be solved. In contrast, each of the 500 largest enterprises in Europe would have to hire 50 000 persons, which was unrealistic.

In his view, it was equally important to support startups and be more innovative, improving the use of Structural Funds for venture capital investments as there was no unlimited private funding available.

On supporting the economy, for the 274 regions a smart specialisation strategy would have to be demanded, he argued, in which the individual potential of each region and the intended focus of investment would have to be clearly mentioned. He explained that, if Commission set conditions, this should not be viewed as yet another initiative creating more red tape, but as an invitation to identify future opportunities. He called on the participants to explain citizens the connections between various fields and focused on the importance of renewable energy and energy efficiency, mentioning that saving 1% of energy in Europe per year would save 2.3% gas imports. In 2012, Europe had a current account surplus of €317 billion (only if goods and services were considered) which turned into a deficit of 105 billion due to EU's dependency on commodities. It was thus politically necessary to address energy dependency. He explained that, within the Structural Funds, there was a compulsory minimal allocation amount that had to be earmarked for energy efficiency and renewable energy, and he expressed his satisfaction to announce that all Member States had exceeded by far the minimum requirements. This, according to him, proved that local initiatives could make a contribution to the overall European situation and that regional policy played a key role provided that common goals were implemented.

In conclusion, he expressed his confidence that, throughout the new term of the European Commission, all Partnership Agreements, and also a large part of the operational programmes, would be concluded with Member States. He also asked participants for their active cooperation and stressed that regional policy depended on the support from national and regional parliamentarians, assuring them of EU's availability in case assistance was needed.

In the following debate, questions were addressed to Mr DELRIO, as the Commissioner, due to agenda constraints, could not take part in the debate.

Twelve parliamentarians took the floor during the debate.

Mr MAYER, Austrian *Bundestrat*, recorded the important impetus of the EU to fight unemployment. In spite of the fact that in Austria youth unemployment was relatively low, many programmes were pending on the issue. Mr MAYER considered that the Youth Guarantee fund must constitute a key impetus against unemployment in Europe. He stressed the importance of supporting and enabling small and medium sized enterprises in order to implement projects, especially targeting young people.

The importance of accountability and transparency regarding how money was spent was stressed by Mr LEEGTE, Dutch *Tweede Kamer*, who emphasised that democratic accountability of the use of EU funds was deemed essential by the Dutch Parliament, which had organised a side session during the last COSAC plenary meeting in Athens on that topic. Accountability and transparency were the tools by which politicians could explain to their voters what had been done and why. He called upon other parliamentarians to ask their respective Governments how European funds were spent,

and to hold the Governments accountable for the expenditures. He suggested that involvement of independent auditors would have to become normal practice in all Member States. He also mentioned the importance of issuing national declarations on the accountability of the European funds spent.

Mr TEKELIOĞLU, Turkish *Türkiye Büyük Millet Meclisi*, gave his country's perspective on EU cohesion policies, stressing their role in reducing regional disparities and ensuring economic, territorial and social cohesion. Financial cooperation was, he said, a fundamental dimension of the EU- Turkey relations. The regional policy of Turkey had been shaped in line with the requirements of the EU cohesion policy. In this regard, he welcomed the opening of EU accession negotiation chapters on regional policy and on coordination of structural instruments, as this would directly contribute to the development of Turkey. He informed of the adoption of the 10th development plan in line with Europe's 2020 Strategy, as well as of the National strategy for regional development. Turkey, he said, had speeded up preparations for implementation systems for future EU funds, to become available after full Membership status.

Mr TRAGAKIS, Greek *Vouli ton Ellinon*, considered the mission of the Structural and Investment Funds from the perspective of boosting economic growth in the regions. In order to become more effective in taking up and using Union funds, he suggested setting up macro-strategies, e.g. for the Mediterranean, as that would contribute towards harnessing common problems. In his view, this strategy should increase competitiveness and openness, especially of SMEs, as well as the use of capabilities of human resources. It should also allow a transition towards a more environment-friendly economy and a modernisation of the infrastructures, e. g. improving the effectiveness of public administration.

He suggested that, in the case of Greece, the emphasis had to be on the creation of a new development based on specialisation and the competitive advantages of the country's regions.

Ms Danuta HÜBNER, *European Parliament*, for the first time in the COSAC as Chair of the Committee on Constitutional Affairs, expressed her deep belief in interparliamentary cooperation, as, in coming years, there would be greater need for a double legitimacy in Europe. The first point she raised was that, for the first time in the history of the Cohesion Policy, the European Parliament had worked with the Council and the European Commission on the basis of co-decision. Secondly, she stressed that the European Parliament's involvement was not finished with the negotiation of the framework, but would continue through a general oversight of the policy; she hoped that the participation of national Parliaments to meetings on this topic would ensure their involvement at national level. She hoped that the Commission would be able to finalise by the end of its term all the negotiations on the Partnership Agreements and operational programs. There was, she said, a huge number of delegated and implementing acts that should be transmitted to the European Parliament as soon as possible.

On the availability of funds for investments, Ms HÜBNER noted that funding should come from the private sector, and, in this regard, the European Central Bank was actively preparing the launch of credit initiatives by commercial banks. In addition, the European Investment Bank was working on new financing vehicles towards various investment opportunities. Improvements were made in order to facilitate combining grants with resources from the financial markets and good rules were in place on the public-private partnership. Yet, the EU budget still mattered she said, stressing the importance of the EU budget of 2015 and the problems generated by the tradition to have artificially low annual budgets that had to be amended over the years, which led to the accumulation of enormous over-hanging bills that currently needed to be covered.

Ms BOAGIU, Romanian *Senat*, stressed the need to develop both East and South through a balance budget, not forgetting Eastern countries awaiting accession to the EU. She also suggested a common approach be taken as well as more standardised procedures when dealing with EU funds.

Baroness Gloria HOOPER, UK *House of Lords*, referred to the report of the House of Lords' Subcommittee on International Market, Infrastructure and Employment on youth unemployment. The report in question, she said, recommended both recognising the great importance of accountability and transparency and decentralising to a greater extent the spending and management of EU funds.

Ms POMASKA, Polish *Sejm*, agreed that EU's funds must be used in the best possible way and pointed out that Poland had been trying to follow that path, being the biggest beneficiary of Union funding. She endorsed the need to promote EU financed projects, as Commissioner Hahn suggested, considering that proper implementation of the projects was the best way of promoting them. She added it was important to consult with citizens before decisions on future projects were taken.

Mr Marc ANGEL, Luxembourg *Chambre des Députés*, congratulated the European Parliament for bringing forward a number of improvements into the 2014-2020 Cohesion package. He pointed out that greater involvement on the part of local and regional authorities was an important point in terms of planning and implementation of these policies. In order to achieve a greater impact of Structural and Investment funds, local, regional, national authorities must cooperate closely with businesses, trade unions, NGOs, thus fostering social cohesion. Mr ANGEL thanked the European Parliament for having succeeded in avoiding the suspension of funds in the case of excessive deficit at national level, as this mechanism had to take into account the social and economic circumstances in the Member State concerned. He welcomed the decision according to which the European Parliament would be involved in the process through which this mechanism would be activated. He supported the idea of fighting "Sherpa Europe".

The issue of connecting with citizens was picked up by Mr Richard HÖRCSIK, Hungarian *Országgyűlés*, who saw Structural and Cohesion funds as a visible channel for showing citizens how the EU solidarity principle worked in reality and who said that Brussels was not only about bureaucracy, but also provided the possibility for undeveloped regions to catch up with the rest of Europe.

Mr Laszlo VARGA, Serbian *Narodna skupština*, expressed his gratitude to all Member States and the EU for the assistance received during and after the severe flooding earlier that year. He promised that they would ensure a transparent use of this funding and expressed full readiness to cooperate effectively with the neighbouring countries in the process of reconstruction.

Ms Majlinda BREGU, Albanian *Kuvendi I Shqipërisë*, reminded the audience that accountability and transparency of funds had to be interlinked with the process of enlargement. She stressed that enlargement was not the solution to their problems, but a good tool to improve the fundamental rights. However, the process, she added, must remain all-inclusive.

Mr DELRIO assured that the Italian Presidency would take note of all the expressed remarks and he stated that there were two important aspects that characterised all the interventions.

He acknowledged the necessity to ensure that cohesion policies were recognised as relevant and necessary policies especially because they brought the EU closer to its citizens. Furthermore, many speakers recognised the importance of accountability and transparency in deploying Union funds. In

this regard, he mentioned the Italian Government's website "Open Cohesion", where all programmes were regularly updated and accessible to all citizens.

Secondly, he underlined that the Italian Presidency agreed on the need, expressed by many speakers, for a joint effort and an intense political dialogue involving all EU institutions. The Commission would present a report in 2015 on the outcome of the negotiations for the Partnership agreements and programmes, a report in 2016 on implementation of the programmes, as well as the 6th Cohesion Report. These would be important opportunities to further stimulate the debate between the institutions and to strengthen their cooperation.

Mr DELRIO concluded his assessment by referring to the importance of involving all stakeholders at national level, and tying in the key roles played by local communities.