

**MINUTES OF THE MEETING OF THE L COSAC
Vilnius, Lithuania, 27-29 October 2013**

AGENDA:

1. Opening of the L COSAC Meeting

- Introductory remarks by Mr Gediminas KIRKILAS, Deputy Speaker of the *Seimas* of the Republic of Lithuania and Chair of Committee on European Affairs
- Welcome speech by H. E. Loreta GRAUŽINIENĖ, Speaker of the *Seimas* of the Republic of Lithuania
- Welcome speech by Mr José Manuel BARROSO, President of the European Commission (video message)

Procedural issues:

- Adoption of the Agenda of the L COSAC
- Presentation of the 20th Bi-annual Report of COSAC
- Briefing on the decisions of the meeting of the Presidential Troika of COSAC
- Briefing on the letters received by the Presidency Parliament

2. 'State of Play of the Lithuanian Presidency of the Council of the European Union'

Keynote speaker: H. E. Algirdas BUTKEVIČIUS, Prime Minister of the Republic of Lithuania

3. 'Contribution of COSAC to strengthening of interparliamentary cooperation in the European Union'

Guest-of-Honour: Mr Laurent FABIUS, Minister of Foreign Affairs of the Republic of France, former Speaker of the French *Assemblée nationale*

4. 'European Elections 2014: Platform for Debate on the EU Future with Its Citizens'

Keynote speaker: Mr Pat COX, former President of the European Parliament

Keynote speaker: Mr Andrew DUFF, Member of the Committee on Constitutional Affairs of the European Parliament, rapporteur on improving the practical arrangements for the holding of the European elections in 2014

5. 'Parliamentary diplomacy – the EP-Ukraine – a case study'

Presentation by Mr Pat COX, former President of the European Parliament

6. 'Implementation of the Europe 2020 Strategy'

Keynote speaker: Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission responsible for Inter-Institutional Relations and Administration

Keynote speaker: Ms Pervenche BERÈS, Chair of the Committee on Employment and Social Affairs of the European Parliament

7. Meeting of the Chairpersons of COSAC

- Briefing on the first meeting of the COSAC Women's Forum -

8. 'Democratic Legitimacy in the EU and the role of EU Parliaments'

Keynote speaker: Ms Eva Kjer HANSEN, Chair of the European Affairs Committee of the Danish *Folketing*

Keynote speaker: Mr Dominic HANNIGAN, Chair of the Joint Committee on European Union Affairs of the Irish *Houses of the Oireachtas*

Keynote speaker: Mr Hans-Gert PÖTTERING, former President of the European Parliament, Member of the European Parliament

9. 'Digital Agenda: challenges and perspectives'

9.1. Cyber security

Keynote speaker: Mr Rudolf Peter ROY, Head of division for Security Policy and Sanctions of the European External Action Service

9.2. 'Benefits for business'

Keynote speaker: Mr Ilja LAURS, Chief Executive Officer of GetJar, winner of "European Manager of the Year 2011 Award", presented by the European Business Press (EBP)

10. Adoption of the Contribution and Conclusions of the L COSAC

PROCEEDINGS

IN THE CHAIR: Mr Gediminas KIRKILAS, Deputy Speaker of the *Seimas* of the Republic of Lithuania and Chair of the Committee on European Affairs.

1. Introductory remarks by Mr Gediminas KIRKILAS, Deputy Speaker of the *Seimas* of the Republic of Lithuania and Chair of the Committee on European Affairs; welcome speech by H. E. Loreta GRAUŽINIENĖ, Speaker of the *Seimas* of the Republic of Lithuania

Mr KIRKILAS welcomed participants to the meeting of the L COSAC and recalled the first meeting of COSAC held on 16-17 November 1989 in the French *Assemblée nationale*. He welcomed the new Chair of the Bulgarian delegation, Mr Mladen CHERVENIAKOV. A video about the restoration of Lithuania's statehood and the historic Hall of the Act of 11 March was shown. Mr KIRKILAS announced that he would co-chair the meeting with Mr Petras AUŠTREVICĪUS, Deputy Speaker of the *Seimas* of the Republic of Lithuania and Deputy Chair of the Committee on European Affairs.

H. E. Loreta GRAUŽINIENĖ, Speaker of the Lithuanian *Seimas*, welcomed the delegates to the L COSAC meeting and noted that almost twenty years had passed since the entry into force of the Treaty of Maastricht on 1 November 1993. She reviewed the two interparliamentary conferences held in the framework of the parliamentary dimension of the Lithuanian Presidency of the EU Council: the Inter-Parliamentary Conference for CFSP and CSDP which discussed, in a timely manner, the response to the use of chemical weapons in Syria; and the first Interparliamentary Conference on Economic and Financial Governance of the European Union, based on Article 13 of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG), which had laid the grounds for the future functioning of this Conference. She noted that the L COSAC meeting would seek to promote a more active role for national Parliaments and to enhance the cooperation between national Parliaments and the European Parliament in order to maintain a constant and efficient interinstitutional dialogue at national and the European levels. She also pointed out that for the first time within the COSAC framework there would be a COSAC Women's Forum where women parliamentarians could discuss issues of common concern and which the Presidency was planning to convene on the basis of the suggestion from the Vice-President of the French *Sénat*, Ms Bariza KHIARI.

The video message of the President of the European Commission, Mr José Manuel BARROSO, was screened. He congratulated COSAC on its 50th jubilee meeting and its development into a substantial factor in interparliamentary cooperation on European Union policies. He recalled that at the time of the first COSAC meeting in 1989 an era of new impetus for European integration and of discussions about democratic legitimacy on European affairs had commenced. Looking ahead he expressed his wish that comprehensive solutions for the future could be achieved by completing the architecture of the Economic and Monetary Union (EMU), by returning to a new kind of sustainable growth, by keeping on course for fiscal consolidation, by accelerating the pace of structural reforms and by boosting investment in the real economy as well as by fighting unemployment. He therefore welcomed the central place for the *Europe 2020* Strategy on the agenda of the jubilee COSAC meeting.

1.2. Adoption of the agenda, procedural questions and miscellaneous matters

The Chair presented the draft agenda of the L COSAC which was adopted without amendments. Mr KIRKILAS then moved on to the presentation of the 20th Bi-annual Report of COSAC, containing three chapters on 1. European Elections 2014: Platform for Debate on the EU Future with its Citizens. 2. Democratic Legitimacy in the EU and the Role of EU Parliaments. 3. Implementation of the *Europe 2020* Strategy. The first chapter showed support for establishing stronger links between European and national parties as well as for the nomination of party candidates for the post of the President of the European Commission. The second chapter showed the overriding

importance that national Parliaments accorded to the democratic control of their own governments in EU affairs as well as the value of COSAC, political dialogue and IPEX as tools of interparliamentary cooperation. The third chapter demonstrated the increasing focus of Parliaments on the fight against unemployment and described parliamentary procedures and best practices related to the implementation of the *Europe 2020* Strategy.

Mr KIRKILAS informed the participants of the results of the meeting of the Presidential Troika of COSAC held the previous afternoon, and especially the nomination of Ms Christiana FRYDA, official of the Cyprus *Vouli ton Antiprosopon*, as a new Permanent Member of the COSAC secretariat following the interviews with four candidates. Mr KIRKILAS announced that amendments to the draft Contribution and Conclusions as amended by the Presidential Troika of COSAC the previous day would be accepted until noon.

Mr KIRKILAS communicated that the Lithuanian Presidency had received six letters from:

- The Polish *Senat* regarding the meeting of the parliamentary EU Affairs Committees of the Czech Republic, Slovakia, Poland and Hungary.
- The Latvian *Saeima* regarding the traditional informal consultations of the European Union Affairs Committees of the Estonian, Latvian, Lithuanian and Polish Parliaments.
- The Chairman of the Constitutional Affairs Committee of the European Parliament Mr Carlo CASINI regarding his unavailability to attend the L COSAC meeting.
- The Chairman of the Committee on Foreign Affairs of the Parliament of Ukraine Mr Vitaliy KALYUZHNYIY regarding his unavailability to attend the L COSAC meeting.
- The Former President of the Republic of Poland Mr Aleksander KWAŚNIEWSKI regarding his unavailability to attend the L COSAC meeting.
- The Vice-President of the European Commission Mr Maroš ŠEFČOVIČ regarding the official reply to the Contribution of the XLIX COSAC.

Ms Tineke STRIK (Greens/EFA), Dutch *Eerste Kamer*, expressed her concern that the next COSAC Chairpersons' meeting would overlap with a session of the Parliamentary Assembly of the Council of Europe and asked that such conflict of dates be avoided in the future.

Mr René LEEGTE (ALDE), Dutch *Tweede Kamer*, mentioned that a position paper of his Chamber on democratic legitimacy was distributed outside the meeting room and said he was looking forward to replies.

2. 'State of Play of the Lithuanian Presidency of the Council of the European Union'

Keynote speaker: H. E. Algirdas BUTKEVIČIUS, Prime Minister of the Republic of Lithuania

In his speech, the Prime Minister of the Republic of Lithuania, Mr Algirdas BUTKEVIČIUS welcomed the role played by COSAC in addressing European issues and ensuring that the EU was more democratic and accountable to its citizens. The jubilee L COSAC Meeting and the Lithuanian Presidency coincided with the European Year of Citizens, so particular efforts were being made to respond to the concerns of all European citizens.

As for the major goals of the Lithuanian Presidency, the Prime Minister referred to a growing, reliable and open Europe. He stressed the importance of demonstrating the economic and social policy results to European citizens and the rest of the world and of ensuring that the EU stood on a firm footing regarding its financial situation and continued to be an example of openness. The Lithuanian Presidency had contributed to launching legislation in that regard.

The threat posed by weak banks to the whole European financial system had proven the need for a rapid EU response to avoid adverse effects. The creation of the banking union would ensure that all EU banks would operate under common rules and that the interests of depositors would be better

protected. The proposal for a Single Resolution Mechanism which was discussed during the Informal Meeting of Ministers for Economics and Financial Affairs in Vilnius represented a first step.

Mr BUTKEVIČIUS called on Member States under economic pressure to seek balance between economic measures and social challenges. He emphasised that one of the main tasks of the Lithuanian Presidency was to ensure that funds from the 2014-2020 Financial Programme reached businesses and Europeans in time. The agreement, in a short time, by the Member States on the EU budget for 2014 was an achievement of the Lithuanian Presidency. In the coming months, efforts would continue to ensure that political agreement on the EU budget for 2014 could be reached with the European Parliament. The Prime Minister referred to unemployment as one of the most challenging consequences of the crisis, affecting one quarter of young people in the EU. In response to that problem, the Youth Guarantee and Youth Employment Initiative would be launched in 2014. In order to ensure its effectiveness, economic growth as well as competitiveness and innovation should be enhanced.

In that regard he highlighted the enormous potential of the digital world, referring to research according to which the digital economy could significantly increase GDP over the next decade. Moreover, the common digital market could simplify lives, make travel abroad easier, integrate European payments systems and create employment opportunities for all. In addition, the single energy market, which was envisaged to be completed by 2014, would help to achieve more competitive prices and would increase the importance of the EU in the international arena.

Building on an open Europe, the Lithuanian Presidency had put forward negotiations on free trade and association agreements with the Eastern Partnership countries and would further promote ties through the organization of the third Eastern Partnership Summit in Vilnius on 28-29 November 2013. The Prime Minister stated that the Eastern partners' determination and capacity to undertake reforms as well as the common position and support of the EU Member States and institutions would determine the success of the Summit. Moreover, during the Lithuanian Presidency, negotiations with the USA on the free trade agreement had been launched.

In conclusion, Mr BUTKEVIČIUS highlighted the role of Parliaments in using the available tools to promote economic growth, ensure confidence in the financial system and to allow the EU to become more open to the world.

In the debate which followed, 17 speakers took the floor. Mr Richárd HÖRCSIK (EPP), Hungarian *Országgyűlés*, highlighted the importance of making funds accessible to European citizens in time and creating synergy between cohesion funds and economic governance. Mr Ľuboš BLAHA (S&D), Slovakian *Narodna rada*, and Mr Össur SKARPHÉDINSSON (S&D), Icelandic *Althingi*, raised the issue of NSA eavesdropping and the extent to which it could threaten the free trade negotiations with the USA, while Mr Vitalino CANAS (S&D), Portuguese *Assembleia da Republica*, asked for a correction of the structural imbalances in the allocation of EU funds and the completion of the banking union, an issue also raised by Ms Athina KYRIAKIDOU (S&D), Cyprus *Vouli ton Antiprosopon*. Mr BUTKEVIČIUS answered that the goal was to better programme and direct funds so as to reduce differences in the level of development between EU regions and to make these funds accessible to EU Member States at the beginning of 2014. Enhancing the banking union had been a major priority of the Lithuanian Presidency. As far as the free trade negotiations with the USA were concerned, he announced that there would be a third stage in the negotiations in December 2013, but at the same time he condemned the NSA eavesdropping.

Highlighting the Lampedusa incident, several parliamentarians (Mr Christopher FEARNE (S&D), Maltese *Il-Kamra Tad-Deputati*, Mr Paolo TANCREDI (EPP), Italian *Camera dei Deputati*, Mr Epameinondas MARIAS (Non-affiliated), Greek *Vouli ton Ellinon*, Ms Athina KYRIAKIDOU (S&D), Cyprus *Vouli ton Antiprosopon*, Ms Danielle AUROI (Greens/EFA), *Assemblée nationale*)

raised the issue of migration flows from North Africa and the need for a genuine integrated migration policy and solidarity among Member States. Mr BUTKEVIČIUS stated that the migration issue should be dealt with jointly at EU level and highlighted other aspects of the problem such as youth migration due to unemployment.

Ms Laima Liucija ANDRIKIENĖ (EPP), *European Parliament*, Mr Mladen CHERVENIAKOV (S&D), Bulgarian *Narodno Sabranie*, Mr Edmund WITTBRODT (EPP), Polish *Senat*, and Ms Zanda KALNIŅA-LUKAŠEVICA (Non-affiliated), Latvian *Saeima*, underlined the importance of delivering results at the Eastern Partnership Summit to be held in Vilnius, especially with regard to the EU-Ukraine negotiations. Mr BUTKEVIČIUS stressed that Ukraine needed to work hard to meet its obligations by the end of November 2013 and referred to the work on Moldova and Georgia done by the Lithuanian Presidency as well as to the special EU-Russia and EU-Turkey relations. A number of parliamentarians underlined the importance of continued efforts in promoting the enlargement policy in the Western Balkans following the accession of Croatia (Mr Máttyás FIRTL (EPP), Hungarian *Országgyűlés*, Mr Stefan SCHENNACH (S&D), Austrian *Bundesrat*, Mr Mladen CHERVENIAKOV, Bulgarian *Narodno Sabranie*). Ms Sylvi GRAHAM (EPP), Norwegian *Stortinget*, stated that a Minister for European Affairs was appointed under the new government for the first time in Norway. Finally, Ms Danielle AUROI, French *Assemblée nationale*, called for strong democratic impetus and enhanced democratic legitimacy and asked about the prospects of the Interparliamentary Conference on Economic and Financial Governance of the European Union. Mr BUTKEVIČIUS commented on the need for broader communication of EU policies to its citizens.

3. 'Contribution of COSAC to strengthening of interparliamentary cooperation in the European Union'

Guest-of-Honour: Mr Laurent FABIUS, Minister of Foreign Affairs of the Republic of France

The Guest-of-Honour of the L COSAC, Mr Laurent FABIUS, Minister of Foreign Affairs of the Republic of France, the former Speaker of the French *Assemblée nationale* and the 'founding father' of COSAC back in 1989, in his address noted the crucial need for interparliamentary cooperation to allow national Parliaments to take part in EU politics and to promote cooperation among national Parliaments and the European Parliament. National Parliaments had an important role to play since interparliamentary cooperation conferred greater legitimacy to decisions taken at European level. He recalled that the first meeting of COSAC, held in November 1989 in Paris, took place at a time when the Berlin Wall just had come down. The reasons which justified the creation of COSAC back then were still valid even though the European Union looked different today. There was a need for European decision making to be brought closer to the citizens as these policies had to meet citizens' expectations. Since the founding of COSAC huge headway had been made but things would have to be taken further.

The deepening of the European Union and of the EMU via the Six-Pack and the Two-Pack would have a direct impact on national budgets and greater coordination of economic policies at European level would necessitate enhanced cooperation between national Parliaments. The principal rule should be that at each stage of the process democratic debate would take place. Parliaments had to be able to fully play their role in order to establish the parliamentary counterpart to governmental decisions. This was the purpose of Article 13 of TSCG. The question had to be asked how Parliaments could do more and do better on that front.

Generally speaking, all institutions, each on its own level, had to commit to serving a greater democratic logic. There were several solutions to this end: first, while many mechanisms introduced in reaction to the financial and economic crisis, like the European Semester, had strengthened the role of the Commission, Parliaments should set up the conditions for a debate on EU matters. The Commission should visit the Member States to explain its policies to national parliamentarians and take their questions and requests into consideration. Second, a richer and more

objective debate in Member States would be needed e.g. when a government supported a decision at European level it should have the courage to endorse that decision at home. Quoting the French example, where since 2005 ministers could go to Parliament to discuss points on the agenda of the Council of Ministers, he pleaded for all executive bodies to strive to get national Parliaments more involved in EU policies at national level. He warned about the threat of governments using their national Parliaments to block EU decisions via the backdoor: Parliaments should express their own views on EU affairs but should not systematically block making headway in Europe. Thirdly, Members of the European Parliament were responsible for working together with members of national Parliaments. The first meeting of the Interparliamentary Conference on the Economic and Financial Governance of the European Union pointed in the right direction. Although the Six-Pack and Two-Pack procedures were necessary to address the asymmetry of the EMU they had to be legitimised by citizens and in addition the positions of national Parliaments needed to be given careful consideration to strike the right institutional balance. Moreover, if Members of the European Parliament elected in 28 Member States were to discuss the economic policies of the members of the Eurozone, another imbalance would be created. After the next European elections the European Parliament could establish a structure especially designed to consider Eurozone matters in order to ensure democratic control of the legitimacy of the decision making on the Eurozone. Fourthly, national Parliaments had a range of instruments at hand. For example, they could send reasoned opinions to the Presidents of the European Parliament, the Commission and the Council. For national Parliaments this was a way to emphasise their willingness to go further down the path of European integration and to push forward their desires like in the case of the 'yellow card' on the 'Monti II' proposal for the right to strike or now with the second 'yellow card' on the European Public Prosecutor Office. This could be interesting to investigate further but not to be abused.

In view of the elections of a new European Parliament and a new Commission under new arrangements in a few months Mr FABIUS was concerned about the rate of abstentions or anti-European votes which, in his point of view, could signal that a major overhaul of the European construction was needed to strengthen the democratic legitimacy of the EU at all levels. It was imperative to improve cooperation at all levels of decision making as this would mobilise European citizens for the elections next year.

Mr FABIUS emphasised that COSAC had a role to play in this regard as it could enable taking the initiative for monitoring and for debate at parliamentary level. When people said that Brussels "had decided" an issue it was technically incorrect and politically dangerous as these were the representatives of Member States and their citizens who had actually taken decisions in Brussels, Luxembourg and Strasbourg. Mr FABIUS concluded by saying that Parliaments were the beating heart of European democracy and the European Union was a common construction serving citizens and COSAC continued to be a crucial forum.

4. 'European Elections 2014: Platform for Debate on the EU Future with Its Citizens'

Keynote speakers: Mr Pat COX, former President of the European Parliament, and Mr Andrew DUFF, Member of the Committee on Constitutional Affairs of the European Parliament, rapporteur on improving the practical arrangements for the holding of the European elections in 2014

Mr Pat COX, former President of the European Parliament pointed out that the eighth direct elections to the European Parliament would take place against the backdrop of an unprecedented crisis which had already shown its impact in opinion polls and elections. When asked who would be best suited to help overcome the crisis, the acceptance of EU institutions had fallen to 50 %, while the acceptance of Member States' institutions had crept up to 41 %. Secondly, with the exception of three states which returned incumbent governments, in all other national elections the incumbents were wiped out and, thirdly, extremist parties were on the rise everywhere. Great interstate tensions arose around the fear of endless financial transfers on the one side and the fear of endless austerity measures on the other. Historic levels of unemployment were mirrored by a

growing level of poverty. Bearing in mind the effects of financial consolidation, the resulting social crisis had to be addressed too, in order to make this 'election bird' fly with two wings.

Following the entry into force of the Lisbon Treaty, the European Council became an institution and during the economic crisis the Council and the Eurozone acted as the new centres of decision making despite the fact that the European Parliament had become co-legislator in most areas. Partly in reaction to this, political parties would name their candidates for the post of President of the European Commission and would try to build a political platform for election next year. This new President, it was hoped, would not be the old bipolar Commission/Council representative but would act within the new institutional set-up including the European Parliament. This development would be complemented by the on-going institutional retrofitting with the Six-Pack and the Two-Pack, the banking union and the drive for a genuine EMU in order to create common solutions to our interdependencies and to strike a balance between necessary economic and social policy decisions. In the current debate on these reforms there were two schools of thought: one old national 19th century school about the uniqueness of the nation state which he would call 'sovereign nostalgia' and another school which he would call an old-style federalist school according to which Member States should 'go the way of the dinosaurs'. Mr COX said he believed that Member States were still key mobilisers of identity and that Europe could not be built in opposition to a Member State. Neither old-style sovereignty nor old-style federalism could present a solution but differentiated integration would be the future which would not be unique for the United Kingdom. This new set of banking union countries would develop into the 'new normal' as asymmetries could no longer be ignored. He closed with a reference to Thomas JEFFERSON, whereby any government had to have the consent of the people to work properly and this had to be fought for. Output legitimacy could not be left out. The EU and its Member States had to deliver benefits to its citizens.

As second keynote speaker, Mr Andrew DUFF, Member of the Committee on Constitutional Affairs of the European Parliament and rapporteur on improving the practical arrangements for the holding of the European elections in 2014, qualified himself as a 'new-style federalist' in Mr COX's parlance. He said that a point could come where falling turnout would jeopardise the legitimacy of Parliaments and their representative capability and accountability. Based on this assumption the European Parliament had tried to change the electoral procedures for the European elections to make them more attractive but in the last five years all attempts to do so had failed. Therefore, there would not be any transnational lists, it would not be assured that candidates could stand for election in more than one Member State and elections would not take place on one single day. At least the European Parliament had succeeded in bringing forward the timing of the elections by a fortnight to the end of May, so that the European Parliament could play its role in the nomination process of the new Commission President, and in simplifying the organisation of the European elections for citizens living in another Member State than their own to participate and stand for the European elections 2014. He also pointed out that in order to permit European parties to campaign, a political agreement on the reform of the statute of European parties should be reached.

Currently, European parties remained weak in trying to drive the policy process of EU politics and fell short of what was required, Mr DUFF continued. According to him, with some exceptions national parties largely failed to embrace European politics and the links between national and European parties needed to be strengthened. Emblems and names of European parties should appear on the ballot paper and TV broadcasts from European parties on public channels should be made possible. Other ways to bring the elections to life for the citizens would be putting in place clear and transparent selection procedures, to conclude them in good time before the elections and to nominate 'champions' or leaders of the campaigns, not only for the President of the Commission but for the much broader range of appointments taking place next year.

In this regard the Lisbon Treaty was quite helpful since article 17 (7) TEU clarified the procedure on the nomination of the candidate for the Presidency of the Commission by the European Council in that it should take into account the European elections and have appropriate consultations with

the European Parliament and parties. The current President of the European Council, Herman VAN ROMPUY, would become the *informateur*, looking for a majority leader in the European Parliament. If the European Parliament rejected the candidate, a new candidate had to be presented within one month. Mr DUFF said that if that experiment worked it would strengthen the arm of the President-elect of the Commission when appointing the other members of the European Commission which would be submitted to hearings in the European Parliament in September or October next year and, after a final vote of approval in the European Parliament, could take office as the new Commission on 1 November next year.

In the following debate 13 speakers took the floor. Mr Damir MATELJAN (S&D), Croatian *Hrvatski Sabor*, drew on the experience of the first election of Members of the European Parliament in his country last year by saying that citizens still failed to understand the role of the European Parliament and that therefore more information on this had to be made available. Ms Agnieszka POMASKA (EPP), Polish *Sejm*, added that Polish people were pro-European but paradoxically failed to turn up for the European elections.

Several parliamentarians like Mr António RODRIGUES (EPP), Portuguese *Assembleia da Republica*, claimed that citizens were less interested in the EU but wanted to see solidarity and positive results for their lives. Mr Paolo TANCREDI (EPP), Italian *Camera dei Deputati*, said that citizens' trust was suffering because of the inability of the institutions to tackle the crisis. Mr Epameinondas MARIAS (Non-affiliated), Greek *Vouli ton Ellinon*, blamed the Troika for going against the people's interests and Mr Ľuboš BLAHA (S&D), Slovak *Narodna rada*, specified that those who were disadvantaged in society had the impression that they had to pay for the consolidation of banks, the economy and sovereign debts and that therefore they did not regard Europe as their home. Ms Ana Catarina MENDES (S&D), Portuguese *Assembleia da Republica*, believed that the dwindling trust in European politics resulted from growing nationalism, hard austerity measures and fears about immigration. According to her, the appearance of anti-European parties heralded a Eurosceptic wave.

Other speakers, like Mr Philippe MAHOUX (S&D), Belgian *Chambre des Représentants*, and Ms Axelle LEMAIRE (S&D), French *Assemblée nationale*, said that very important political decisions were at stake in the next European elections and that the message had to put across to the voters that the elections were politically significant and that they should vote along political lines. Ms LEMAIRE pointed out that parties had a crucial responsibility for setting up their own programmes for the European elections and for nominating their candidates for the post of President of the European Commission. Under these conditions the Heads of State and Government assembled in the European Council could not do anything other than to accept the voters' choice. Ms Tineke STRIK (Greens/EFA), Dutch *Eerste Kamer*, asked for more concrete proposals concerning national Parliaments' activities on raising voter turnout.

Mr William CASH (ECR), UK *House of Commons*, deplored the democratic crisis which in his view existed because European elections challenged the fundamental point that national Parliaments were granted the inherent powers from voters.

Mr Stefan SCHENNACH (S&D), Austrian *Bundesrat*, claimed that the Lisbon Treaty had rendered the European Union more democratic but that the financial and economic crisis and the Troika imposed austerity measures and their undesired social consequences had undermined the role of Parliaments; consequently neo-liberal ideas should be abandoned by Parliaments and the fight against youth unemployment should be put at centre stage.

In his replies Mr COX agreed with speakers that a politicisation of the European elections was needed as the contest of political ideas sharpened the political debate and that the nomination process of the next President of the European Commission could be one element to make different political concepts more visible. National Parliaments could help by not abandoning the campaign to

those who would spread misinformation. The clash of ideas and room for dissenting opinions had to be legitimised in European elections as a valid part of any electoral contest. He also noted that even when a country was able to exit the Troika programme, the situation would have permanently changed from before since with the new Six-Pack and Two-Pack rules, fiscal consolidation was the only way back to more sovereign exercise of governmental and parliamentary powers.

In his answers Mr DUFF highlighted the importance of European elections by saying that if he was a citizen of a Troika programme country he would line up at dawn at the polling station to cast his vote for the European Parliament elections because such a lot was at stake: the budget, fiscal consolidation, immigration, enlargement as well as sharing solidarity across national borders. In his view the crisis showed not so much a democratic deficit but more a deficit of a clearly accountable government. He described the role of the European Parliament in this crisis as being agile, being frequently ahead of the curve and as seeking to serve the common interest of states and citizens. Replying to the question of Ms STRIK, Mr DUFF proposed to turn national European affairs committees into a platform for European discussions by questioning national political leaders on their EU policies in televised debates. National Parliaments could also invite Members of the European Parliament to speak at the tribune, such as in the Dutch *Tweede Kamer*, and to explain their political decisions which could enhance the accountability of Members of the European Parliament. Looking further ahead, Mr DUFF remarked that the Commission also had a role to play and that the promised publication of the ideas of the President of the Commission, Mr BARROSO, on the future of Europe would enliven the election campaign and the debate on the future of Europe.

5. 'Parliamentary diplomacy – the EP-Ukraine – a case study'

Presentation by Mr Pat COX, former President of the European Parliament

Mr Pat COX, former President of the European Parliament, gave a detailed account of the monitoring mission to Ukraine conferred upon him and Mr Aleksander KWAŚNIEWSKI, former President of the Republic of Poland, by the European Parliament in May 2012. He reported that since then, they had undertaken 23 mission visits to Ukraine, spending an equivalent of 12 full working weeks in the country during which the Ukrainian authorities opened all doors and archives to them.

In the run up to the Eastern Partnership summit Ukraine was at a crossroads in its history. The country had to decide whether to turn towards Russia or towards Europe. Mr COX recalled that three sets of conditions linked to electoral reforms, justice reforms and collective justice had been set by the European Union for the signing of any partnership agreement. The old-system mentality of the '*homo sovieticus*' still prevailed but noted the new code for criminal procedures adopted in 2012 as significant progress since a reduction of 35,000 people in pre-trial detention had been achieved. On the other hand, the Russian presence in Ukraine remained important culturally, historically and linguistically. The high economic interdependence with Russia was illustrated by the fact that 40 % of Ukrainian businesses exported to Russia while the recent closure of the borders by Russia, meant as a warning for Ukraine not to turn towards Europe, had had an adverse effect: Ukrainians now felt more Ukrainian.

Mr COX reported that at the beginning of their mission four former ministers were in prison, however, three have since been pardoned. As to the situation of the former Ukrainian Prime Minister, Ms Yulia TYMOSHENKO, Mr COX pointed out that she was still hospitalised and under medical treatment by German doctors; that three surveillance cameras, previously monitoring her room day and night, had been removed; that male guards had been replaced by women; and that a tax case brought against her had been postponed 22 times due to her state of health. Mr COX recalled that the European Court for Human Rights had ruled her pre-trial detention as illegal before the conviction but that the "gas" case against her was still upheld. Due to her ill health the mission had delivered an appeal to the President of Ukraine at the beginning of October to release or pardon

her so she could travel to Berlin for medical treatment. Positive signals in principle had been received. However, Ukraine's President had preferred to submit to the Ukrainian parliament a general discharge law to allow medical treatment abroad than give a presidential pardon. This would have been the shortest and clearest way. The difficulty in this was that it was designed not as a law for one person of course but potentially for all prisoners and so contained all sorts of clauses about detention and extraterritorial effect. He stated that it was very clear that any of the European Union states would underwrite the selective justice of which it had complained by agreeing to send Ms TYMOSHENKO when she was cured directly back to prison in respect of a contested juridical procedure. Despite positive developments, overall Ukraine was still not in compliance with the conditions set by the European Union.

In a brief but lively debate 10 speakers took the floor. Responding first, Mr Hryhoriy NEMYRIA, Chairman of the Committee on European Integration of the Ukrainian *Verkhovna Rada*, agreed with Mr COX that Ukraine had to make its choice between an agreement with the EU or the imprisonment of politicians; Ukraine still had to prove whether there was a permanent cessation in politically motivated legal actions.

Lord David HANNAY OF CHISWICK (Non-affiliated), UK *House of Lords*, welcomed the monitoring mission and its work and stated that in principle the European Union could not proceed to a signature with Ukraine to the detriment of its own values. All of the conditions had to be met beforehand, he insisted, while Mr Andrzej GAŁAŻEWSKI (EPP), Polish *Sejm*, explained that in order to support Ukraine's independence from Russia the accession agreement should be signed now. Mr Averof NEOFYTOU (EPP), Cyprus *Vouli ton Antiprosopon*, also gave his support for the likely signing of the agreement with Ukraine. Ms Vilija ALEKNAITĖ ABRAMIKIENĖ (EPP), Lithuanian *Seimas*, underlined the importance of the signing of the association agreement with Ukraine as it would open the European Union's view to Russia as well. Mr Herman DE CROO (ALDE), Belgian *Chambre des Représentants*, suggested that COSAC should discuss how the European Union positioned itself towards Russia. Other contributions addressed the question of electoral reform (Mr Jordi XUCLÀ I COSTA (ALDE), Spanish *Congreso de los Diputados*) and the provision of adequate funding for the Eastern Neighbourhood Policy in the multi-annual financial framework (Mr Ivan STEFANEC (EPP), Slovak *Narodna rada*).

In his reply Mr COX highlighted that the European Union needed a coherent strategy for all European Neighbourhood countries. He reiterated that the monitoring mission wanted the deal concerning Ms TYMOSHENKO's release and the preservation of Europe's values at the same time. Whether Ukraine signed up to the deal and the agreement or not, the country would go through hard times, Mr COX explained: Ukraine needed the IMF facility to balance its payments which was in principle agreed - and then the EU might follow - but the administration in Kiev would still be aiming at changing the IMF terms and conditions. He welcomed Mr DE CROO's idea to discuss EU-Russia relations in more depth. Concerning the electoral reforms Mr COX answered that Mr KWAŚNIEWSKI and himself were informed about the ongoing dialogue with the Venice Commission and that they respected its integrity.

6. 'Implementation of the Europe 2020 Strategy'

Keynote speakers: Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission responsible for Inter-Institutional Relations and Administration, and Ms Pervenche BERÈS, Chair of the Committee on Employment and Social Affairs of the European Parliament

On the occasion of the L COSAC plenary meeting, Vice-President of the European Commission Mr Maroš ŠEFČOVIČ first referred to the significance of the COSAC as a permanent framework for interparliamentary cooperation and parliamentary control in EU affairs and welcomed the commitment of the Parliaments to ensure democratic legitimacy and accountability.

Turning to the *Europe 2020* Strategy Mr ŠEFČOVIČ noted that it had been launched by the Commission as the EU's integrated strategy to deliver smart, sustainable and inclusive growth. The economic crisis had shown the interdependence of European economies, especially in the euro area, and proved the need for effective coordination in order to avoid spill-over effects from bad decision making in one country to other countries. In that regard, the European Semester was designed to work as a tool to detect inconsistencies and emerging imbalances and to support the implementation of the *Europe 2020* Strategy. It would also provide opportunities for discussions with national Parliaments and the European Parliament and ensure that national reforms carried out under *Europe 2020* were more effective. Mr ŠEFČOVIČ referred to the five areas that had become a reform priority across the EU: a) a differentiated growth friendly fiscal consolidation, b) the restoration of lending to the real economy, c) the promotion of growth and competitiveness, d) tackling unemployment and reforming labour markets, and e) the modernisation of public administrations.

Mr ŠEFČOVIČ underlined the fact that ambitious reform programmes in several Member States had started to bring positive results. Indicators showed signs of a modest recovery. But overcoming the crisis would require a continuous focus on reform priorities, as well as rapid implementation of decisions concerning the boosting of employment. In order to tackle unemployment, reforms had been carried out to improve the resilience and flexibility of labour markets, but it would take time to deliver results. For that reason, he stated that there would be additional funding from the multi-annual financial framework to help the most affected Member States deal with youth unemployment.

Concerning the significant social cost of high unemployment levels, he referred to the Communication on the Strengthening of the Social Dimension of the EMU through which the Commission stressed the importance of making sure that the rules put in place to deepen coordination and cooperation on economic governance took into account the social impact. The Employment Package, the White Paper on Pensions and the Youth Employment Package were among the most recent initiatives presented by the Commission to support national reform efforts. Moreover, the performance of education and training systems and their labour market relevance had been highlighted as one of the key issues that needed to be addressed.

Mr ŠEFČOVIČ stressed that the ICT sector was expected to be a means of stimulating economic growth and job creation. He regretted that many Member States had taken the drastic approach of slashing their R&D budgets in order to get their finances under control. In fact the European Council clearly stated that investment in innovation fuelled productivity and growth and Member States that had continued to invest in it had fared better in the crisis. Progress had been made by the launching of measures such as the unitary patent, the European passport for venture capital funds and Horizon 2020. On the other hand the crisis had hampered efforts to reach the so called 20-20-20 targets. Additionally, the Commission estimated that implementation of individual energy efficiency measures, as well as the potential from renewable energy sector development would lead to significant job creation, bearing in mind always that Europe's overall competitiveness had to be guaranteed.

He further analysed the steps that should be taken so as to achieve the goals of the *Europe 2020* Strategy, starting with the coordination of budgetary and structural policies under the European Semester. He also noted the significance of strengthening fiscal monitoring in the Eurozone with the Two-Pack process, underlining the fact that national Parliaments retained their full rights in the national budgetary process while the Commission's role would be to bring a more European perspective to the national debates. Moreover, the 2014 Annual Growth Survey (AGS), to be presented this November, would set out the broad economic and social priorities of the EU for the following year and would launch the 2014 European Semester of economic policy coordination. The AGS would also launch the consultation process with national and European parliamentarians which would be a valuable input to the Spring 2014 European Council. Mr ŠEFČOVIČ urged the parliamentarians to intensify the dialogue with the Commission on the European Semester and to

organise 'Europe Days' within their respective Parliaments as had been suggested by the Irish Speaker.

In concluding, he noted that the *Europe 2020* Strategy was a long term process that committed all 28 Member States to act regardless of who is in power. In that regard, the involvement of Parliaments would be crucial, provide a unique link between policy makers and public and ensure that the decisions taken at EU level had a real and positive impact on citizens.

In her intervention, Ms Pervenche BERÈS, *European Parliament*, expressed her delight at participating in the L COSAC Plenary, since she was one of the people involved in its creation back in 1989. She identified the open method of coordination as the reason for failure of the Lisbon strategy. Moreover, no realisation of the potential synergy between the EU budget and national budgets for the implementation of this strategy tool had been made. It was from this failure that the Commission proposed the EU 2020 strategy. According to Ms BERÈS, the only way for this strategy to succeed was by becoming the point of reference in all EU policies. The open method of coordination was substituted by the European Semester, an instrument that could lead to the coordination of economic policies and the reduction of macroeconomic imbalances.

Ms BERÈS noted that since the presentation of the *Europe 2020* strategy the flagship initiatives had not had the desired effect. At the same time the economic crisis led to practices that averted a deterioration in the public finances. The introduction of the Six-Pack, Two-Pack and the TSCG had in a way completed the economic and budgetary dimension of the EMU, but the social dimension was still unanswered. The EU 2020 strategy had not changed the excessive emphasis on nominal convergence. At the same time, the crisis had exacerbated the flaws in the EMU architecture, illustrated by the widening of divergences in economic performance observed already in 2005. The European Commission, in its report on the progress of the strategy, admitted that the commitments made by Member States were insufficient, but none had been called upon as part of the country-specific recommendations (CSR) to show more ambition in terms of employment creation and the fight against poverty. Austerity policies, introduced by the Troika, could also be regarded as an obstacle to the achievement of *Europe 2020* goals. In peripheral countries, where unemployment and poverty rates had reached a high level, social policies were subjected to budget cuts. The new governance framework institutionalized structural distortion characterized by the preponderance of economic indicators and overlooking the social dimension. In the best case, the social objectives of the *Europe 2020* strategy were perceived as a way to compensate or to make the social consequences of austerity policies less painful.

Ms BERÈS proposed that the EU should a) look at social and economic objectives as being of equal importance, b) consider all objectives of the strategy to be part of a more balanced structure that would allow the social dialogue on a national and European level to play a more important role, c) have the EU budget that underpinned such a strategy and create own resources to finance that budget, d) recognise the European Parliament had a role as co-legislator on the AGS, and e) involve national Parliaments in the adoption of the NRP.

Ms BERÈS firmly supported the need to deepen the EMU by strengthening the coordination of national policies while giving the Eurozone the budgetary capacity to absorb within itself any asymmetric shocks. In that regard the EU should explore possibilities, such as the harmonization of the definition of a common corporate tax, possible revenues from a transaction tax and the development of a mechanism of solidarity between Member States on the financing of a minimum unemployment compensation.

In conclusion Ms BERÈS noted that unless the *Europe 2020* objectives became an absolute priority the Strategy would fail. The crisis would not be to blame for such a failure as it had already started by 2010. Meeting the challenges of diversity and balancing the interdependence between the periphery and central European countries should be regarded as a priority. She suggested that the

EU and the Eurozone should perceive the Eurozone as a space of economic and social interaction. The democratic legitimacy should be reinforced so that necessary measures for the accomplishment of the *Europe 2020* Strategy were accepted by citizens. It would also require the European Parliament to adapt its structure to the configuration of the euro area. If these challenges were met, then the European Union would emerge stronger from the current crisis and citizens would turn their back on extremist and populist rhetoric.

In the debate that followed 10 speakers took the floor. Mr René LEEGTE (ALDE), Dutch *Tweede Kamer*, argued that COSAC should focus on best practices and noted the importance of the second yellow card raised on the EPPO proposal. Both speakers agreed on the importance of best practices. Mr ŠEFČOVIČ cited ways of active cooperation between parliaments and EU institutions such as European Days and informal break up session, while Ms BERÈS commented that best practices were not enough, especially due to the interdependence of internal policies. Baroness Jean CORSTON (S&D), UK *House of Lords*, asked the speakers to comment on food waste and youth unemployment, whereas Mr Slaven RADUNOVIĆ (Non-affiliated), Montenegro *Skupština*, referred to the goals of the *Europe 2020* Strategy relevant to education. Ms BERÈS noted that the European Parliament was looking to ensure that the food waste issue was taken into account in legislation and Mr ŠEFČOVIČ committed to share the views of the relevant working group with the Parliaments. On youth unemployment and education Ms BERÈS considered the Youth Guarantee as a positive development and described education as a long term investment that should not be submitted to restrictions. On the other hand Mr ŠEFČOVIČ urged national Parliaments to scrutinise their governments on their schemes for the introduction of Youth Guarantee and called on the candidate countries to take advantage of policies such as the *Europe 2020* Strategy before joining the EU. He also regrettably noted the immense divergence in spending level in R&D among Member States. On the comment of Mr Jozo RADOŠ (ALDE), Croatian *Hrvatski Sabor*, on the involvement of national Parliaments in the debate on *Europe 2020* Strategy and the harmonisation of NRP to the goals set by the strategy, Ms BERÈS underlined that EU and national budgets must be complementary to produce results. Mr Konstantinos MOUSOUROULIS (EPP), Greek *Vouli ton Ellinon*, referring to the response to the crisis asked whether there should be an amendment on certain points of the *Europe 2020* Strategy such as ensuring equal opportunities in investment, since great divergence between North and South were observed (2% interest rate in the North in comparison to 10% in the South). Mr Michael CONNARTY (S&D), UK *House of Commons*, questioned why a Member State should give up its individual economic programme and opt for a “soviet planned economy”. Mr Herman DE CROO (ALDE), Belgian *Chambre des Représentants*, raised several questions concerning labour costs, competitiveness, energy prices, education and lack of language skills. Ms BERÈS answered that reducing labour costs would be a false approach as compared to low wage countries, labour cost would always be higher in Europe, so the social model would be more appropriate for the EU. Concerning education, Ms BERÈS noted that recognising qualifications was an issue that EU was trying to address. Mr ŠEFČOVIČ in commenting on the overall response to the crisis, noted, taking into account the fact that the EU was not aware of the level of interdependence of Member State economies and did not have adequate instruments in place, that the EU's reaction was sufficient and democratically approved and demonstrated significant solidarity amongst Member States. Finally, Ms Vilija BLINKEVIČIŪTĒ (S&D), *European Parliament*, raised the issue of a balanced economic and social dimension and the importance of financing social investments and ensuring sustainable growth. She also requested the setting up of a study on the impact of immigration on social systems. Mr Edmund WITTBRODT, Polish *Senat*, requested the earlier submission of staff working documents on the European Semester to national Parliaments.

7. Meeting of the Chairpersons of COSAC

Mr AUŠTREVČIUS, Lithuanian *Seimas*, informed the conference that the Presidential Troika of COSAC had followed the agreed process for the filling of the post of the Permanent Member of COSAC Secretariat during which four highly qualified candidates had been interviewed. He

thanked the Parliaments who had submitted their candidates and announced that the candidacy of Ms Christiana FRYDA had been chosen unanimously by the Presidential Troika of COSAC for the period 2014-2015. He also thanked Ms Libby KURIEN, the outgoing Permanent Member, for her work over the last two years.

Mr AUŠTREVČIUS, Lithuanian *Seimas*, stated that the Lithuanian Presidency had submitted the first draft of the Contribution and Conclusions in early October 2013 and the second draft on 23 October 2013. Since then the Presidency had received and taken on board amendments from national Parliaments and the European Parliament on both documents. Following a debate, a further amended text of the Contribution and Conclusions of the L COSAC was agreed by consensus, with the abstention of the Dutch *Tweede Kamer*.

- Briefing on the first meeting of the COSAC Women's Forum -

Mr KIRKILAS informed the plenary that that morning the COSAC Women's Forum had been established. H. E. Loreta GRAUŽINIENĖ, Speaker of the Lithuanian *Seimas*, had welcomed the forum. Ms Bariza KHIARI, Vice-President of the French *Sénat*, and Ms Virginija LANGBAKK, Director of the European Institute for Gender Equality, had given key note speeches. The meeting had been chaired by Prof Marija Aušrinė PAVILIONIENĖ (S&D), Lithuanian *Seimas*, who had been appointed the coordinator of the COSAC Women's Forum. The forum had adopted a Declaration on the Founding of the COSAC Women's Forum.

Prof PAVILIONIENĖ briefed the plenary on the outcome of the meeting.

8. 'Democratic Legitimacy in the EU and the role of EU Parliaments'

Keynote speakers: Ms Eva Kjer HANSEN, Chair of the European Affairs Committee of the Danish *Folketing*, Mr Dominic HANNIGAN, Chair of the Joint Committee on European Union Affairs of the Irish *Houses of the Oireachtas*, and Mr Hans-Gert PÖTTERING, former President of the European Parliament, Member of the European Parliament

Ms Eva Kjer HANSEN, Chair of the European Affairs Committee of the Danish *Folketing* led off the debate. She said that after 50 meetings of COSAC it was time to look back but also to see if its impact could be enhanced in the future. She noted that harsh austerity measures in some countries had led to a disillusionment of their citizens and support for the EU was declining at a time when the Union's powers were expanding. Europe needed a democratic framework which matched the Union's increased role and powers in relation to economic governance. Draft national budgets were examined in the Union before they were passed by the respective national Parliaments while decisions about national budgets remained at the heart of national parliamentary democracy. The European Parliament while important and effective did not fill the gap in economic and financial matters. However, while she believed that there was no need for any new institutions there was a need for new tools for national Parliaments. The Danish *Folketing* had introduced a "National Semester" which allowed the Danish *Folketing* to scrutinise the Danish Government before the Danish position was fixed and before the Commission launched the Annual Growth Survey, before they submitted their National Reform Plan and before the Council debate on the Country Specific Recommendations. There was also a need to reinforce political dialogue by allowing national Parliaments the right to contribute to legislation by giving them a right of initiative through political contributions. This could be done through a political commitment from the Commission rather than by amending the Treaty. She called on colleagues to use written enquiries as an instrument more frequently and spoke against the organisation of new large scale interparliamentary conferences and offered instead the idea on parliamentary clusters similar to the one held in the Danish *Folketing* in October about free movement of workers and social welfare issues.

Mr Dominic HANNIGAN, Chair of the Joint Committee on European Union Affairs of the Irish *Houses of the Oireachtas*, spoke about the decline in voter turnout for the EP elections; the fact that

some candidates were unknown due to the list system and the fact that unknown substitutes could replace an elected members of the European Parliament as factors in this regard. This decline was happening at a time when the European Parliament was gaining power. He noted a disconnection caused by increased intergovernmentalism in economic policy. He said some trust had been regained with the Commission proposals in relation to the election of the Commission President and the increased recognition of European political parties. He believed that Treaty change would not be required, for example, to ban national party logos from the EP elections, to require a certain percentage of political literature to refer to EU matters or to replace members of the European Parliament with a by-election rather than with substitutes. The role of national Parliaments needed to be made more effective, for example, Mr HANNIGAN would be organising a debate with his committee and stakeholders on the Commission's proposal on the Social Dimension which he hoped would provide material for a political contribution on this important policy issue. The content and timing of the Commission's responses to 'yellow cards' needed to be reviewed and he hoped that the Commission would appear more frequently before committees of national Parliaments. He agreed with the right of initiative mentioned in the COSAC XLIX report but also saw the need to optimise the parliamentary architecture of oversight. From his personal experience he thought that the first Interparliamentary Conference on Economic and Financial Governance of the European Union had been overtly conflictual in the way it had operated. A strong functioning central secretariat was needed to support national Parliaments in their work but there was no need for another chamber or new institution

Member of the European Parliament Mr Hans-Gert PÖTTERING, Former President of the European Parliament, said that what was important was that the EU as a complex community should be able to act and also have a democratic anchor. He believed that the national Parliaments and the European Parliament all served democracy but at different levels. The role of national Parliaments was to scrutinise their own governments. He also believed that intergovernmentalism should not become the trend and that the German Constitutional Court was unduly critical of the EU which was, in effect, *sui generis*. He thought that the right of initiative for national Parliaments should be debated. The EP itself had gained the right of initiative in 1999 when it had negotiated it with the incoming Prodi Commission. He therefore believed that existing powers and provisions should be used more fully and that no new institutions were required.

Lord BOSWELL (Non-affiliated), Chairman of the European Union Select Committee, House of Lords of the United Kingdom was first to respond. He noted the complementary roles of the national Parliaments and the EP. He thanked the Presidency for organising the first Interparliamentary Conference on Economic and Financial Governance of the European Union and he said that his committee had identified Troika imposed austerity measures as a gap in democratic legitimacy given that no Parliaments were involved in devising them. He said that the "fine" words of conferences should not be disconnected from the everyday concerns of citizens.

There were 27 contributions in the debate which followed. Mr Richárd HÖRCSIK (EPP), Hungarian *Országgyűlés*, warned of the need to maintain the institutional balance and that a Eurozone committee in the EP could negatively affect that balance. He noted with satisfaction the first Hungarian reasoned opinion that had recently been issued. Mr Bo BERNHARDSSON (S&D), Swedish *Riksdag*, noted that proposals with a far reaching impact could not be rushed and needed discussion. The Commission had been short on explaining its motivation for certain proposals. Ms Riitta MYLLER (S&D), Finnish *Eduskunta*, agreed with the general tone of the debate that no new institutions were needed. Mr Jakob PRESEČNIK (EPP), Slovenian *Državni zbor*, noted that in contrast to the intentions of the Lisbon Treaty the powers of national Parliaments would decrease if the EMU developed as foreseen but that citizen dissatisfaction was always felt in national Parliaments. He questioned if the mushrooming of conferences was necessary given that COSAC had a broad agenda which could deal with such issues and he supported the idea that there should be no new institutions. Mr Ioannis TRAGAKIS (EPP), Greek *Vouli ton Ellinon*, urged national Parliaments and the European Parliament to find ways to intensify and structure their cooperation in

a constructive way, such as in the case of the co-organization of the Interparliamentary Conference on the Economic and Financial Governance of the European Union which had yet to prove that it was indeed cooperation in essence.

Ms Ingrid ANTIČEVIĆ MARINOVIĆ (S&D), Croatian *Hrvatski Sabor*, said citizens did not believe that the EU was working in their favour and wanted to know what their national members would do to help them. Mr Luis FAZENDA (GUE/NGL), Portuguese *Assembleia da Republica*, noted that while the current crisis required the TSCG taking budget power from national Parliaments, this was not a good idea while Ms Paola CARINELLI (Non-affiliated), *Camera dei Deputati*, observed that up to one third of the next EP could be euro-sceptic in nature.

Mr Simon SUTOUR (S&D), French *Sénat*, said that the Commission needed to wake up to the use of 'yellow cards' and involve national Parliaments at an earlier stage in the legislative process. He fully agreed with the concept of a 'green card' and the right of initiative. Mr Bill CASH (Non-affiliated), UK *House of Commons*, was worried that the EU was sleep walking into chaos. Citizens believed in their national governments and the EU was becoming dysfunctional - it needed to relocate powers to national Parliaments and not the EP. Mr Andrew DUFF (ALDE), *European Parliament*, said that attacking the European Parliament put COSAC in denial. He said the sovereignty of states was exercised in the Council and the sovereignty of people in the European Parliament. National Parliaments gave legitimacy to governments and while they were not part of the Union's legislative process they could request legislative proposals through their governments in Council. It was essential, however, that the Commission retained the right of initiative i.e. to determine the common intent among the competing needs of the Member States. Mr Konstantinos TRIANTAFYLLOS (S&D), Greek *Vouli ton Ellinon*, Mr Andrzej GAŁAŻEWSKI (EPP), Polish *Sejm*, and Mr Christos MESSIS (GUE/NGL), Cyprus *Vouli ton Antiprosopon*, argued for more transparency noting that the national Parliaments could play a role in the institutional balance and were the guarantors of democracy and that more in-depth discussion of certain issues was required.

Mr Mehmet TEKELIOĞLU (EPP observer party), Turkish *Büyük Millet Meclisi*, welcomed the opening by the Lithuanian Presidency of Chapter 22 on Regional Policy - the first in 3 years. Mr Herman DE CROO, Belgian *Chambre des Représentants*, stated that it would help if voting in the European Parliament elections was made mandatory and if there could be broader constituencies for the elections. Mr Michael CONNARTY (S&D), UK *House of Commons*, stated that no Treaty changes were required and EP powers had increased already while its mandate had declined. He favoured an interparliamentary conference model along the lines of the Parliamentary Group on Human Trafficking of which he was a member. Ms Pervenche BERÈS (S&D), *European Parliament*, was of the view that each had to play their own role and that COSAC was for cooperation and not rivalry. She defended the community method and said that the EP improved legislation.

In response and throughout the debate the keynote speakers made the following observations. Ms Eva Kjer HANSEN said that Parliaments needed to stick together, but that the role of national Parliaments had been forgotten and they needed more tools. She agreed with more in-depth discussion on certain issues and in relation to Turkey noted that it required progress from both sides to move forward. Mr Dominic HANNIGAN said that the Interparliamentary Conference on Economic and Financial Governance of the European Union was open to all even those who did not sign the Stability Treaty and that this added value to it. He noted the need for a discussion on the Social Dimension and asked what the Commission reaction would be if some of the indicators were not met. He asked that national Parliaments be given a role in promoting youth guarantee schemes. He noted that Ireland would exit its bailout programme but that few people realised the impact of the European Semester and the CSR. In this regard there was a need for continuity of discussion across COSAC meetings with room, of course, for new agenda items. Mr Hans-Gert PÖTTERING reiterated his view that no new institutions were needed but that for the Eurozone it was possible today to consult all Member States through the EP. The CFSP/CSDP area needed to be improved to

allow Member States to act more quickly; ERASMUS was the soul of Europe allowing students to exchange ideas etc.

9. 'Digital Agenda: challenges and perspectives'

Keynote speaker: Mr Rudolf Peter ROY, Head of division for Security Policy and Sanctions of the European External Action Service

Cyber security

Mr Rudolf Peter ROY, Head of the Division for Security Policy and Sanctions, European External Action Service, emphasised that information and communication technology-related activities accounted for more than 20 % of GDP growth in the world's major economies over the last five years. The Internet was already contributing up to 8 % to GDP in some of the G-20 economies. There were 2.4 billion Internet users in the world in 2013 and this number would double by 2020. He noted that cyberspace provided access to education, promoted freedom of speech, connected people worldwide and enabled essential services. It also worked as a crucial catalyst for achieving the Millennium Development Goals. While the digital world brought enormous benefits, it was also vulnerable.

On 5 February 2013 the College of Commissioners adopted the EU Cyber Security Strategy. The Strategy comprised internal market, home affairs and Common Foreign and Security Policy angles of cyberspace issues. It addressed how Member States can streamline their efforts in this field and what EU institutions and agencies could do in order to assist them. It also sought to improve horizontal cooperation between different policy areas in the EU. The strategy stressed that for cyberspace to remain open and free the EU's core values, norms and principles that were upheld offline must also apply online. Fundamental rights, democracy and the rule of law needed to be protected in cyberspace globally. Mr ROY cautioned that, when it came to national level, there was still work to be done in order to achieve EU wide cyber resilience.

In its resolution of 12 September 2013 the European Parliament welcomed the Strategy and stressed that the Internet and cyberspace was of increasing and paramount importance for political, economic and societal transactions not only within the Union but also in relation to other actors around the world.

Mr ROY elaborated on the three key elements of the external dimension of the Strategy. The first element and a priority for EU international engagement in cyber issues was to promote cyberspace as an area of freedom and fundamental rights. Firstly, on the question of surveillance of mass data flows the EU and the US were conducting continuous consultations in order to discuss the related data protection issues. These actions should result in proposals for better protection of privacy in the digital age. Secondly, the allegations of spying on the diplomatic premises or officials of the EU and its MS raised an issue of trust. In his opinion, the Heads of State and Government of the EU delivered a clear message on both aspects in the statement annexed to the Conclusions of the 24-25 October European Council. He expressed hope that the discussion around these issues would lead, in the end, to more awareness and transparency.

The second element highlighted by Mr ROY was the need to preserve cyberspace by agreeing which actions were allowed and which were not. The third element was to ensure that trust and confidence in information and communication technology depended on knowledge and capacity. He concluded by saying that the EU would work on a model which would leverage best practices in global cyber security capacity building of countries and of the private sector. The EU would also look for synergies across many development areas to improve governance, ensure respect for human rights, build infrastructure and provide basic education.

Benefits for business

Keynote speaker: Mr Ilja LAURS, Chief Executive Officer of GetJar, winner of “European Manager of the Year 2011 Award”, presented by the European Business Press (EBP)

Mr Ilja LAURS, Chief Executive Officer of GetJar, winner of “European Manager of the Year 2011 Award” presented by the European Business Press, introduced the problems, challenges and opportunities that technological entrepreneurs face in Europe. He stated that Europe lagged behind massively by world standards for the number of companies who reach the maturity stage in innovation and sell their shares in an initial public offering (IPO). The European market was small: it represented only 13 % of the global market in IPOs (the US represents 52 % of the market). Mr LAURS said Europe was a challenging place for innovating and highlighted four main points. The first point was the lack of education on entrepreneurship, innovative business “start-ups” and understanding of the basic business philosophy, principles and models. The second point was strict, inflexible labour regulation, bureaucracy and data/privacy policy which were the reasons why Europe had become an unfavourable place for new companies to explore new business ideas. The third point was working mentality (40 hours per week working time), the rare use of the practice of issuing share options and other motivation methods, low tolerance to failure, etc. The fourth point was that public funding for business was low on efficiency and unfair competition in Europe. He introduced “The Manifesto” initiative supported by nine of Europe’s most successful tech entrepreneurs. This initiative called for action and gave twenty practical suggestions (education and skills, access to talent, access to capital, data, policy, protection and privacy, thought leadership, etc.), and on how EU institutions and Governments of EU Member States could help to systematically improve the environment for business in Europe.

In the debate which followed, 15 speakers took the floor. A number of speakers explicitly mentioned cyber threats and expressed concern about issues of cyber security and privacy. Respecting the principles of fundamental rights and human rights were also highlighted. It was mentioned that some cyber defence issues would be addressed during the European Council in December. Mr ROY agreed with some speakers who stated that there was overregulation in the area of the digital market in the EU which restricted its development. The lack of education and training were mentioned as some of the biggest challenges of the digital market. A number of speakers considered the digital agenda as the main strategic initiative for helping Europe to overcome the current economic crisis and to improve its competitiveness. Some speakers made specific reference to the importance of the digital market as a tool to create wealth and achieve a better future for Europe. According to Ms Laima Liucija ANDRIKIENĖ, *European Parliament*, the digital agenda could reboot the EU economy: EU GDP was expected to grow by 5 % because of the implementation of the digital agenda over the next eight years (through investment in information and communication technologies, the building of capacities and facilitating the development of the cyber economy). Mr LAURS drew attention to the value in the digital market which was being created very quickly. For example, one digital game could generate 2 million dollars profit per day. Ms Axelle LEMAIRE, French *Assemblée nationale*, suggested finding ways to finance digital tools not only from public but also from private funds. Concerning the digital market she noted the existing discrepancy between the positions of the EU institutions and of the EU Members States. Mr Börje VESTLUND (S&D), Swedish *Riksdag*, stated that it was important to remember that there were groups of people who never used digital services. Mr Jožef HORVAT (EPP), Slovenian *Državni zbor*, noted that special attention should be paid to the problems resulting from the fragmentation of the European telecommunication market with more than eight thousand operators. He also pointed out the problems with digital incompatibility, shared use of electronic documents and the necessity to continue the harmonisation of digital legislation. The participants of the debate mentioned a number of important policy areas, for example, public administration, consumer protection etc. related to the digital market. The significance of freedom of expression was mentioned as well as importance of preventing hate-guided campaigns in the cyberspace.

10. Adoption of the Contribution and Conclusions of the L COSAC

Mr AUŠTREVICIUS, Lithuanian *Seimas*, presented the final draft of the Contribution and Conclusions of the L COSAC to the meeting. He reported that the documents had been amended during a lively debate in the Chairpersons' meeting held the previous evening. Presenting the draft of the Contribution of the L COSAC, Mr AUŠTREVICIUS drew attention to articles 1.2 and 7.3 and proposed some technical amendments which were accepted.

He presented the draft of the Conclusions of the L COSAC. The common amendment proposed by the Swedish *Riksdag* and UK *House of Commons* to point 3.4 was accepted.

Hereafter, the conference adopted by consensus the texts of the Contribution and Conclusions of the L COSAC as amended. Once translated into all official languages of the EU, the Contribution of the L COSAC will be published in the Official Journal of the EU.

Finally, Mr TRAGAKIS, Greek *Vouli ton Ellinon*, said that this Presidential Trio – Ireland, Lithuania and Greece – had cooperated very closely to ensure continuity in the EU agenda. He stressed that Lithuania and Ireland had conducted their proceedings very successfully and he thanked the Lithuanian *Seimas* and the Chair Mr KIRKILAS for excellent organisation of L COSAC in Vilnius. Mr TRAGAKIS said that he was looking forward to the continuation of this cooperation with Trio during the coming 6 months of the Greek Presidency, which would coincide with the elections of the European Parliament. He invited everyone to Athens for the COSAC Chairpersons meeting and the LI COSAC plenary meeting.