

**MINUTES OF THE MEETING OF THE XLVI COSAC
Warsaw, 3-4 October 2011**

IN THE CHAIR:

Mr Stanisław RAKOCZY, Chairman of the EU Affairs Committee of the *Sejm* of the Republic of Poland, and Mr Edmund WITTBRODT, Chairman of the EU Affairs Committee of the *Senat* of the Republic of Poland.

AGENDA:

1. Welcome addresses

Mr Grzegorz SCHETYNA, Marshal of the *Sejm* of the Republic of Poland, and Mr Bogdan BORUSEWICZ, Marshal of the *Senat* of the Republic of Poland.

2. Opening of the session:

- Adoption of the agenda of the XLVI COSAC
- Decisions of the Presidential Troika of COSAC
- Presentation of the 16th Bi-annual Report of COSAC.

3. Multiannual Financial Framework for the years 2014–2020 from the EU budget perspective

Keynote speakers: Mr Janusz LEWANDOWSKI, Commissioner for Budget and Financial Programming, and Mr Salvador GARRIGA POLLEDO, rapporteur of the European Parliament on the Multiannual Financial Framework for the years 2014–2020.

4. Multiannual Financial Framework for the years 2014–2020 from the cohesion policy perspective

Keynote speaker: Mr Waldemar SŁUGOCKI, Undersecretary of State, Ministry of Regional Development.

5. Meeting of the Chairpersons of COSAC:

- Appointment of the Permanent Member of the COSAC Secretariat
- Debate on the Contribution and Conclusions of the XLVI COSAC.

6. State of play of the Polish Presidency of the Council of the European Union

Keynote speaker: Mr Mikołaj DOWGIELEWICZ, Secretary of State, Ministry of Foreign Affairs.

7. Two years after the entry into force of the Treaty of Lisbon

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

8. Adoption of the Contribution and Conclusions of the XLVI COSAC.

PROCEEDINGS

Mr Stanisław RAKOCZY welcomed the following new Chairpersons: Ms Miapetra KUMPULA - NATRI - Chairwoman of the Grand Committee of the Finnish *Eduskunta*, Mr Peter FRIEDRICH – Chairman of the Committee on European Union Questions of the German *Bundesrat*, Mr Mehmet TEKELİOĞLU - Chairman of the European Union Harmonisation Committee of the *Türkiye Büyük Millet Meclisi* of Turkey and Mr Hajrula MISINI - Chairman of the Committee on European Issues of the *Sobranie* of the Former Yugoslav Republic of Macedonia.

Mr Stanisław RAKOCZY also welcomed new members of the Presidential Troika of COSAC (hereinafter referred to as "the Troika") – the delegation from the Danish *Folketing* and special guests: Mr Janusz LEWANDOWSKI, Commissioner for Budget and Financial Programming, and Mr Salvador GARRIGA POLLEDO, rapporteur¹ of the European Parliament on the Multiannual Financial Framework for the years 2014-2020 (hereinafter referred to as "the MFF").

1. **Welcome addresses** by Mr Grzegorz SCHETYNA, Marshal of the *Sejm* of the Republic of Poland, and Mr Bogdan BORUSEWICZ, Marshal of the *Senat* of the Republic of Poland.

Mr Grzegorz SCHETYNA, Marshal of the *Sejm* of the Republic of Poland, welcomed the participants of the COSAC in the plenary hall of the *Sejm*.

The Marshal admitted that the current crisis situation was difficult, but that the EU should demonstrate its strength and persevere. Mr SCHETYNA stressed the role of trust among nations. He believed that the parliamentary dimension of the Presidency was of particular importance to the EU in order to build such trust. The Marshal stated that COSAC had to prove the importance of the national Parliaments' role which had been strengthened by the Treaty of Lisbon. He expressed the hope that economic differences would not overshadow this cooperation.

Mr SCHETYNA listed some solutions for emerging from the crisis, including integrated actions towards sustainable development. He explained that one such action was the adoption of the so-called "six-pack", which is intended to reform economic governance in the EU. The Marshal hoped that the efficient economic management would enable a faster reaction to unexpected turns in global economy and financial markets.

The Marshal reminded that the Polish Presidency coincided with the first stage of formal negotiations on the MFF. According to Mr SCHETYNA, the orientation on the Europe 2020 Strategy was also an important aspect of the new EU budget. He added that another crucial part of the MFF was cohesion policy.

Mr Bogdan BORUSEWICZ, Marshal of the *Senat* of the Republic of Poland, recalled the role of COSAC which developed as a result of a bottom-up initiative ten years after the first direct elections to the European Parliament. The Marshal noted that the latest term of office of the Polish *Sejm* and the *Senat* coincided with the adoption of the Treaty of Lisbon. He admitted that one could not yet determine whether this Treaty had saved the EU, but it was for the best that the latest stage of the EU institutional reforms ended before the financial crisis. Nevertheless, the Marshal underscored that integration within the EU should go deeper.

According to Mr BORUSEWICZ, the protection of the euro and the enforcement of a fully functional single market were intertwined. The future of Europe required the deepening of the European integration, as no single country would be able to emerge from the crisis alone. The Marshal concluded that both politicians and citizens realized that a common action was required to overcome the crisis.

¹ European Parliament resolution on "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe":

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0266+0+DOC+XML+V0//EN>

2. Opening of the session

2.1 Adoption of the agenda of the XLVI COSAC meeting

Mr Stanisław RAKOCZY informed the participants that the draft agenda of the XLVI COSAC meeting consisted of the following points:

- Opening session, including the presentation of the 16th Bi-annual Report of COSAC,
- The MFF from the EU budget perspective,
- The MFF from the cohesion policy perspective,
- State of play of the Polish Presidency of the Council of the European Union,
- Two years after the entry into force of the Treaty of Lisbon - parliamentary experience,
- Adoption of the Contribution and Conclusions of the XLVI COSAC.

In the absence of any proposals for modification, Mr RAKOCZY concluded that the agenda of the XLVI COSAC meeting was adopted.

2.2 Decisions of the Presidential Troika of COSAC

Mr Stanisław RAKOCZY informed the participants on the decisions of the Troika which met the previous day.

The Troika had approved the draft programme of the XLVI COSAC meeting, had discussed the 16th Bi-annual Report of COSAC and had interviewed two candidates for the post of the Permanent Member of the COSAC Secretariat.

The Troika had not reached a consensus on the selection of a candidate for the post and had decided to ask the Chairpersons to make the decision by voting. The first vote would decide whether they would choose the next Permanent Member by voting that day. If so, the second vote would be on the appointment itself. In case of a negative outcome of the first vote, the nomination would be postponed until the Danish Presidency of COSAC in the first half of 2012. Mr RAKOCZY added that the term of the current Permanent Member, Ms Loreta RAULINAITYTĖ, would expire at the end of 2011 and that the COSAC Rules of Procedure did not allow extending it.

2.3 Presentation of the 16th Bi-annual Report of COSAC

Mr Stanisław RAKOCZY thanked national Parliaments and the European Parliament for their replies to the questionnaire for the 16th Bi-annual Report of COSAC. The Chairman admitted that due to summer recess the time for the replies had been short and that the questionnaire had been comprehensive. He thanked the COSAC Secretariat and its Permanent Member Ms Loreta RAULINAITYTĖ for their work on the Report.

Mr Edmund WITTBRODT then briefly presented both chapters of the Report. Chapter 1 focused on the MFF for Europe 2020, while Chapter 2 dealt with the experience of national Parliaments and the European Parliament two years after the entry into force of the Treaty of Lisbon. Mr WITTBRODT also thanked the COSAC Secretariat for their excellent work on the Report.

Following the presentation of the Report by Mr WITTBRODT four participants took the floor. They stressed the importance of stronger interparliamentary cooperation in the EU, underscoring the value of COSAC meetings, especially in times of increased euroscepticism. The participants expressed the hope that closer cooperation between the EU institutions and national Parliaments would allow to avoid national rhetoric and to reinforce solidarity in the EU.

3. Multiannual Financial Framework for the years 2014–2020 from the EU budget perspective

Keynote speakers: Mr Janusz LEWANDOWSKI, Commissioner for Budget and Financial Programming, and Mr Salvador GARRIGA POLLEDO, rapporteur of the European Parliament on the MFF.

In his address, Mr Janusz LEWANDOWSKI, Commissioner for Budget and Financial Programming presented the main features of the Communication of the European Commission (hereinafter referred to as "the Commission") "A Budget for Europe 2020"² published on 29 June 2011 (hereinafter referred to as "the Proposal on the MFF") and noted that it came amid specific economic conditions, when Europe was fighting the crisis.

The Commissioner pointed out that due to the present economic circumstances the core message of the MFF was based on the attitude of "more Europe and European policy for the same money". It reflected new responsibilities and policy areas of the EU enshrined in the Treaty of Lisbon. Thus, the MFF must fill the gaps between Member States by financing a number of initiatives e.g. broadband internet, tackling immigration and energy issues.

Nevertheless, the Commissioner warned that the EU must not repeat old mistakes and recalled the elaboration of the previous MFF. That proposal had been rejected by the Council, which put forward a completely different proposal. Against this backdrop, he stressed the need to be both ambitious and realistic while elaborating the MFF. This entailed no increase of the EU budget exceeding the 2013 level including inflation, as the amount of public money should fall from 2.3 % now to 2.0 % in 2020. Although the Commission was convinced that the crisis would not last until 2020, and the MFF was a long-term perspective. It therefore hoped that Member States affected by austerity measures would not reject the Proposal on the MFF.

The main areas of expenses of the MFF were the common agricultural policy (hereinafter referred to as "the CAP") and cohesion policy. The former had accounted for up to 70 % of the EU budget in the 1980s, compared to approximately 40 % nowadays. The European Commission proposed a nominal freeze of the CAP which would in turn translate into around 33 % of budget expenditure in 2020. Another important characteristic of the CAP in the future MFF was a "modest convergence" of direct payments. Thus, payments in such countries as the Netherlands and Belgium and many other from the so-called "old Europe" would decrease by 7 %, which according to Mr LEWANDOWSKI "should not be politically painful", especially taking into account a possibility of maintaining the level of direct payments by shifting resources from the "second pillar" of the CAP i.e. rural development policy to the "first pillar" i.e. direct payments. On the other hand, convergence would mean an increase of the direct payments in the Member States where they are now below the average. The Commissioner stated that the level of direct payments in the Netherlands amounted to 470 euro per hectare as compared to approximately 100 euro per hectare in Lithuania, and below 100 euro per hectare in Latvia. Thus the Member States with a low

² http://europa.eu/press_room/pdf/a_budget_for_europe_2020_en.pdf

level of direct payments should see them grow by approximately 30-60 %. The Commissioner stressed that convergence aimed at filling the gap between the Member States was feasible, but he did not envisage flat rates of direct payments in the future owing to differences across the EU.

With regard to cohesion policy, the Commission also proposed a nominal freeze of its budget, without taking into account the inflation, with minor shifts from "rich" to less affluent countries. At present, the ratio of cohesion funds allocated to "old" and "new" Member States was approximately 50-50, while under the new MFF "new" Member States would receive 57-58 %, while the "old" ones 42-43 %. The Commissioner also stressed the importance of cohesion policy for Eastern Germany, Spain and Portugal, as well as such regions as Wales or eastern Finland.

The Commission also proposed a creation of the new Connecting Europe Facility, created to finance large European projects aimed at filling gaps between the Member States by funding energy, transport and internet infrastructure. Commissioner LEWANDOWSKI indicated that the European Investment Bank had accumulated some experience in the use of public resources as well as in making them more attractive to private capital. In this context, he stressed the need to use financial leverage and mentioned 50 billion euro worth Eurobonds to be used in future.

The Commissioner also drew attention to the growing external responsibility of the EU in view of recent developments for instance in the Arab world, which resulted in an increasing number of refugees and a need for an appropriate funding. Mr LEWANDOWSKI underlined, however, that this could not happen at the expense of the Eastern Partnership.

As regards the revenue part of EU budget, the Commissioner said that it should always be balanced, and added that apart from the contributions of Member States, the EU should develop a system of genuine own resources. In this context, the Commission proposed a number of measures such as introducing a financial transaction tax (hereinafter referred to as "the FTT") or a reform of the VAT system. The Commissioner underlined that the FTT had been mentioned in the resolution of the European Parliament on the MFF, and in the Conclusions of the European Council³ of 24 and 25 March 2011. Mr LEWANDOWSKI was of the opinion that the FTT should be introduced on a global scale. Concerning the VAT, he stated that the reform should consist of transferring part of the tax to the EU budget. He stressed in this context that there should be no taxation without representation, and that the decision on the introduction of the FTT should be adopted unanimously and ratified by all national Parliaments in order to ensure the fiscal sovereignty of the Member States.

In order to strengthen fiscal consolidation, the Commissioner suggested replacing the system of corrections with a system of lump-sum payments with regard to such Member States as the UK, Germany, Sweden and the Netherlands.

Mr Salvador GARRIGA POLLEDO, the European Parliament rapporteur on the new MFF, emphasized that the work of the SURE Committee⁴, of which European Parliament delegation member Ms Jutta HAUG had been the Chairwoman, had been based on the principle of consensus and included replies from a number of national Parliaments/Chambers to the SURE Committee questionnaire.

³ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/120296.pdf

⁴ Special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013 (SURE) that had a mandate from July 2010 until June 2011

Mr GARRIGA POLLEDO underlined that it was the first time that the European Parliament elaborated its Proposal on the MFF, and that the fundamental idea behind the work of the SURE Committee was not to repeat past mistakes and to avoid bad planning in future. He added that the resolution winding up the work of the special Committee had been adopted with a large majority of more than 60 % of the votes of the Members of the European Parliament.

The rapporteur also underscored the importance of the dialogue on the MFF between the European Parliament, national Parliaments and the Commission, welcoming the idea of the Conference on the MFF on 20 - 21 October 2011 in Brussels.

Mr GARRIGA POLLEDO positively evaluated the Proposal on the MFF, supporting, *inter alia*, the Connecting Europe Facility which was to build communication networks between Member States and thus rectify the injustices of the history. He added that the MFF should be a basis for future growth.

He went on to say that the European Parliament had suggested that the EU budget should be increased by 5 % taking into account new investment objectives. Moreover, he underscored that the Proposal on the MFF foresaw limited financing for some policy areas, such as the CAP, which might adversely affect them. Mr GARRIGA POLLEDO warned that the European Council was likely to reduce the amount of the financing which might result in an insufficient EU budget.

As regards the revenue side of the EU budget, Mr GARRIGA POLLEDO underscored that the EU should have its financial autonomy and underlined the need to introduce changes for net contributors. He also expressed support of the European Parliament for the FTT.

He underlined the active role of the European Parliament on the MFF and added that an agreement should be reached during the Danish and Cypriot Presidencies. Mr GARRIGA POLLEDO expressed the hope that by 2013 the European Parliament, the Commission and the Council would have reached an agreement on the MFF that would serve as a basis for growth in the period 2014-2020.

During the ensuing debate 31 speakers took the floor. Many brought up the question of a more equitable CAP, with members from, *inter alia*, the Baltic States stressing that it should remain a common priority for the whole EU. Concerning cohesion, many speakers believed that its funding should remain at an appropriate level.

Some speakers voiced concerns that the FTT might jeopardize the competitiveness of the EU at the global level, while those supporting the FTT stressed that it should be a pan-European measure and its introduction should be preceded by an impact assessment, as it might have a bearing on the economic well-being of EU citizens.

Many speakers stressed that austerity measures should not have a negative impact on the financing of the new competences laid down in the Treaty of Lisbon. A few speakers suggested decreasing the EU budget in view of the financial crisis, while others argued that national Parliaments should defend the MFF, as it was impossible to decrease the budget further. Some speakers were of the opinion that, while being relatively small in size, the EU budget should focus on priorities with higher added value for European economies such as innovations or life-long learning. It was suggested that decisions should be taken more swiftly as the EU was losing because the decision-making process was too lengthy. According to some speakers small and medium enterprises, being the basis of the EU economies, should be protected from overregulation.

In his reply, Commissioner LEWANDOWSKI reiterated that the Proposal on the MFF was a solid basis for further discussions, but he did not exclude its revision. On concerns regarding the overall level of expenditure, the Commissioner stressed that the budget of the EU in 2000-2010 rose only by 37.5 % despite the enlargement of the EU, while the budgets of the Member States rose on average by 62 %. Thus, the EU budget as compared to national spending had a clear tendency to decrease, despite the fact that the Treaty of Lisbon introduced new obligations at the EU level.

The Commissioner stressed that the EU had the tools and means to create jobs and growth as the invested money amounted to 80 % of the EU budget as compared to 6 % in budgets of Member States. With regard to the quality of spending the Commissioner underlined that approximately 80 % of the EU budget was spent under the responsibility of Member States. On the structure of the EU budget, the Commissioner informed that resources for the CAP and cohesion had been frozen to enable the financing of, *inter alia*, research and development mobility and the European Neighbourhood Policy.

Referring to the CAP, the Commissioner reiterated that the level of direct payments e.g. in Lithuania or Latvia should rise by approximately 30 %, while the differences in Spain or Ireland would hardly be perceptible. In case of France it should amount to 2 %, which could be easily compensated with resources shifted from the "second pillar" of the CAP. He went on to say that each Member State decided how to divide the money received under the CAP between direct payments and rural development. For instance, in Poland this proportion was fifty-fifty, while in France the 90 % of the funds was allocated to direct payments.

Mr LEWANDOWSKI noted mixed reactions on the proposal to introduce the FTT. He went on to say that the FTT would cover bonds but not cash transactions, and could contribute to the consolidation of public finances in Europe, especially if introduced on a global scale. He added that it was better to tax financial transactions rather than labour, or to raise the VAT.

Referring to the fear of overregulation, the Commissioner stated that "more Europe" was needed to overcome the crisis in the eurozone. Thus, the EU had to impose discipline by introducing the "six-pack" and other measures. The EU should not be too invasive and overload entrepreneurs with unnecessary regulations, while ensuring the respect to the principle of subsidiarity.

Mr Salvador GARRIGA POLLEDO recalled the overall support of the European Parliament for the MFF, although he repeated that the funding foreseen for the CAP seemed to be insufficient. He added that the success of the MFF depended largely also on national Parliaments controlling their Governments. Mr GARRIGA POLLEDO stated that the European Parliament wished to strengthen the MFF in its EU dimension as centrally allocated resources for education, research or transport would create more added value.

4. Multiannual Financial Framework for the years 2014-2020 from the cohesion policy perspective

Keynote speaker: Mr Waldemar SŁUGOCKI, Undersecretary of State in the Ministry of Regional Development

Mr Waldemar SŁUGOCKI started his speech by noting that in the current period of crisis cohesion policy was of special importance and that national Parliaments played a significant part in the determination of future cohesion policy. He then described cohesion policy as a modern, result

oriented policy, which could however be better coordinated, more effective, efficient and more visible to citizens. Furthermore, Mr SŁUGOCKI stressed that cohesion policy after 2013 was to implement the goals of the Europe 2020 Strategy.

Mr SŁUGOCKI explained that the Proposal on the MFF had allocated 33 % of the EU budget to cohesion policy for 2014-2020. This was a decrease of 5 % as compared to the MFF for 2007-2013. Of the resources provided for cohesion policy 48 % were to be earmarked for convergence and 25 % for competitiveness and inter-region development. Mr SŁUGOCKI referred to the fact that Member States already had formed a critical opinion regarding the Commission's idea for a future cohesion policy and asked that the Commission would take the arguments of the Member States into consideration and reconcile the goal of cohesion policy with more flexibility.

The Undersecretary of State argued that as the Commission had centrally earmarked money from the Cohesion Fund to other projects, for instance 10 billion euro to infrastructural projects, the Cohesion Fund might lose some of its integrity. Mr SŁUGOCKI said that the first negative reactions of the Member States had indicated that the connection of EU instruments would be a sensitive point and that Member States had voiced their concerns about the socio-economic development of European regions if money from the social funds were to be diverted to other programs.

However, Mr SŁUGOCKI hoped that on the basis of the strategic framework Member States would help secure the complementarity between the CAP and cohesion policy.

Ms Danuta HÜBNER, Chairwoman of the European Parliament Committee for Regional Development and former Commissioner for Regional Policy, shared her views on regional policy for 2014-2020. She stressed that Europe needed growth and that all policies had to focus on the conditions for growth. Ms HÜBNER went on to say that the main objective of the MFF was to modernise EU policies and create opportunities for investments to reach poorer regions.

Ms HÜBNER explained that the EU budget should focus on those policies that could facilitate development and help implement the common European goals. She underlined that the Structural Funds were not to finance random projects, but should be utilised for carefully prepared projects. Ms HÜBNER specified that a good balance between cuts and indispensable policies should be reached.

During the ensuing debate another 27 speakers took the floor. The vast majority supported cohesion policy as an important tool for building a common Europe. However, several speakers expressed concern about the risk of growing disparity between Member States if the MFF did not include cohesion policy as one of the main policies to be financed by the EU budget. Moreover, a few speakers feared that some Member States would not be able to recover from the economic crisis if the Cohesion Funds were to be cut. The Proposal on the MFF was nevertheless generally considered as a good basis for negotiations. A couple of speakers suggested that cohesion policy would be more effective if the number of policy priorities would be limited. There was, furthermore, overall support for investing in making Europe better connected, as infrastructure projects were considered to be important for economic success. However, a few speakers added that this should not be at the expense of cohesion policy. Several speakers noted that a more harmonised single market could be brought about through the reduction of social inequality, while others pointed out that the Commission's proposal to transfer funds from cohesion policy or from the CAP was not an option.

Responding to the questions Mr SŁUGOCKI reiterated that the Proposal on the MFF was a good start. Cohesion was a development policy which would boost the overall competitiveness of the EU. Mr SŁUGOCKI explained that the Polish Presidency had identified three areas of importance for a future cohesion policy:

- Introducing an award mechanism instead of sanctions,
- Securing financing for the poorest regions,
- Setting different limits of funding for different policy areas in different regions.

Mr SŁUGOCKI summarised the discussion by saying that cohesion policy was to determine the future of the EU.

Hereafter the head of the delegation of the Danish *Folketing*, Ms Eva KJER HANSEN, asked for the floor and announced that the XLVII COSAC meeting would be held in Copenhagen on 22-24 April 2012, preceded by the meeting of the Chairpersons of COSAC on 29-30 January 2012.

5. Meeting of the Chairpersons of COSAC

The meeting of the Chairpersons of COSAC consisted of the following two parts:

1. Nomination of the Permanent Member of the COSAC Secretariat,
2. Debate on the draft Contribution and Conclusions of the XLVI COSAC.

On the nomination of the new Permanent Member of the COSAC Secretariat for the term of office 2012-2013, Mr Stanisław RAKOCZY informed the Chairpersons that the Troika had interviewed both candidates for the post, i.e. Ms Libby KURIEN nominated by the UK *House of Commons* and Ms Magdalena SKRZYŃSKA nominated by the *Sejm* of the Republic of Poland. To ensure transparency of the process Mr William CASH, the Chairman of the European Scrutiny Committee of the UK *House of Commons*, had been invited and had attended the meeting of the Troika as an observer. The candidates had been interviewed separately *in camera* for about 20 minutes each, including five-minute presentations by the candidates on their motivation and plans in case they were chosen. Due to the fact that one of the candidates had been nominated by the Polish Presidency, both Mr Edmund WITTBRODT and Mr RAKOCZY had abstained from posing questions to the candidates, but had chaired both the interviews and the part of the meeting where Members of Parliament only discussed the outcome of the interviews in order to identify the most suitable candidate. Mr William CASH, as an observer, had also attended both the interviews and the decision-making part of the meeting.

Mr RAKOCZY announced to the Chairpersons of COSAC that the Troika had been unable to reach an agreement on the most suitable candidate, but had agreed on a proposal on how to proceed. Consequently, Mr RAKOCZY suggested voting in the Chairpersons' meeting, first, on whether the appointment of the new Permanent Member of the COSAC Secretariat should take place at this meeting of the Chairpersons of COSAC or should be postponed until the Danish Presidency in the first half of 2012 (a procedural vote). If the decision was postponed, a new call for candidates would be announced, while the nomination of the present candidates would remain valid, if the Chambers in question agreed to maintain their candidates. However, if the decision was to be taken at the XLVI COSAC in Warsaw, a secret vote would be held on the most suitable candidate following a five-minute presentation by each candidate with no possibility to ask the candidates any questions (a substantive vote).

Several delegations expressed doubts on whether such a vote could take place at the meeting of the Chairpersons of COSAC as they had had no opportunity to get to know the candidates sufficiently well.

After a short debate, the first procedural vote took place. Each Chamber of a bicameral Parliament was assigned one vote and each unicameral Parliament was assigned two votes. The result of the vote was: 38 in favour, 8 against with 3 abstentions.

Following the decision to take the second (substantive) vote the same day, Ms Libby KURIEN and Ms Magdalena SKRZYŃSKA (in alphabetical order) made a five-minute presentation each.

Following the presentations, Mr RAKOCZY informed the Chairpersons that the decision on the candidates would be taken by simple majority without counting abstentions. The secret vote resulted in 37 votes for Ms Libby KURIEN and 17 votes for Ms Magdalena SKRZYŃSKA. As a result, the Chairpersons appointed Ms Libby KURIEN as the next Permanent Member of the COSAC Secretariat for a two-year term starting on 1 January 2012.

The second part of the meeting of the Chairpersons of COSAC was dedicated to the debate on the draft Contribution and Conclusions of the XLVI COSAC.

On 12 September 2011, three weeks before the XLVI COSAC meeting, the Polish Presidency of COSAC had submitted to the COSAC delegations the first draft of the Contribution and Conclusions of the XLVI COSAC meeting, inviting them to table amendments to both documents until 23 September 2011.

The Presidency informed the Chairpersons that it had received 28 amendments from national Parliaments and the European Parliament and had grouped them in a table made available in English and French. An extensive debate on all amendments took place and an amended text of the Contribution and Conclusions of the XLVI COSAC was agreed.

6. State of play of the Polish Presidency of the Council of the European Union

Keynote speaker: Mr Mikołaj DOWGIELEWICZ, Secretary of State for European Affairs, Ministry of Foreign Affairs of the Republic of Poland

Secretary of State for European Affairs Mr Mikołaj DOWGIELEWICZ started by conveying apologies on behalf of the Polish Prime Minister Mr Donald TUSK for not being able to participate in the meeting as was originally planned because of other urgent commitments that day.

Mr DOWGIELEWICZ noted that this was a difficult time to hold the Presidency of the Council of the EU, as trust itself was being questioned in terms of EU economic development, in particular the functioning of the common currency, in terms of trust of citizens and financial markets in EU institutions as well as among Member States. Therefore, the unofficial goal of the Polish Presidency was to restore confidence, primarily by tackling the challenges of unemployment and economic growth. The European Council meeting later in October 2011 would therefore serve as a test for agreeing on both the external aspects of the EU economic policy and on orientations on other aspects of economic policy, especially as regards growth enhancing areas. The aim was to present an institutional and economic strategy which was credible to citizens and markets.

The Secretary of State took the opportunity to highlight some of the achievements of the Polish Presidency, including the compromise on the "six-pack" in the European Parliament and the presentation of a Presidency Report 'Towards a European consensus on growth' pertaining to sources of economic growth in Europe. The report would attempt to address two issues of key significance to the EU, namely, initiatives on growth and the need to reconcile development-stimulating investment with the necessity to maintain balanced public finances. In the Presidency's view, the potential was to fully exploit the human capital, the internal market, e-economy, the small and medium-sized enterprises, regional policy and the 'green economy'. Furthermore, the report would present specific recommended actions in defining new sources of economic growth in Europe.

Another important development was the Proposal on the MFF. Mr DOWGIELEWICZ recalled that a similar proposal in 2004 (i.e. the MFF for 2007-2013) had been rejected by the Council. In contrast, both the EU institutions and national Parliaments had now been working on the initial proposal of the Commission of 29 June 2011. The Polish Presidency would like to steer the initial debates on the next MFF by actively involving national Parliaments. In this context, Mr DOWGIELEWICZ mentioned the Presidency's initiative to hold a conference on the MFF co-organised by the Commission, the Council and the European Parliament on 20-21 October 2011 in Brussels. National Parliaments had been invited to take an active part in this conference which would open a broad-ranging debate.

In the context of the debates within the Council, Mr DOWGIELEWICZ also drew the attention of COSAC to such complex issues as the future of the Schengen area, the progress in the EU enlargement process and the European Neighbourhood Policy, including the Eastern Partnership. With regard to the debates on the accession of Bulgaria and Romania to the Schengen area, Mr DOWGIELEWICZ emphasized that it was the lack of trust among Member States that had led to the difficult situation and to two Member States' vetoes. As a result, the debate on the future of the Schengen system became a serious challenge for the Polish Presidency.

Nevertheless, the Secretary of State noted with satisfaction that the EU had managed to maintain the open-door approach in the context of its enlargement policy and that in mid-December 2011 it would be able to sign the treaty of accession with Croatia. Mr DOWGIELEWICZ also expressed optimism with regard to the accession negotiations with Iceland and developments in Montenegro. On the other hand, the issue of granting the status of candidate country to Serbia was a "big question mark" primarily because of both the lack of progress in internal reforms and in Serbia's relations with Kosovo.

In the context of the openness of the EU, Mr DOWGIELEWICZ also made reference to another priority of the Polish Presidency, i.e. the European Neighbourhood Policy, including the response of the EU to recent events in Egypt, Libya and Tunisia. Bearing in mind that the competence in the area of EU external relations is primarily exercised by the EU High Representative Catherine ASHTON, the Polish Presidency had tried to support her in promoting the important agenda of democratisation and modernisation of this region in the EU neighbourhood. Another important aspect of the European Neighbourhood Policy for the Polish Presidency was the Eastern Partnership, a successful summit on which had taken place on 29-30 September 2011 in Warsaw. In this context, the Secretary of State highlighted the importance of fostering relations with the six Eastern neighbours of the EU and of increasing economic openness of all parties concerned. Mr DOWGIELEWICZ stressed the importance of negotiations on the Deep and Comprehensive Free Trade Agreements which opened up closer trade relations and a higher level of mobility, particularly for certain categories of workers.

Following his presentation, 22 Members of national Parliaments and the European Parliament took the floor. They welcomed the efforts of the Polish Presidency in promoting economic prosperity and financial stability of the EU, stressing the need to rebuild confidence and to foster solidarity in Europe. The questions and comments of the Members of Parliament covered a wide-range of issues, including the role of national Parliaments in the negotiations on the MFF, the future of the eurozone and the Schengen area, the future of cohesion policy and the CAP, EU relations with NATO and Russia.

A number of participants spoke on the EU enlargement process. They were concerned about the way the preoccupation of the EU with the crises could affect the enlargement process and about the future relations of the EU with the FYROM, including the associated name issue. The Turkish delegation expressed disappointment at the slow pace of negotiations and called for a clear signal on the part of the EU, so that the momentum would be maintained. The participants also underscored that the Eastern Partnership should not be sidelined either, notably that the Moldova's Transnistria problem should continuously remain on the EU agenda and that the Lukashenko regime in Belarus should not be tolerated. In this context, the Lithuanian delegation indicated that the Eastern Partnership would be one of the priorities of the Lithuanian Presidency in the second half of 2013.

In his reply, Mr DOWGIELEWICZ stressed that the debate on the MFF and the EU own resources had just started and would continue throughout 2012. The State Secretary also underlined that current economic and financial crises did not concern individual Member States. Due to the intertwined economies all of them were affected, including those who had decided not to join the eurozone. In his opinion, the EU needed to vigorously introduce the principle of responsibility, also in the framework of the European semester, and to take firm action to reduce debt.

On enlargement, Mr DOWGIELEWICZ noted that Turkey had not lived up to some of its commitments and that the country needed to prove that on its part there had been "a clear sense of direction". As to the FYROM, the Secretary of State indicated that it had been difficult to positively assess progress and the country was gradually losing momentum and that the name issue was not the only stumbling block. There were other problems, *inter alia*, related to the freedom of press. Overall, Mr DOWGIELEWICZ underlined that 95 % of the efforts in the process had to be undertaken by the candidate countries themselves.

7. Two years after the entry into force of the Treaty of Lisbon

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

At the beginning of his speech, entitled "National Parliaments: Key Partners in Setting the EU Agenda", Mr Maroš ŠEFČOVIČ referred to the State of the Union speech of the President of the Commission Mr José Manuel BARROSO the previous week during the plenary session of the European Parliament in Strasbourg. The Vice-President emphasized that despite the crisis, which was a major challenge to the EU, Europe had much to be proud of, as the crisis did "not mean chaos or disaster", but was "an opportunity to make necessary changes".

The Vice-President then spoke about relations between the Commission and national Parliaments. He noted that the number of reasoned opinions and contributions the Commission received from national Parliaments had risen constantly over time. In 2011 alone the Commission received 418

opinions from national Parliaments, which was a positive development. Furthermore, a new IT system, called "ASAP", had been developed in the Commission to deal with the opinions of national Parliaments.

However, with regard to the findings of the 16th Bi-annual Report of COSAC, the Commissioner admitted that sometimes delays occurred in replying to national Parliaments (he gave the example of the proposal on the CCCTB, where the Commission was already late with its replies to the reasoned opinions), or the replies were not exhaustive or fully satisfactory. He confirmed, though, that the Commission was committed to improve both the speed and the level of detail of its replies. Mr ŠEFČOVIČ underlined that there could be situations where a written reply could not be as explicit and definitive as one would wish, for instance because of sensitive interinstitutional negotiations or because it was too early for the Commission to take a position. Therefore, he emphasized that the "political dialogue could and should go well beyond a written exchange of views". In this context, he referred to the replies of national Parliaments to the questionnaire for the 16th Bi-annual Report, indicating that they had not continued the political dialogue with the Commission after receiving its initial reply. The Vice-President hoped that this would change in future in order "to clarify misunderstandings, to get an accurate picture and a better understanding of each others' positions and reasoning".

The Vice-President referred to the doubts expressed by some national Parliaments about procedural issues concerning delegated acts. According to the Commission, however, "there were sufficient safeguards", as the decision on the delegation to the Commission was in the hands of the legislator (Council - therefore Member States - and the European Parliament), "who could also revoke a delegation or object to any act". In this context, Mr ŠEFČOVIČ assured the participants of the debate that the Commission was "always ready to listen to any comment and engage in discussions about what was to be considered an essential element of a legal proposal".

The Vice-President then turned to the issue of the crisis and Europe's economic situation, emphasising the high level of interdependence between Member States and the implications of this interdependence. He underlined that considering Europe's prominence in the global economy, "the stakes were high", in efforts to avoid global recession. In the opinion of Mr ŠEFČOVIČ, this challenge was "an economic challenge for families, businesses and communities across Europe. But it was also a political challenge, a fight for tolerance and reason in social and international relationships, a fight for European integration itself". Therefore, the focus for the immediate future should be on: (i) "restoring confidence in Europe", (ii) "rebuilding stability and discipline", (iii) "making solidarity real", and (iv) "delivering growth and jobs". He referred to the problems of structural deficiencies and long-term competitiveness, emphasizing the danger of the accumulation of debts and excessive deficits. These should be corrected "in a determined and sustainable way", by carrying out "long-overdue structural reforms", even in cases where political courage was needed "to drive change forward". He underlined that national Parliaments played a key role in this process, by "holding governments to account", by "driving national reform programmes, for rebalancing public finances and for reaching rapid agreement on the most urgent matters". Mr ŠEFČOVIČ reiterated that "delay in delivery had been at the heart of the current uncertainty in financial markets".

According to the Commission, the following tasks were the most urgent:

1. To implement the package agreed on 21 July 2011 by all eurozone Heads of State and Government, including measures to increase the flexibility and effectiveness of the European Financial Stability Facility,
2. To implement the "six-pack" on reinforced economic governance,

3. To demonstrate that Member States are seriously committed to the Europe 2020 Strategy and the first European Semester.

Speaking about the Commission's Work Programme for 2012 (which would be adopted on 15 November 2011), the Vice-President indicated that a very strong focus would be on tackling the problems of competitiveness, growth and job creation in Europe. He also highlighted the following main strands of initiatives:

- To pursue an ambitious agenda for updating the single market,
- To enhance transparency, stability and responsible behaviour in the financial sector,
- To ensure long-term sustainability of the European social model,
- To prepare and negotiate the proposals for the next MFF.

In this context, Mr ŠEFČOVIČ underlined the need for continuous dialogue, cooperation and "challenging each other through common EU institutions, not in a retreat into fragmentation and intergovernmentalism".

Finally, the Vice-President reiterated the commitment on the part of the Commission to foster the cooperation with national Parliaments, underlining that the Commission was keen on hearing the views on national Parliaments, including in the framework of COSAC. He finished his speech by concluding that two years after the entry into force of the Treaty of Lisbon national Parliaments were undoubtedly "at the heart of European politics, and that Europe was on the top of national political agendas".

Following the speech of the Vice-President, 20 Members of national Parliaments and the European Parliament took the floor. They touched upon various issues, in general giving a positive feedback on the work of the Commission and its cooperation with national Parliaments. Many underlined the seriousness of the situation in Europe, as the crisis brought about not only financial problems but also revealed structural deficiencies in Member States. Therefore, the speakers considered that a closer involvement of national Parliaments in the efforts to overcome the consequences of the crisis would be beneficial.

The participants of the debate also shared their two-year experience in applying provisions of the Treaty of Lisbon, in particular on ensuring that the principle of subsidiarity is respected, on promoting interparliamentary cooperation and on a possible future revision of the Treaties. A number of speakers commented on the political dialogue with the Commission, by both expressing their support to the initiative and by voicing concerns about the content and timeliness of the Commission's replies to national Parliaments' opinions. The debate saw a number of interesting, specific ideas on ways for national Parliaments and the European Parliament to interact, for instance to "revive" the European Convention to further improve the Treaties, to reduce the number of interparliamentary meetings, but to improve their coordination and attendance, to actively cooperate with the committees of the European Parliament asking them to alert national Parliaments on important, controversial delegated acts or to create a system of interaction between national Parliaments and the European Parliament regarding subsidiarity and proportionality aspects of delegated legislation.

In addition, the speakers raised such issues as interparliamentary debates on CFSP, including CSDP, on energy security, the future of Europol and Eurojust, fight against corruption (also in the context of Article 86 of TFEU), the implementation of the Stockholm Programme and so on.

In his replies, Mr ŠEFČOVIČ reiterated the Commission's intention to foster the political dialogue and to improve its replies to reasoned opinions and contributions of national Parliaments. The Vice-President also shared some of the Commission's ideas on how to tackle the crisis, underlining, however, that the commitment of the Member States was equally essential. He stressed the need for a more effective cooperation between the EU institutions and a better communication with the citizens, with active involvement of national Parliaments in both. In addition, he answered the questions on such issues as energy security and the forthcoming Commission's proposals on Europol and Eurojust.

8. Adoption of the Contribution and Conclusions of the XLVI COSAC

This point of the agenda started with sincere thanks of the Polish Presidency and the plenary of COSAC to Ms Loreta RAULINAITYTĖ, the current Permanent Member of the COSAC Secretariat, seconded to the post by the *Seimas* of the Republic of Lithuania, for her four years of intensive and dedicated work for COSAC. The Polish Presidency noted that the second term of office of Ms Loreta RAULINAITYTĖ would expire at the end of 2011 and that a new Permanent Member of the COSAC Secretariat for 2012-2013 - Ms Libby KURIEN from the UK *House of Commons* - had been appointed by the Chairpersons of COSAC the previous day.

The XLVI COSAC voted on the text of the draft Contribution and Conclusions of the XLVI COSAC as amended by the Chairpersons of COSAC according to Article 7.5 of the Rules of Procedure of COSAC. The Contribution was adopted by 42 votes in favour, 1 vote against (the Italian *Camera dei Deputati*) and 5 abstentions (the European Parliament (2 votes), the Portuguese *Asssembleia da Republica* (2 votes) and the Italian *Senato della Repubblica* (1 vote)). The COSAC Conclusions were adopted by 44 votes in favour, no votes against and no abstentions.

Once translated into all official languages of the EU, the Contribution of the XLVI COSAC will be published in the Official Journal of the EU.