



MINUTES OF THE MEETING OF THE CHAIRPERSONS OF COSAC

PARIS, FRANCE, 13 - 14 JANUARY 2022

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PROCEEDINGS

IN THE CHAIR: Mr Jean-François RAPIN, Chair of the European Affairs Committee of the French *Sénat*, Ms Sabine THILLAYE, Chair of the European Affairs Committee of the French *Assemblée nationale*.

1. OPENING OF THE MEETING

Welcome speech by Mr Gérard Larcher, President of the French *Sénat*

Mr Gérard LARCHER, President of the French *Sénat*, welcomed delegations to the *Sénat* of the French Republic and said that this meeting of the Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC) marked the start of the French Presidency of the Council of the European Union (FPEU) in its parliamentary dimension.

He recalled that the French *Sénat* would have the privilege, in addition to inaugurating the French Presidency in its parliamentary dimension, of concluding it next May with a conference dealing with migration challenges. He added that the *Sénat* is the only institution of the French Republic that will not have elections in the first half of 2022 and will therefore be in a position to ensure a seamless presidency.

Regretting the health constraints caused by the COVID-19 pandemic on the FPEU projects, the President of the Senate welcomed the efforts of the chairpersons of the European Affairs Committees of the *Assemblée nationale* and of the *Sénat* to ensure that the COSAC meeting was held in good conditions.

After welcoming the presence of the Member States' delegations in the Chamber and by videoconference, he welcomed the participation of delegations from the States of the European Economic Area (EEA), the candidate countries and the Member States of the Eastern Partnership in the work of COSAC, believing that it was necessary to seize every opportunity to bring the European family closer together, in a world where the ambitions of predatory powers were being deployed.

Referring to the death of the President of the European Parliament, David SASSOLI, on 11 January, which had plunged parliamentary Europe into mourning, Mr LARCHER said that the French *Sénat* had paid tribute to him and called on the members of COSAC to take a moment of reflection. A minute of silence was observed.

The President of the French *Sénat* then indicated that the first session of this meeting of the COSAC Chairpersons would be the occasion to debate the main priorities of the French Presidency.

Recalling that COSAC is celebrating its 33rd anniversary, an adult age that is not yet mature, Mr LARCHER considered that the visionary Presidents of the national Parliaments who created it in 1989, notably Laurent FABIOUS, would hardly recognise the

one of 2022, whose existence has been enshrined in the European treaties and whose powers have been extended.

He welcomed the developments of COSAC since its creation but regretted that it did not take advantage of all the possibilities offered by the Treaties to adopt contributions and send them to the European institutions on subjects of direct interest to citizens. With that regard, Mr LARCHER highlighted that the working methods of COSAC - which the parliamentary dimension of the FPEU would like to develop, in consultation with the national delegations and the European Parliament - would be the subject of the second session of the COSAC Chairpersons meeting.

Mr LARCHER finally raised the issue of the euro, created twenty years ago and now used by more than 340 million Europeans, while others aspire to adopt it or wish to move closer to it. He stressed that the euro, which had withstood all crises and was a marker of European identity, would be the subject of the last session, in the presence of the President of the European Central Bank (ECB), Ms Christine LAGARDE.

Stressing that the national Parliaments, together with the European Parliament, are the beating heart of Europe, the President of the *Sénat* indicated that COSAC illustrated that they also have a collective role to play within the European Union.

He concluded by quoting a French geographer from the 20th century, a time of tension on the European continent: "Europe is too big to be united. But it is too small to be divided. Its double destiny is there", as well as the famous formula of Alexandre DUMAS in *The Three Musketeers*: "One for all, all for one".

According to the President of the French *Sénat*, the vocation of COSAC, at the crossroads of sovereign and independent national Parliaments and the collective European project, calls for a better balance between the two dimensions.

Opening remarks by Mr Jean-François Rapin, Chair of the European Affairs Committee of the French *Sénat*

Mr Jean-François RAPIN, Chairman of the European Affairs Committee of the French *Sénat*, welcomed the presence of the delegations, expressing his satisfaction that for the first time in two years an interparliamentary meeting was not being held exclusively by videoconference, and hoping that all the delegations would be able to attend the subsequent interparliamentary meetings held under the French Presidency.

He described COSAC's return to Paris as a return to its roots, since it had been set up there in November 1989, with a first agenda devoted to strengthening parliamentary scrutiny of European affairs and the participation of national Parliaments in the EU integration process. He indicated that the second session, devoted to COSAC's working methods, would make it possible to assess their efficacy regarding their role in the EU.

Mr RAPIN recalled that the persistence of a feeling of democratic deficit in the European Union - which the increase in the powers of the European Parliament has not enabled to

avoid - gives rise to fears of a disconnection between the aspirations of citizens and the European institutions. The need for a greater role for national Parliaments had therefore gradually become apparent, until it was enshrined in the Treaties.

He recalled the special place of COSAC in this context, indicating that it bore a responsibility for the democratisation of the European Union and hoping that its work would enable progress to be made in this direction.

Mr RAPIN thanked the Slovenian delegation for the work accomplished during his country's Presidency, marked by the setting up of the working groups of the Conference on the Future of Europe, as well as the members of the Troika for the preparation of the present meeting.

Finally, he welcomed Mr Anton HOFREITER, Chairman of the Committee on European Union Questions of the German *Bundestag*, Mr Raimond KALJULAIID, Vice-Chairman of the Committee on European Affairs of the Estonian *Riigikogu*, and Mr David SMOLJAK, Vice-Chairman of the Committee on European Affairs of the Czech *Sénat*, to COSAC.

Opening remarks by Ms Sabine Thillaye, Chair of the European Affairs Committee of the French *Assemblée Nationale*

Ms Sabine THILLAYE, Chair of the European Affairs Committee of the French *Assemblée Nationale*, after welcoming the present delegations, said she was delighted to be holding the COSAC presidency for six months, together with Mr Jean-François RAPIN, at a pivotal moment for the European Union.

Hoping that 2022 would be the year of the end of the crisis, both in terms of health and economic and social aspects, she noted that Europe had played its part in ordering and donating vaccines and in the recovery plan. With the "Fit for 55" package and the Strategic Compass project, Ms THILLAYE considered that Europe is in a position to look at the future with ambition in strategic areas, notably the climate challenge and defence.

However, she regretted that these achievements are being met with a certain degree of indifference by the European citizens. This, together with the lack of media coverage on these issues, gives the impression that European policies have no impact, which is also reflected in the low turnout that usually occurs in the elections for the European Parliament and is not consistent with the influence of European policies on the lives of 450 million citizens. She added that, despite the slight drop in abstention in 2019, France is in the middle of the pack, with a 50% voter turnout.

Ms THILLAYE said that national parliamentarians had a role to play in bringing about change by looking at issues from the three angles local, national and European. She said that citizens should be better informed about these complex issues and that political decisions should be made understandable to them.

Two priorities of the French Presidency are particularly dear to her: the role of national Parliaments and the place of European values, in connection with the definition of the rule of law. The application of the principle of legality and primacy of Union law to public authorities may seem like an abstract concept. However, it is the guarantee of mutual trust between Member States as well as the respect of the fundamental rights of every citizen. It is absolutely essential and deserves to be addressed by national Parliaments as by the European institutions.

Wishing that the exchanges between delegations would be fruitful, she concluded her speech by recalling the agenda of the present meeting, which was approved without amendment.

2. PROCEDURAL AND OTHER GENERAL MATTERS

Presentation of the results of the COSAC Troika of Chairpersons' Meeting

Mr RAPIN presented the results of the Presidential troika meeting, noting the approval of the agenda and the outline of the 37th Bi-annual report of COSAC.

During its meeting on Friday 14 January, the Troika also adopted the draft agenda for the LXVII COSAC plenary meeting in March, with the following themes: the first session would be dedicated to drawing up an initial assessment of the French Presidency of the Council of the European Union; the second session would discuss the European recovery plan and the exit from the crisis; the third session would address the issues of the fight against climate change and the energy transition; the fourth session would be dedicated to the Conference on the Future of Europe; and the fifth and final session would be a presentation of the progress report on the internal working groups of COSAC, if an agreement on their establishment were to be found later in this meeting of the COSAC Chairpersons.

Outline of the 37th COSAC Bi-Annual Report

Mr RAPIN said the 37th Bi-annual Report of COSAC, which was endorsed by Troika, would focus on the role of national Parliaments, the rule of law and the Conference on the Future of Europe, which is due to hold its concluding plenary session this spring. In order for the report to be ready for the COSAC plenary meeting on 4 and 5 March, replies to the questionnaire must be submitted by 31 January.

Letters received by the Presidency

Mr RAPIN also referred to the letters with requests to attend COSAC meetings from the Swiss *Assemblée fédérale*, the Norwegian *Stortinget*, the UK *House of Lords*; the Parliament of Georgia, and - only for the plenary meeting, from the Icelandic *Althingi*. Following consultation with the Presidential Troika, invitations would be sent to all the above Parliaments.

3. FIRST SESSION - PRESENTATION OF THE PRIORITIES OF THE FRENCH PRESIDENCY

Keynote speaker: Mr Clément Beaune, Secretary of State to the Minister for Europe and Foreign affairs, responsible for European affairs

Ms THILLAYE opened the first session by indicating that the French Presidency comes at a time when Europe's needs have never been so highlighted. The challenges on climate change, migration or digital transformation could only be met if Member States agree on common approaches. Ms THILLAYE underlined that the social Europe finds new visibility through two legislative proposals from the European Commission currently under discussion regarding platform workers and minimum wage. The regulation of the European digital market is also on the agenda with the Digital Services Act (DSA) and the Digital Markets Act (DMA). Moreover, Europe is at the forefront of the fight against global warming with the “Fit for 55” package and the decarbonisation of the European economy objective. Furthermore, concerning the disagreements between the Member States on the energy mix, the European Commission had made important proposals on the taxonomy of green investments which include nuclear and fossil gas on a transitional basis. Finally, the rule of law must remain at the heart of our concerns. Therefore, Ms THILLAYE concluded by emphasizing that the COSAC was a forum for dialogue between national Parliaments and the European Parliament, which could be a lever to make these issues more visible to European citizens.

The Secretary of State to the Minister for Europe and Foreign affairs, responsible for European affairs, Mr Clément BEAUNE, addressed the plenary highlighting the importance of national Parliaments, because of their proximity to the citizens and real issues. Mr BEAUNE presented the major priorities of the French Presidency. He began this presentation with the sovereignty of Europe and its capacity to define and control its borders with a Schengen reform or the continuation of the work on the new pact on migration and asylum. Mr BEAUNE stated that he believes in a European defence model, mentioning the importance of the European Defence Fund or the Strategic Compass for the EU. He also underlined the importance of taking an interest in Europe's neighbours, especially with Africa and the Western Balkans. He then raised another major priority: the new European model for growth and investment. Mr BEAUNE stressed the need to preserve the idea of a more humane Europe and said that the Conference on the Future of Europe was a unique opportunity to talk about these European reforms. He indicated the need to focus on European youth through programmes and new opportunities for young people.

During the ensuing debate, 29 speakers took the floor, expressing general support regarding the priorities of the French Presidency and its vision leading to a stronger Europe at a time where Europe faces major challenges. A number of speakers, including among others Mr Dario STEFÀNO, Italian *Senato della Repubblica*, highlighted the fact that the French Presidency was an opportunity to overcome these issues. These challenges should therefore be tackled with a united, stronger and sovereign Europe.

Some speakers underlined the importance of the Strategic Compass in order to make Europe a more autonomous player on the global scale. According to Ms Satu HASSI, Finnish *Eduskunta*, the Strategic Compass was an important element in the discussion to develop the European Common Security and Defence Policy.

A number of speakers stressed the need to take decisive steps regarding the issue of migration. Ms Susana SUMELZO, Spanish *Cortes Generales*, emphasized the necessity to ensure that the new pact on migration and asylum would move forward. Mr Harris GEORGIADES, Cypriot *Vouli ton Antiprosopon*, underlined the need to make the issue of instrumentalisation of migration by authoritarian regimes a priority. Mr Ștefan MUȘOIU, Romanian *Camera Deputaților*, agreed on the importance of strengthening the fight against illegal immigration with a stronger European unity on the matter.

A large majority of speakers acknowledged the commitment of the French Presidency to ecological sustainability and the European climate rules. Mr Anton HOFREITER, German *Bundestag*, referred to the importance of the carbon border adjustment mechanism, but also expressed his expectation that the Fit for 55 package can be achieved during the French presidency. Ms Hajnalka JUHÁSZ, Hungarian *Országgyűlés*, underlined the importance of the package and the need of affordable energy prices for households.

Several speakers supported the initiative of the French Presidency to promote economic and employment development. Mr Gaëtan VAN GOIDSENHOVEN, Belgian *Sénat*, expressed his agreement with adopting a more autonomous approach between the partners of the Union, in close collaboration with relevant strategic actors.

Facing the challenges in the areas of health, climate change and migration, a number of speakers stressed the need to defend European democratic values. According to Mr Domagoj HAJDUKOVIĆ, Croatian *Hrvatski Sabor*, the proposal for a directive on adequate minimum wages in the EU was therefore an important tool for a more humane Europe. Moreover, Ms Ine ERIKSEN SØREIDE, Norwegian *Stortinget*, believed that the fundamental values were cornerstones for the internal market.

Mr Reinhold LOPATKA, Austrian *Nationalrat*, expressed his hopes that the French Presidency would have fruitful conclusions regarding the Conference on the Future of Europe. Mr Nikítas KAKLAMÁNIS, Greek *Vouli ton Ellinon*, noted that the Conference, while it was an ambitious project, was far from its initial aspirations. He also expressed his doubts on the role of the Plenary working groups.

Finally, some speakers supported the initiative of the French Presidency to cooperate with Africa and the Western Balkans. Some of the Western Balkans representatives expressed their hopes for the opening of EU accession negotiations.

Mr BEAUNE took the floor again and thanked the speakers for their support on the priorities of the French Presidency. Regarding the EU's relationship with its neighbours, he expressed his hope that the ongoing negotiations with the Western Balkans would

move forward, particularly with Albania and North Macedonia. He stressed that France was fully committed to the Eastern Partnership in order to help resolving some of the regional tensions.

Mr BEAUNE indicated that, regarding the issues of sovereignty, defence and security, the Strategic Compass was a way to strengthen the EU's relationship with the major global players, especially Russia and China. On migration, he stressed that the European values in the area of asylum must be respected and that the border protection must be more effective. He added that the reform of Schengen rules does not exclude the integration of new members, as Croatia, Romania and Bulgaria.

Mr BEAUNE noted that several priorities of the new European model were shared by the participants, notably on the climate issues. He recalled the major ambitions of the French Presidency concerning the carbon border adjustment mechanism, the objectives for 2030 and 2050 and the sectoral regulations. He also emphasized the need to be vigilant on the extension of the ETS (Emission Trading System). When it comes to the social support for the ecological transition, Mr BEAUNE noted that a balance must be found between the fight against social dumping and the strengthening of social protection on the one hand, and the respect for the diversity of social models on the other hand.

Mr BEAUNE expressed his belief that the French Presidency should open political dialogue on growth, investment strategy and budgetary rules. He noted that the question of respect for the values of democracy had been raised by all the participants and thanked them for their commitment to the Conference on the Future of Europe.

Finally, Mr BEAUNE expressed particular thanks to the Slovenian Presidency, which had taken forward a number of issues on which final steps would have to be taken during the French term. He also thanked the German Presidency, which had launched the work on the Strategic Compass, and the Portuguese Presidency for ensuring the implementation of the EU's recovery plan.

4. SECOND SESSION - NEW WORKING METHODS WITHIN COSAC

Opening remarks by Mr Jean-François Rapin, Chair of the European Affairs Committee of the French *Sénat*

Ms THILLAYE opened the session by emphasizing the need for improvement of the work of COSAC and referred to the proposal made by the French Presidency on establishing two working groups (WGs) under the article 2.6 of the COSAC Rules of Procedure. She informed the participants that the Presidential Troika of COSAC had already reached a consensus on this proposal and expressed hope for such support also from the Chairpersons of COSAC.

In his introductory remarks, Mr RAPIN stated that COSAC was an indispensable tool for interparliamentary dialogue and cooperation on EU matters, which was the reason why the French Presidency would like to improve its efficiency and visibility. He further presented the structure and goals of the proposed two WGs. The first WG would aim to

provide an overview of scrutiny mechanisms carried out by national Parliaments on EU policies and issues, in order to enhance the (collective) role of national Parliaments at the European level. The second WG would be dedicated to the values under Article 2 of the Treaty on the European Union, analyzing the achievements and the difficulties encountered by the Member States in conforming to these values.

Regarding the structure of the WGs, Mr RAPIN explained that all national Parliaments would be invited to nominate up to two members per WG by the end of January. The Presidency would provide a timetable of the WGs' activities in coordination with their respective members, with the work expected to start in February. Furthermore, an interim report on the work of each WGs would be presented during the LXVII Plenary Meeting of COSAC in March and a final report drawn up at the end of the French Presidency. Mr RAPIN also said that any proposals from WGs could be incorporated by the COSAC in future contributions or conclusions that it alone has the power to adopt.

Mr RAPIN also referred to the continuation of the WGs after the French Presidency. He stated that this was desirable, but would however be the prerogative of the upcoming presidencies to decide upon. In the end, he touched upon the work of the WGs in relation to the Conference on the Future of Europe (CoFE). He stressed that not all national Parliament delegates to the CoFE are also involved in COSAC and said COSAC should be able to discuss EU related issues independent of the CoFE.

During the debate that followed, eight speakers took the floor. In their interventions, parliamentarians expressed their support for the proposal. The majority agreed the debate on the improvement of the work of COSAC was necessary, with several parliamentarians pointing out the need for more direct dialogue among members of COSAC. In line with this, Mr Domagoj HAJDUKOVIĆ, Croatian *Hrvatski Sabor*, and Mr Dario STEFANO, Italian *Senato della Repubblica*, commended the regular exchanges of COSAC with European Commissioners. Furthermore Mr HAJDUKOVIĆ and Ms Ria OOMEN-RUIJTEN, Dutch *Eerste Kamer* underlined the advantages of WGs for more targeted debates and flexible work of COSAC. Ms Etilda GJONA, Albanian *Kuvendi*, added that the proposed WGs were a good opportunity to further include Western Balkan countries into the debate.

Ms Eva KJER-HANSEN, Danish *Folketing* emphasized the need for the reform of COSAC's working methods and proposed an establishment of an additional WG to explore the possibilities for more goal-oriented and effective meetings. Ms Roelien KAMMINGA, Dutch *Tweede Kamer* stressed the importance of the rule of law for the functioning of the European Union and expressed support for the establishment of the WG on the place of European values at the heart of the feeling of belonging. For Ms Danuta JAZŁOWIECKA, Polish *Senat*, the focus of debate should also be on the *Fit for 55* legislative package.

A number of parliamentarians also stressed the need for a stronger role of national Parliaments in the European Union. Mr STEFANO called for a closer legislative dialogue

between national Parliaments and the European Parliament and strengthening the collective role of national Parliaments through COSAC. Ms Eliane TILLIEUX, Belgian *Chambre des représentants*, referred to the work of the [COSAC WG](#) on the “green card” initiative during the Luxembourgish Presidency in 2015 and said the WG on the role of national Parliaments could relaunch this initiative.

In response to the speakers, Ms THILLAYE stressed that COSAC certainly needed to review its working methods but that it was not possible to decide today on the creation of a third working group on this subject, as this issue had to be discussed by the Troika first. On the continuation of the work of the working groups beyond the French Presidency, it will be up to the subsequent Presidencies to decide on this matter.

In his replies, Mr RAPIN thanked the speakers for their support and noted that there was a shared will to improve the work and visibility of COSAC. In reference to the proposals from Ms KJER-HANSEN and Ms GJONA, he said that the Troika took note of them and stated that, given the time constraints, this will remain an important decision to be made by COSAC in the near future. He noted that the continuation of WGs remained an ambition of the French Presidency and confirmed it would however be left to the complete discretion of future presidencies.

In conclusion, Ms THILLAYE stated that under the Rules of Procedure a WG could be established by an absolute majority of Chairpersons of COSAC, however emphasized the strive of the Presidential Troika of COSAC to reach a consensus. In the absence of any objections, the proposal for the establishment of the two WGs was thus approved.

5. THIRD SESSION - TWENTIETH ANNIVERSARY OF THE EURO: ACHIEVEMENTS AND FUTURE OF THE EURO

Keynote speaker: Ms Christine Lagarde, President of the European Central Bank

After an introduction from Ms THILLAYE, who stressed amongst other things the significant role of the European Central Bank (ECB) and its responsiveness to overcome the economic and health crisis throughout the past years, Ms LAGARDE was given the floor and started by paying tribute to President of the European Parliament David Sassoli who died that week.

Ms LAGARDE took a brief look back at the last 20 years, from the first introduction of euro banknotes and coins in January 2002, to the series of crises - the global financial crisis, the sovereign debt crisis, the pandemic crisis, noting that the countries of the Eurozone have emerged stronger from all these.

She stressed that there were three key directions to follow in order to ensure sustainable progress for Europe: stability, strengthening supply, and ensuring strategic autonomy. She elaborated on each of them.

With respect to stability, she underlined the importance of the Union cooperating towards common goals and she compared the slower recovery from the global financial crisis, to

the much quicker recovery from the pandemic crisis, as expected, thanks to Europe's combined policy response. She referred to the different exceptional measures taken by the ECB to stabilise financial markets, to ensure the good transmission of monetary policy and to protect price stability. She noted the importance of favourable financing conditions and mentioned estimations that the measures taken had saved more than one million jobs, adding that the fiscal policy responses, state aid support and new instruments as the Next Generation EU (NGEU) laid the groundwork for a strong recovery. However, she also referred to the rise in energy prices, which in turn led to an increase in prices for goods and services, with inflation in the euro area reaching 5 percent in December. In this context, she confirmed the commitment of the ECB to take any measures necessary to ensure price stability and the inflation target of 2 percent over the medium term.

With respect to strengthening supply, she noted that sustainable growth required that supply and demand must evolve together as the economy adapts to these changes. In this context she also noted that the green and digital transition were accelerated by the pandemic. She then focused on examples of the economy becoming greener, but stressed that if supply capacity would not adjust quickly enough, the transition could be difficult. She underlined how important it was that the EU had redirected supply towards the sectors of the future and the unique impetus provided by NGEU, noting also in this respect the significant role of national Parliaments to ensure a swift and effective implementation of the reform and of the national recovery and resilience plans. However, she stressed that these funds would not be sufficient and that it was necessary to unlock private investments in Europe and across the world. Therefore, ensuring a robust EU financial sector was very important as well as deepening further the Capital markets Union and completing the Banking Union. While noting that the Capital Markets Union Action Plan provided a useful basis for discussion, she also underlined the need for progress at national level, with relevant reforms.

Ensuring strategic autonomy was the third area in which Ms LAGARDE saw potential to build on what was achieved during the pandemic. Specifically she noted that the NGEU had increased the credibility of EU bond issuances and boosted the international role of the euro. She was confident that diligent implementation of the reform plans would consolidate the confidence of financial markets in the bond. Ms LAGARDE called in particular for attention to the EU's place in the world in the digital sector, especially as other economies in the world have had a head start. She supported the Digital Services Act and the Digital Markets Act initiatives, which could secure the EU's global position in this field and promote the EU's standards across the world. From the side of the ECB, efforts are concentrated in this respect on the digital euro project. She expected that work could conclude in 2023 when stakeholders – including Members of the European Parliament and of national Parliaments – would need to decide on the way forward. Ms LAGARDE explained at length the advantages of a digital euro, including simpler, safer and more reliable means of payments, providing new business opportunities, and acting as a catalyst for technological progress and innovation. She clarified that the digital euro would not replace cash and that in fact the ECB had decided to redesign the banknotes to make them more relatable to Europeans of all generations. Ms LAGARDE concluded her

intervention by stressing once more the importance of the EU acting together in order to remain resilient and strong.

During the debate that followed, 11 speakers took the floor.

A number of parliamentarians stressed the fact that the euro, as a strong currency, has brought stability, security, prosperity and competitiveness to the benefit of citizens and businesses in the EU and highlighted its symbolic character for the Union (Ms Satu HASSI, Finnish *Eduskunta*, Mr Rubén MORENO, Spanish *Cortes Generales*, Mr Domagoj HAJDUKOVIĆ, Croatian *Hrvatski sabor*, Mr Christian BUCHMANN, Austrian *Bundesrat*, Mr Raimond KALJULAIID, Estonian *Riigikogu*, Mr Dragomir STOYNEV, Bulgarian *Narodno sabranie*, Mr Gaëtan VAN GOIDSENHOVEN, Belgian *Sénat*). At the same time both Ms HASSI and Mr HAJDUKOVIĆ noted that the currency could also involve drawbacks and referred, respectively, to growing public debt and to possible price instability during the transitional period for the introduction of the euro. Mr Raimond KALJULAIID, Estonian *Riigikogu*, reminded that Estonia started using the euro in 2011, while heavily impacted by the financial crisis at that time, and thus had to set very strict fiscal limits. He also emphasized the importance of fiscal responsibility for ensuring a prosperous future.

Mr Dario STEFÀNO, Italian *Senato della Repubblica*, noted the strong role of the ECB during the pandemic crisis and thanked Ms LAGARDE for her efforts and the measures taken, as did Mr BUCHMANN and Mr VAN GOIDSENHOVEN, especially with respect to her statement on the ECB's commitment to reduce inflation. In this respect, Mr MORENO stressed that the euro managed to resist the crises thanks to the Union's greater cooperation and integration. Mr Dimitrios KAIRIDIS, Greek *Vouli ton Ellinon*, noted that despite the severe financial crisis Greeks remained committed to the euro project and he asked, amongst other things, Ms LAGARDE if NGEU could be turned into a more permanent mechanism.

A number of interventions also referred to the Growth and Stability Pact and the need for more clear and transparent rules, a better oversight mechanism (Mr MORENO, Mr Sergio BATTELLI, Italian *Camera dei deputati*) and the need for a European Semester that would take better account of social and environmental aspects (Ms HASSI, Mr STEFÀNO). Mr BUCHMANN agreed with more "green" capitals in the Union and Mr BATTELLI particularly welcomed the fact that the euro was the main currency for green investments and that half of green bonds in the world were denominated in Europe. Mr BUCHMANN and Mr KALJULAIID welcomed the digital euro project and agreed that it was the way to approach the future, new generations' needs and necessity for innovation. Ms Danuta JAZŁOWIECKA, Polish *Senat*, in particular wished to know more about how citizens would be prepared for the digital euro.

Both Mr HAJDUKOVIĆ and Mr STOYNEV expressed their hope that their countries, Croatia and Bulgaria, will complete their European integration by joining the Eurozone

very soon. In particular, Ms STOYNEV underlined the importance of the euro for the development of the Balkans area, also for geopolitical reasons.

In her replies, Ms LAGARDE first addressed the euro introduction in Croatia and Bulgaria and welcomed the enthusiasm of these countries to join the Eurozone, while stressing that the process would not be easy and would require implementing all principles. She highlighted that the euro was the second international reserve currency in the world, and that its position was not weakened by the health crisis. Regarding the Stability and Growth Pact, she mentioned that the ECB and the 19 Governors took the position that fiscal discipline is essential and that rules needed to be simpler and more comprehensible; they have required a pact allowing for fiscal policies to be more harmonised and have considered an autonomous fiscal capacity. On all these matters, Ms LAGARDE expects an extensive discussion in the coming period. With respect to the digital euro, she underlined the difficulties linked to the project, and referred also to countries like China and Sweden that were working for a long time on similar projects but were not yet able to introduce digital currency. Respecting personal data was paramount in this respect, as well as developing the adequate technology. Finally, she stressed the important climate dimension in the ECB's activities and the fact that it was also necessary for the ECB to identify how to contribute to environmental protection and biodiversity.

6. CLOSING REMARKS OF THE CHAIRPERSONS

In the closing session, Mr RAPIN thanked all participants for the very interesting debates.

Ms THILLAYE started by referring to the excellent cooperation between French *Sénat* and *Assemblée nationale* in the running of the COSAC Presidency and also thanked the COSAC Chairs for the endorsement of the proposal to establish the two working groups within COSAC proposed by the Presidency. With that regard, she mentioned that a letter would be sent very soon to all Parliaments to precise further the working modalities of these working groups, and encouraged delegations to start considering which Members they would like to appoint for each group.

Ms THILLAYE also thanked the two key-note speakers present, Mr Clément BEAUNE and Ms Christine LAGARDE, for their participation in this COSAC Chairpersons meeting and for very pertinent issues raised in their interventions and in the debate that followed. In her view, the exchanges held highlighted the fact that the common challenges that the EU faces should be addressed collectively. Finally, and alluding to the motto of the French Presidency of the EU Council (“Recovery, Strength and a Sense of Belonging”), Ms THILLAYE considered that the Members of Parliaments have a special responsibility concerning the latter.

Concluding the debate, Mr RAPIN considered that the meeting was very fruitful and had reached very concrete results, namely the establishment of the two COSAC working groups. Finally, Mr RAPIN expressed his wish that the pandemic situation allows for the

COSAC Plenary meeting, scheduled for March at the *Assemblée nationale*, to be held in a format that allows for even more Members to be present in Paris.