

**MINUTES OF THE MEETING OF THE CHAIRPERSONS OF COSAC
Budapest, 11 February 2011**

AGENDA:

- 1. Opening session**
 - **Welcome address by Mr László KÖVÉR, Speaker of the Hungarian *Országgyűlés***
 - **Briefing on the meeting of the Presidential Troika of COSAC and preparation for the XLV COSAC meeting**
- 2. Priorities of the Hungarian Presidency** – guest speaker: Mr János MARTONYI, Minister for Foreign Affairs of the Republic of Hungary
- 3. The Commission Work Programme 2011** – guest speaker: Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission in charge of Inter-institutional Relations and Administration

PROCEEDINGS:

IN THE CHAIR: Mr Richárd HÖRCSIK, Chairman of the Committee on European Affairs for the Hungarian *Országgyűlés*.

1. Opening session

The meeting of the Chairpersons of COSAC organized by the Hungarian Presidency was held on 11 February 2011 in the former Upper House Hall of the Hungarian *Országgyűlés* in Budapest.

• **Welcome address by Mr László KÖVÉR, Speaker of the Hungarian *Országgyűlés***

In his address, Mr László KÖVÉR welcomed the participants stating that their meeting was the tangible reflection of the national Parliaments' increased influence. Theirs will be the task now to find their appropriate role in this new institutional landscape. Through the COSAC platform and by promoting the best practices, the Hungarian Presidency will endeavour to help achieve this aim in order to allow national Parliaments to find their way to a better oversight of their respective governments e.g. on common foreign and security policy for the European Union and on Eurojust. After having established their enhanced role, national Parliaments must play it in full transparency. That is why the subsidiarity system was created. Indeed, although, up to now, its threshold has never been reached, every actor knows of its existence and will take it into account.

Moreover, the Speaker emphasized that, in spite of frequent internal discussions, Hungary has always been able to manage its EU affairs properly. In this respect, the achievements of the current trio will serve as an example for the one to come.

Furthermore, Mr László KÖVÉR offered a brief overview of the *Országgyűlés*' activities in the framework of the Hungarian Presidency.

Beyond any doubt, the XLV COSAC meeting will be the main event with (1) Mr Viktor ORBÁN, the Prime Minister, who will present the state of play of the Presidency, (2) an extensive briefing on the results of the economic integration and (3) with a number of procedural matters to be dealt with.

Together with the European Parliament, the *Országgyűlés* will focus on the integration of the Western Balkans into the Union and on the energy policy.

Cultural events will be organized in order to let the East European history be better known. In this context, Mr László KÖVÉR underlined that 2011 will be the year of Central European Presidencies.

Lastly, there will be a number of memorial events remembering the participation of Hungarians in humanitarian activities, such as the deeds of Count János ESTERHÁZY and the events that took place in Europe in 1848 and 1849.

• Briefing on the meeting of the Presidential Troika of COSAC and preparation of the XLV COSAC meeting

In his introduction, Mr Richárd HÖRCSIK, Chairman of the Committee on European Affairs, welcomed the new Chairpersons of the Committees on European Affairs of the Latvian *Saeima*, the Dutch *Tweede Kamer* and the Irish *Houses of the Oireachtas* albeit that, unfortunately, the latter was not able to be present at the meeting. He also welcomed the delegation from the Parliament of Montenegro – *Skupština*. Indeed, as this country has been an official candidate for EU membership since 17 December 2010, it was invited to COSAC for the first time.

Furthermore, the Chairman recalled that his country became a member of the European Union in 2004; in 2007, it joined the Schengen area and now, for the first time, it has taken over the Presidency of the Council of the European Union. Mr Richárd HÖRCSIK stressed that it went without saying that, for Hungary, this was not only a milestone but also an opportunity. That explained why Hungary did not come unprepared. In this respect, Mr Richárd HÖRCSIK referred with gratitude to the willingness with which its predecessors had shared their expertise, to the preparatory conferences held by the Committee on European Affairs of the *Országgyűlés* and to the results of the EU Presidency Working Group, which was established in February 2008 and had consisted of representatives of all parliamentary political groups.

Secondly, the agenda of the meeting, as set out above, was adopted unanimously.

Thirdly, Mr Richárd HÖRCSIK summarized the results of the meeting of the Presidential Troika of 10 February 2010. In doing so, he first went through the draft programme of the XLV COSAC meeting. Regarding its first part, *i.e.* the state of play of the Hungarian Presidency, he was confident that, by 30 May 2011, a number of clear results may be presented.

As to the second part, he announced that Mr Maroš ŠEFČOVIČ, the Vice-President of the European Commission, will speak instead of the President, Mr José Manuel BARROSO.

In connection to the part of the programme on the Rules of Procedure of COSAC, the Presidency will submit a number of technical proposals to the national Parliaments and the European Parliament allowing them to formulate the suggestions they deem necessary.

The title of the next part of the programme will be changed into “Report on the Proceedings of the Conference of Speakers of EU Parliaments”.

In order to introduce the last part of the draft programme, *i.e.* the debate on the EU State of the Union, the former President of the European Commission, Mr Jacques DELORS, or Mr Donald TUSK, the Prime Minister of the Polish Republic, will be invited as keynote speaker.

The issues on the European electoral procedure and on freedom of religion will be kept “stand-by”.

Having taken note of the draft programme and of its changes mentioned above, the Chairpersons of COSAC unanimously approved the draft programme for the meeting of the XLV COSAC.

Then, the Chairpersons endorsed the decision of the Presidential Troika to adopt the European Parliament’s amendment to the draft outline of the Fifteenth Bi-annual Report. Mr Richárd HÖRCSIK added that the Report will consist of one chapter on EU economic governance containing issues of (1) the Europe 2020 Strategy, (2) the European Semester and the Annual Growth Survey, (3) economic governance and financial regulation in general and (4) the European Commission Work Programme for 2012.

Regarding the letter from the Chairwoman and the Vice-Chairwoman of the Committee on European Affairs of the Danish *Folketing* on the Hungarian Media Law, Mr Richárd HÖRCSIK referred to his comments on that matter during the extended trio meeting of the European Affairs Committees in Copenhagen on 24 and 25 January 2011. He added that Hungary considered a debate on this issue premature since the experts of both the European Commission and the Hungarian Government were still analysing it. Moreover, he emphasized that, if necessary, Hungary was committed to change this law in order to fully harmonize it with the European legislation.

Lastly, Mr Richárd HÖRCSIK announced that the *Országgyűlés* would send a letter to the national Parliaments enquiring their intention to maintain the current co-financing mechanism of the COSAC Secretariat.

Mr Miodrag VUKOVIĆ (the Montenegrin *Skupština*) expressed his gratitude for the invitation of his parliamentary delegation to the meeting.

Mr Česlovas Vytautas STANKEVIČIUS (the Lithuanian *Seimas*) referred to the national Parliaments' intention to weigh heavily on the parliamentary scrutiny of the common security and defense policy as expressed during the XLIV COSAC meeting in Brussels. In this context, he invited the Hungarian Presidency to take this item further thus enabling a decision to be taken during the Polish Presidency.

Both Ms Eva KJER HANSEN (the Danish *Folketing*) and Ms Susanna HABY (the Swedish *Riksdag*) emphasized the utmost importance of freedom of speech. Although they felt supported by the announcement by the Hungarian Presidency regarding the Hungarian Media Law, they were anxious to see the specific proposals to change it. In particular, they expected the confidentiality of the journalists’ sources to be protected and the freedom of setting up blogs (even abroad) to be guaranteed.

To this point Mr Richárd HÖRCSIK replied that Hungary considered freedom of press to be essential and that the Government were currently dealing with the issue.

2. Priorities of the Hungarian Presidency – guest speaker: Mr János MARTONYI, Minister for Foreign Affairs of the Republic of Hungary

The Minister for Foreign Affairs, Mr János MARTONYI, started by drawing a distinction between the method and the substance of the Presidency of the Council of the European Union. Concerning the first one, Mr MARTONYI stressed that in the post-Lisbon era the role of the rotating presidency had to be clarified. In his opinion, the role of the presidency of the Council was to trigger cooperation, coordination and as an "honest broker" find compromises between the EU institutions and the Member States. Mr MARTONYI added that the institutions had to find their place in the new system as well.

As far as the substance is concerned, the minister referred to the motto of the Hungarian Presidency representing the intention to be 'a strong Europe with a human touch' and said that the Presidency could be considered successful if by the end of June Europe would become stronger. He underlined that recently the biggest fundamental challenge had been the EU economy. The minister thought that a comprehensive approach was needed, of which the various elements are interrelated, since the success depended on each element.

Turning to the European semester, he stressed that the implementation was on two levels: the European Commission and the rotating presidency. Mr MARTONYI explained the functioning of the mechanism, adding that in April country-specific guidelines would be taken. Concerning the six legislative initiatives on economic governance he mentioned that in March general approach would be debated at the European Council and by the end of June all legislation should be concluded. In this work, the main task of the Hungarian Presidency is to find compromise with the European Parliament.

Concerning the European Stability Mechanism he mentioned that the basic decision would be taken by the European Council in March. As an additional element he mentioned the competitiveness pact, the outcome of which was uncertain for the time being.

Mr MARTONYI continued with the energy questions, noting the results of the Energy summit of 4 February 2011. He emphasized that an integrated interconnected energy market was to be created by 2014, by then all necessary conditions of regulations and infrastructure have to be met. He added that the Presidency aims to convince third countries that physical interconnection was important for all of us, not only for the Eastern European countries, even though different countries have different sources. An integrated market can guarantee safe and secure supply of energy and its external elements are important as well.

Continuing with cohesion policy he expressed the firm conviction of the Hungarian Presidency that for a successful Europe 2020 Strategy an integrated and efficient cohesion policy was needed. He added that it would have an impact on the multiannual financial framework too and in mid-February the Council would hold an orientation debate. The Hungarian Presidency is convinced that a debate about the amounts should be preceded by a debate on policies. Although the length of the next financial framework is still uncertain, the first Commission communication is expected to be published in June.

On agriculture, Mr MARTONYI pointed out that the EU needed a healthy European agricultural policy that was financed fairly.

He went on to elaborate on two strategies the Hungarian Presidency is working on: the Roma strategy, and the EU Strategy for the Danube Region. As to the latter, he noted the element of inclusion, since it involved 14 states including EU Member States, candidate countries and non-members. He thought this mixture was the best proof for the Union's being inclusive.

Mr MARTONYI mentioned the Presidency's intention to promote the accession of Bulgaria and Romania to the Schengen area. He also pointed out that Croatia's accession was a priority in general, which encouraged the other states of the Western Balkans, however he also said that a major priority of the Hungarian Presidency was to close the negotiations with Croatia. Finally, he underlined the importance of the Eastern Partnership with the six concerned countries as he considered the EU had to test and prove itself in neighbourhood policies.

Following the presentation, Members of national Parliaments welcomed the priorities of the Hungarian Presidency. Many Members stressed the need for the EU action and participation in solving the conflict in North Africa. The Members also emphasized that the single market and the CAP should be equal for all EU Member States. As for the European semester, it was considered that this was a good time for national Parliaments to make their voice heard and it was even proposed to give more insight for the parliaments on the exact texts to be decided on European Council level, while also a strong demand on deregulation could be experienced. Some Members asked about Bulgaria's and Romania's preparedness to join the Schengen area and welcomed Croatia's progress towards EU membership. There was reference to the Danube Strategy especially concerning the issue of water power plants. The Turkish delegation regretted the slowing down of Turkey's accession and the blocking of negotiation chapters, which was then referred back by the Cypriot delegation saying that there were objective reasons for that. Other delegations underlined the importance of common energy policy and the territorial and social cohesion, urged to work against food prices' fluctuation that may cause food shortage within the EU, raised the attention to the discrepancies of direct payments allocated to farmers in different Member States and warned against the simplified amendment of the Treaty of Lisbon which excluded from the initial debate national Parliaments.

In his reply Mr MARTONYI said that in case of Egypt Europe had a special responsibility and the Member States and the High Representative Ms Catherine ASHTON followed closely the situation. He confirmed that the Egyptians' future lied in their hands. Furthermore, he stressed that violence was not acceptable and there must be a lasting transition to democracy and free and fair elections. The minister found it difficult to predict the outcome of the demonstrations; however, he confirmed that Europe had to offer help. Mr MARTONYI rejected the idea of two-speed Europe, saying that the division within the eurozone could be only transitional and not permanent as it had to be an example of stability where non-eurozone Members States were heading towards. He also reaffirmed the essential need for smooth inter-institutional relations. Considering the treaty amendment, he replied extensively why the foreseen procedure would be needed. Regarding the Schengen criteria he said that a group of experts was examining if the technical conditions were met and said that the Presidency had to make sure that the candidate countries did their homework. Besides he hoped that despite the controversial issues there was a chance for Croatia to sign the accession treaty by the end of June. As for Turkey, he thought the blockage was a matter of politics, but the Hungarian Presidency wanted to proceed. On direct payments, he said an orientation debate would be useful on reforming the CAP. Referring to Danube Strategy he confirmed that no water power plants would be built in Hungary and that Hungary considered the

Strategy more as a macro-regional strategy which included various cooperation and certainly not only energy issues.

3. The Commission Work Programme 2011 – guest speaker: Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission in charge of Inter-Institutional Relations and Administration

Mr Maroš ŠEFČOVIČ, Vice-President of the Commission, stated that 2010 had been a challenging year for both national and European institutions, as it had seen the debt crisis, a recently elected European Parliament, a new Commission and a series of national elections. The Commission had responded with determination to the numerous challenges, and regarding the implementation of the Lisbon Treaty the job was nearly finished. The results of efforts on financial stabilisation and supervision began to appear, with a certain stabilisation of markets and improving figures. 2011, too, would be a year of challenges. It was now time to concentrate on exiting the crisis, which would require a joint effort by the EU and the Member States.

Mr ŠEFČOVIČ recalled that the political dialogue between the Commission and national Parliaments started five years ago, and that communication on monitoring the application of the principle of subsidiarity was improving. The number of opinions received in 2010, for instance, was 50% up as compared to the 2009 figure. Mr ŠEFČOVIČ was convinced that the Protocol 2 card procedures could be avoided if the Commission did a proper job. National Parliaments rightly wanted the subsidiarity issue to be given more prominence in Commission proposals. The Vice-President acknowledged that more precise information should be provided in the explanatory memorandum of proposals and not merely in the impact assessment. Parliamentary oversight by both national Parliaments and the European Parliament was absolutely essential. Mr ŠEFČOVIČ called for national Parliaments to be more involved in the Commission's Work Programme by providing input on what they considered to be priorities for the year ahead. The COSAC plenary meeting in the first half of the year could be an appropriate occasion to do that.

On the Commission's Work Programme for 2011, Mr ŠEFČOVIČ highlighted that 2011 would see the completion of the financial recovery package. Invigorating the single market would be the main task for the next year. Again, national Parliaments' input would be most welcome, for instance on proposals in the energy sector, a policy area with a huge potential for the EU economy.

Mr ŠEFČOVIČ went on to mention the differences in quality regarding the transposition of EU legislation into national law and considerable delays in some cases. In this context he stressed the need to complete the energy market by 2014.

The March European Council meeting should come up with a comprehensive solution for the sovereign debt crisis and ways to boost economic governance in accordance with the Treaty. This process should be open to all 27 Member States. The specific role of national Parliaments would involve democratic scrutiny and ensuring that national legislation complied with EU legislation.

Regarding the EU 2020 strategy, Mr ŠEFČOVIČ insisted on the preparation of adequate national reform programmes by Member States. Not all governments had presented such

programmes, and some of the programmes that had been submitted were vague. The Commission would see with the governments concerned how these programmes could be improved.

During the ensuing debate 13 speakers took the floor. Points raised by the speakers included a question on delegated acts and the lack of clarity on what is and what is not essential in legislative acts, as well as on the uncertainty on how non-EU Member States such as Turkey will be involved in parliamentary scrutiny of common security and defence policy following the cessation of the activities of the Assembly of WEU by the end of June 2011. Participants in the debate also raised issues like the need to further deregulate, in particular to the benefit of SMEs, the lack of involvement of national Parliaments in simplified Treaty amendment procedures, the necessity of integrating the economic, social and environmental dimension of governance, the increasing number of instances where bilateral problems strain relations with candidate countries and the risk of the citizens' initiative getting out of control. The issue of the democratic deficit and how to bring Europe closer to citizens was also raised. It was suggested that national Parliaments should scrutinize their governments, but this should not be directly related to the Commission, and moreover national Parliaments and the EU institutions should keep contact on specific issues, while keeping COSAC as a scrutiny forum and a forum for debates on issues like the state of the Union and on the Commission Work Programme.

In his reply Mr ŠEFČOVIČ reiterated the importance of smooth communication between national Parliaments, the European Parliament and the Commission, as well as of a good institutional balance. He acknowledged that delegated acts were indeed a complex matter that required the *ad hoc* involvement of national Parliaments. Mr ŠEFČOVIČ pointed out that the future involvement of non-EU Member States in the parliamentary scrutiny of common security and defence policy was a matter to be decided upon by parliamentarians. When speaking about the efforts undertaken by the Commission to reduce the financial burden, in particular for SMEs, he also referred to the problem of "gold plating" of European legislation by national governments, often during the transposition phase. The Vice-President regretted that many national reform programmes lagged behind, encouraged national Parliaments to hold national debates with finance and economy ministers and voiced Commissioner Rehn's wish to have a joint conference with the European Parliament on the Annual Growth Survey. He explained that regarding the new stability mechanism, some Member States preferred a new article in the Treaty in order to avoid being challenged by their constitutional courts, that the aim was only to add an enabling clause and that the March European Council would have to take a decision on that. Furthermore, Mr ŠEFČOVIČ acknowledged that in the context of enlargement bilateral conflicts could be a big issue and that discussions with the countries concerned should start at a very early stage. Finally, he stressed the importance of the citizens' initiative being user-friendly, and use the new means of communication – a point on which the European Parliament had insisted.