

MINUTES OF THE MEETING OF THE XLVII COSAC

Copenhagen, Denmark, 22-24 April 2012

IN THE CHAIR: Ms Eva KJER HANSEN, Chairman of the European Affairs Committee (*Folketinget*, Denmark).

AGENDA:

1. Welcome address

Mr Mogens LYKKETOFT, Speaker of the Danish Parliament.

2. Opening of the session:

- Adoption of the agenda of the XLVII COSAC
- Presentation of the 17th Bi-annual Report of COSAC
- Decisions of the Presidential Troika of COSAC

3. 20 years of free movement of goods, people, services and capital

Keynote speaker: Mr José Manuel BARROSO.

4. Smart, sustainable and inclusive growth in Europe

Keynote speaker: Ms Helle THORNING-SCHMIDT, Prime Minister of Denmark.

5. A Single Market for services - full implementation of the Services Directive

Keynote speakers: Mr Michel BARNIER, Commissioner for Internal Market and Services and Mr Malcolm HARBOUR, Chair of the Committee for the Internal Market and Consumer Protection of the European Parliament.

6. Meeting of the Chairpersons of COSAC:

- Debate on the Contribution and Conclusions of the XLVII COSAC

7. Sustainable growth - Promoting the transition to a resource efficient economy in Europe

Keynote speaker: Mr Janez POTOČNIK, Commissioner for the Environment.

8. The Digital Single Market

Keynote speaker: Ms Neelie KROES, Vice-President and Commissioner for the Digital Agenda.

9. Adoption of the Contribution and Conclusions of the XLVII COSAC

PROCEEDINGS

Ms KJER HANSEN welcomed the participants and especially the following new Chairpersons: Mr Edgar MAYER, Chairman of the European Union Committee of the Austrian *Bundesrat*, Mr Luboš BLAHA, Chairman of the Committee on European Affairs of the Slovak *Národná Rada*, Mr Roman JAKIČ, Chairman of the Committee on European Affairs of the Slovenian *Državni zbor*, Mr Gerardo CAMPS, Chairman of the Joint Committee for the European Union of the Spanish *Cortes Generales* and Mr Daniel MONDEKAR, Chairman of the European Integration Committee of the Croatian *Hrvatski sabor*. She also welcomed Ms Gordana ČOMIĆ, Vice-Speaker of the Serbian *Narodna skupština*, referring to the candidate status that Serbia has received as of 1 March 2012.

1. Welcome address by Mr Mogens LYKKETOFT, Speaker of the Danish Parliament

Mr LYKKETOFT officially opened the XLVII meeting of COSAC at the Tivoli Congress Centre, mentioning that it was the seventh time Denmark was holding the Presidency of the Council of the EU.

After emphasising the benefits of the cooperation between Parliaments, he focused on the challenges that lay ahead, concentrating on the economic crisis, which was affecting the political and social fabric of the society, as well as on youth unemployment. In this light, he stressed the importance of the agreement on the Fiscal Compact and of the growth and jobs agenda, a top priority of the Danish Presidency, as means of restoring confidence in the European economies and ensuring the trust of citizens.

Underlining the need to realise the potential of the Single Market, the Speaker emphasised the need for Governments, Parliaments and EU institutions to work together. Moreover, he encouraged parliamentarians to accept national Parliaments' responsibility for safeguarding the principle of subsidiarity, as enshrined in the Treaty of Lisbon, and for improving democratic accountability in Europe. At the same time, he encouraged active participation in the political dialogue with the Commission and the exchange of best practices and networking with other parliamentarians.

2. Opening of the session

2.1 Adoption of the agenda of the XLVII COSAC meeting

Ms KJER HANSEN announced the deadline for amendments to the draft Contribution and Conclusions of the XLVII COSAC (not later than 1:30 pm of the same day) and proceeded with the adoption of the agenda in the absence of any proposals for modification. In presenting the agenda she appreciated the participation of four Commissioners.

2.2 Presentation of the 17th Bi-annual Report of COSAC

The Chairman thanked the COSAC Secretariat for drafting an excellent 17th Bi-annual Report and invited the Permanent Member of the COSAC Secretariat, Ms Libby KURIEN, to give a short presentation of the report. Ms KURIEN briefly outlined the content and the main issues raised in the report.

The Chairman then gave the floor to Mr Peter FRIEDRICH (German *Bundesrat*) who informed the participants that parliamentary discussions relating to the ratification of the ESM Treaty in Germany would be completed in June and suggested that COSAC should invite national Parliaments for an exchange of information on parliamentary participation rights at the decision making process of the ESM board of governors. A number of speakers agreed, whereas one speaker expressed the view that the Fiscal Compact was unlawful.

2.3 Decisions of the Presidential Troika of COSAC

The Chairman gave the floor to Mr Andrzej GAŁAŻEWSKI (Polish *Sejm*) to present the conclusions of the Conference of Speakers of EU Parliaments (hereinafter referred to as Conference of Speakers), which took place in Warsaw on 19-21 April 2012, on the point "The parliamentary control of the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP)".

Mr GAŁAŻEWSKI informed the participants on the finalisation of the negotiations, which had started at the Conference of Speakers in Brussels in 2011. He referred to the fact that the Inter-Parliamentary Conference would replace the existing COFACC and CODACC meetings and

would meet once every six months. National Parliaments would be represented by six Members each. The European Parliament would be represented by a delegation composed of 16 Members. Parliaments of candidate countries and European non-EU member countries of NATO could be represented by a delegation composed of four observers. Each Parliament would decide on the composition of its delegation. The secretariat would be provided by the national Parliament of the Member State holding the six-month Presidency of the Council of the EU with the previous and the next Presidency (i.e. within the Troika), in close cooperation with the European Parliament.

Mr GAŁAŻEWSKI added that it had been informally agreed, on the basis of an exchange of information, that the Cypriot Presidency of the Council of the EU would be the first to organise such a Conference and work out the rules of procedure.

Several speakers asked for the floor to express their views on the conclusions presented by Mr GAŁAŻEWSKI. Mr Fernand BODEN (Luxembourg *Chambre des Députés*) expressed his disappointment with the agreement reached by the Conference of Speakers. Referring to Article 10 of Protocol 1 of the Treaty of Lisbon, he said he thought it had been understood, in the context of discussions held in COSAC, that COSAC would organise interparliamentary conferences on specific topics, in particular to debate matters of CFSP, including CSDP. He therefore expected that COSAC would have at least been incorporated in the secretariat of the Inter-Parliamentary Conference and warned that the creation of other special conferences might endanger the future role of COSAC in CFSP and CSDP and would risk its dismantling.

Mr Demetris SYLLOURIS (Cypriot *Vouli ton Antiprosopon*) agreed with Mr BODEN underlining that COSAC should aim to place such discussions under the umbrella of COSAC.

Mr Herman DE CROO (Belgian *Chambre des représentants*) supported the view that it was necessary to ensure coordination by the secretariat of COSAC otherwise there was a risk of having both a COSAC and a series of mini-COSACs.

In his reply, Mr GAŁAŻEWSKI referred to the political decision taken by the Speakers in Warsaw to create a conference independent to COSAC, stressing that the political will was stronger than what is written in the Treaties. In addition, he made reference to the position held by the President of the German *Bundestag* at the Conference of Speakers according to which new conferences may be created, e.g. in relation to budget and financial matters.

As there was limited time, the Chairman then suggested that the discussion could continue during the Chairpersons meeting.

3. 20 years of free movement of goods, people, services and capital

Keynote speaker: Mr José Manuel BARROSO, President of the European Commission.

Mr BARROSO said that the Single Market was a unique tool that Europe should use to its best advantage, an engine driving towards sustainable growth and jobs, as well as meeting the Europe 2020 objectives. He emphasised the need to release the full potential of the Single Market, to further enhance it and build on its strengths. The digital Single Market was "the major driver for growth across Europe". However, it was regrettable that, because of legal and practical barriers, only 7% of e-commerce takes place across the borders. He said that a well functioning Single Market would only drive growth if there was a shared commitment to its governance by all stakeholders including national Parliaments, regional and local authorities, social partners, enforcement authorities, networks and business associations.

Mr BARROSO informed the participants that later in 2012, the Commission would come forward with a further set of measures to enhance the Single Market, focusing on delivering growth, and boosting employment and competitiveness. In addition, he expressed the need to build partnership and ownership with national Parliaments, describing this as being essential to drive the Single Market forward and promote Europe's future growth and prosperity. The Europe 2020 strategy objectives were being addressed through seven flagship initiatives which include initiatives on a digital agenda for Europe, innovation, resource efficiency and mobility for young people.

Finally, Mr BARROSO thanked the Danish Presidency, particularly Ms KJER HANSEN, for their commitment to intensifying the political dialogue between the Commission and national Parliaments. He expressed the Commission's equal determination to intensify the political dialogue with national Parliaments on Commission proposals and initiatives, in particular within the framework of economic governance. He emphasised that the European Parliament and national Parliaments had a crucial role to play in European democracy.

During the debate that followed, 16 speakers took the floor, a number of which agreed that competitiveness was a crucial factor towards growth and the creation of new jobs. In response to issues raised concerning the support towards SMEs within the framework of the Single Market and more access to venture capital, Mr BARROSO pointed out that new proposals had already been put forward by the Commission, including exemption on macro enterprises. On the issue of the opening of markets in North Africa and the Middle East, Mr BARROSO pointed out that after the Arab Spring events, the Commission used the 3 "Ms", namely, Market, Money and Mobility in order to open markets. Within this context, he underlined the importance of targeted mobility and of reinforcing the Schengen rules and added that the Commission was working on a new proposal in relation to this.

Regarding the issue raised by Mr Carl HAMILTON (Swedish *Riksdagen*) on strengthening the relationship and improving dialogue between the Commission and national Parliaments, Mr BARROSO said that the Commission would look at how to systematically send all consultations to national Parliaments and said it would analyse opinions more systematically. He expressed the opinion that the existing arrangements, to which the Commission is fully committed, should be exploited more fully. The Commission already replied in a detailed manner to the large number of opinions from national Parliaments which often contained such enquiries. He said he wanted to do more with national Parliaments on these opinions and enquiries but that, in the context of the reduction of the budget, planned staff reductions and lack of time, it would not be possible to open the system of written questions that existed with the European Parliament to national Parliaments.

Replying to remarks that the internal market had still not reached its full potential, Mr BARROSO said it was the basis of European prosperity. It was essential to work towards fiscal harmonisation and greater co-ordination, which was of major significance to SMEs. He further stated that the internal market needed to be enforced by effective coordination between different fiscal regimes and that progress could be made by confronting fiscal fraud.

In relation to a suggestion by Mr Paulo RANGEL (European Parliament) that fiscal harmonisation of corporate taxation, statutes of European companies and a single European patent were required, Mr BARROSO underlined the need for fiscal consolidation, as well as investment, pointing out that discipline, responsibility and solidarity by Member States was a necessity.

In response to a comment of Mr Luděk SEFZIG (Czech *Senát*) concerning the “mega bubbles of expectation” created by some politicians, Mr BARROSO agreed that, in addition to expectations, mega bubbles of debt and in the financial market were also created. He argued that it was for this reason that increased discipline was needed at European level. To this effect, by June, rules for increased governance of the Single Market would be put forward by the Commission, as well as a scoreboard relating to the implementation of the Single Market so that it was clear who was respecting the rules and who was not. On this note, he expressed his disappointment on the implementation of Single Market legislation by some Member States.

Regarding the Commission’s proposal for a Financial Transaction Tax (FTT), Mr BARROSO underlined the fairness of this proposal in that it would provide a proportionate contribution by Member States and stated that the Commission would insist on it, not only from an economic point of view, but also from a Single Market one.

There was agreement among speakers that the Single Market needed to be improved and a majority held the view that fiscal discipline and competitiveness needed to be further strengthened. Within this context, Mr BARROSO argued that the crisis was the result of irresponsible fiscal behaviour by Member States. On whether it was possible to revise the Europe 2020 strategy, he suggested that the EU must be prepared to adapt the Europe 2020 strategy if necessary. Within this context, he made particular reference to the package that would be presented by the Commission on 30 May 2012 on European governance and the European Semester. He explained that there were instruments in place for evaluating all reforms, not only those relating to fiscal matters, but also to the Europe 2020 strategy.

4. Smart, sustainable and inclusive growth in Europe

Keynote speaker: Ms Helle THORNING-SCHMIDT, Prime Minister of Denmark.

The Prime Minister said that national Parliaments play an indispensable role in the EU both in terms of scrutiny and subsidiarity, taking part in the legislative process and also in communicating European policies to the citizens. Efforts of national Parliamentarians were imperative to stimulating growth and creating new jobs in a time when Europe needed to get out of the crisis. The Danish Presidency had faced many questions on the state of Europe and how to restore growth. In this context she quoted Sir Winston Churchill who said “A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty”.

Ms THORNING-SCHMIDT said that it would be unjustified and naïve to call off the crisis but she was an optimist for the future of Europe. This was because of several reasons. Firstly, leaders had shown the will to confront challenges and had taken swift action that had significantly calmed markets. This had enabled the European Council, at its meetings in January and March, to look beyond the crisis and focus on creating growth and tackling youth unemployment. She believed that the efforts taken by the European Central Bank, although they should not replace reforms in the Member States, had also helped to create stability. Moreover despite dim indicators, confidence was returning and positive eurozone growth was predicted for the second half of 2012.

Secondly, Member States had carried out, or had planned to carry out, tough reforms. She opposed the view blaming Europe for inaction. The crisis was not triggered by wrong EU policies but by problems in some Member States. Hard decisions and further reform lay ahead; Europe needed to combine efforts to stabilise the economy and create smart, sustainable and inclusive growth. To ensure smart growth, she said that Europe must compete globally on skills by promoting

education, research and innovation and by removing barriers in the Single Market, which is the main engine for growth in the EU.

Ms THORNING-SCHMIDT said that the Danish Presidency was prioritising the 12 key levers of the Single Market Act. The Digital Single Market was an important source of smart growth. She said that Europe must also ensure sustainable growth and addressing climate change did not conflict with achieving growth. Finally growth should also be inclusive, with a particular need to ensure that youth unemployment rates were tackled and the European social model was protected though being reformed to remain competitive. Structural reforms were required in every Member State and the European Semester was critical to ensuring this happened in a coordinated manner.

The Prime Minister concluded that she found reasons to choose optimism over pessimism as the first steps had been taken to restore confidence. She appealed to parliamentarians to play their part and to Member States to “keep their house in order” for the sake of the whole. She encouraged everyone to act as “optimism is good, but action is better”.

During the ensuing debate 16 speakers took the floor. They spoke on topics ranging from the creation of growth, the need to create jobs through innovation and greening and the problem of youth unemployment to the FTT and the European Multiannual Financial Framework. Some called on the EU to concentrate on areas of activity that would create jobs and not only on consolidation. Ms Francesca Maria MARINARO (Italian *Senato della Repubblica*) suggested that the banking system should pay something back through financial regulation. Mr Dietmar NIETAN (German *Bundestag*) thanked the Prime Minister for bringing Denmark back to a pro-European focus and called for solidarity in policies to bring about inclusive growth. Many Members said that proper implementation of legislation and measures for growth were critical to getting out of the crisis. Ms Margrete AUKEN (European Parliament) called on national parliamentarians to put pressure on Member State governments who were blocking a number of good initiatives in the Council. Mr BLAHA (Slovak *Národná Rada*) said that the main precondition for growth was social inclusion and welcomed the mention of the social dimension in the speech.

Ms THORNING-SCHMIDT replied that focus on jobs and growth was important and many actions had been taken by the Presidency on this. However, it was also necessary for Member States to ensure that budgets were balanced and economies were stable. It was not healthy for them to blame Europe or for Europe to blame them, but all had responsibility to work together for growth. She said that there had been development in the financial sector through progress on derivatives legislation and the capital requirements Directive. She further emphasised that it was important to come out of the crisis with both the European social model and the fact that Europe was greener than the rest of the world in tact, whilst ensuring that competitiveness was maintained. She did not want to “fight over who does what” as she believed in subsidiarity, but the EU should work more together to invest in young people, have prudent budgets and ensure firm implementation at the EU level to produce tangible results.

Mr CAMPS said that he was optimistic but also realistic. There was still a long way to go before the EU 2020 goals were achieved. A number of Members argued that implementation of EU legislation was key to achieving growth. Ms Miapetra KUMPULA-NATRI (Finnish *Eduskunta*) said that the EU had to be aware of the global situation, where emerging economies in Asia were growing rapidly. She emphasised that youth unemployment was a real problem and the EU could not afford to lose a generation.

Ms THORNING-SCHMIDT emphasised the importance of not creating an artificial fight between consolidation and generating growth: it was possible to do both. Growth and employment goals needed to be reached together and implementation of EU legislation in Member States was critical to this. She said that the Presidency was not focused only on internal problems but also on trade with the world. The world was looking to the EU for a response and this had to be greater reform especially because of the demographic problems it faced.

5. A Single Market for services - full implementation of the Services Directive

Keynote speakers: Mr Michel BARNIER, Commissioner for Internal Market and Services and Mr Malcolm HARBOUR, Chair of the Committee for the Internal Market and Consumer Protection of the European Parliament (hereinafter IMCO Committee).

Commissioner BARNIER stated that the free movement of services was undoubtedly the least accomplished of the four freedoms on which the Single Market is based. Too many enterprises, in particular SMEs, faced too many hurdles despite the focus on simplification, modernisation of procedures and the establishment of one-stop-shops for enterprises that wish to develop activities in another Member State. The Commissioner said that the priority was to ensure the full implementation of the Services Directive and not to extend its scope. According to studies this could add 1.5 % to the European GDP by 2020.

In order to reach the target of full implementation, complete transposition of the Directive and assessment of its efficiency were essential. The Commission would therefore come forward with a Communication in June that would focus on implementation reports, performance tests and guidelines on how to improve citizens' access to services and combat discrimination based on geographical location, which is particularly relevant in the field of e-commerce.

Mr BARNIER then concentrated on the state of play of the Single Market Act. Referring to the 12 key actions he underlined the important role of national Parliaments in assessing proposals and ensuring measures were adopted before the end of 2012. Meanwhile, the Commission was already looking ahead and would propose an additional series of 12 key actions during the second semester of 2012. On the European patent he explained that a patent in Europe currently costs ten times more than in the US and that the absence of a patent paved the way for counterfeiting.

Furthermore, the Commissioner highlighted the issue of Single Market governance, stressing that legislating in itself was not enough and that it was equally important to examine how new rules would be used. Ways of improving Single Market governance included: the stricter supervision of transposition by Member States by means of a scoreboard and if needed a more systematic use of infringement procedures; a direct and intensive dialogue with those who are in charge of the implementation of measures; and the optimal use of existing tools such as the scoreboard, the one-stop-shops and SOLVIT (a means to avoid court proceedings). All collected data would then be part of an annual report. Moreover, the Commission would come up with a new governance strategy in June 2012 in order to increase consistency between initiatives. Finally, Mr BARNIER underlined the importance of the full and total commitment of Member States as well as of an intensive political dialogue with national Parliaments.

Mr HARBOUR said he was resolutely optimistic like the Danish Prime Minister had been in her speech. With more than a thousand pieces of legislation resulting from what also happened in national Parliaments, the Single Market was by far the most ambitious single reform ever in the EU, and there was more to come. However, in addition to inconsistent implementation a major concern was the lack of awareness of service enterprises of the opportunities.

Mr HARBOUR agreed with the Commissioner that there was no need for a new Services Directive. He highlighted the work done by the IMCO Committee on reviewing the implementation of the Directive, e.g. by organising hearings. He pledged that the IMCO Committee, being proactive and politically committed, would respond to the June Commission Communication and went on to say that the Single Market was built on the endeavours of people and that consumers had to be engaged in it. A telling example of this was cross-border e-shopping.

Having paid tribute to MEP Louis Grech, who as rapporteur of the 2010 report "A Single Market for consumers and citizens" had been the driving force behind the re-launch of the Single Market, Mr HARBOUR drew attention to the strategic planning and forward agenda of the IMCO Committee, which included inviting national Parliaments and doing research at an early stage, thus allowing the Committee to be fully ready for any new Commission proposal. Much focus was now on issues like public procurement, mutual recognition of professional qualifications, standards legislation and the goods market. He concluded by inviting national Parliaments to be more closely involved, *inter alia* via meetings between specialist committees through video conferencing, like those with the German *Bundestag* and the French *Assemblée nationale*. He concluded by encouraging national Parliaments to continue cooperating, sending ideas and working on the detail.

During the ensuing debate 20 speakers took the floor, raising issues of particular concern. These included the need for a clear taxation system (including VAT on cross-border services) and out of court settlements, tackling specific obstacles encountered by SMEs and related issues such as the communication deficit and the increasing difficulty for SMEs to have access to financing, the need to preserve the social dimension, the reduction of red tape and the geographical spread of budgets allocated to key actions. Lord ROPER (UK *House of Lords*) insisted on the need for ongoing transposition and implementation and wondered how exactly the 0.5% transposition deficit target could be reached. Mr Michael STÜBGEN (German *Bundestag*) argued that Directives should be more general, referring to the issue of one-stop-shops, which was a complicated one in Germany with its 16 *Länder*. On the same issue of one-stop-shops, Ms Evelyne GEBHARDT (European Parliament) highlighted the crucial importance of promoting them. Mr Petras AUŠTREVICIUS (Lithuanian *Seimas*) raised the issue of access to the markets of trading partners.

In his reply Commissioner BARNIER acknowledged that the need for unanimity on fiscal matters meant that progress was very slow. The Commission had proposed a common base for the taxation of enterprises, which was not the same as a common tax rate. He agreed that SMEs generally felt that the Single Market had not been constructed for them and said he was adamant about changing that. Simplification for SMEs was badly needed: in some cases the cost to comply with administrative requirements amounted to 30% of the value of the contract. On access to markets of trading partners Mr BARNIER advocated a policy based on reciprocity. The value of new contracts as a consequence of reciprocity could add up to some €12 billion. In addition digitalisation of public procurement should be promoted and legal security should be provided for green procurement. Regarding SOLVIT and the one-stop-shops he urged national Parliaments to ask ministers what actions they had undertaken. He added that the Commission involved national Parliaments in the process of early public consultation and that it was important to bring the legislative process in national Parliaments more in line with the European legislative process.

Mr HARBOUR stated in his reply that the European Parliament had an important political role to take care of SMEs that often continued to face protectionist barriers. Furthermore SMEs should be made aware of their right to lodge a complaint whenever a product is being blocked in a Member State while it is already on the market in another one. Protectionism was still very much present in

the goods package and certain administrative practices had to be rooted out. More focus on consumer protection was needed. He noted that better legislation was also about allowing all stakeholders to have a say before entering into a detailed discussion. Finally, he underlined that the digital Single Market would be very central to the IMCO Committee's agenda over the coming years.

6. Meeting of the Chairpersons of COSAC

Ms KJER HANSEN informed the Chairpersons that since 26 March 2012, when the Danish Presidency had submitted the first draft of the Contribution and Conclusions, the Presidency had received amendments from national Parliaments and the European Parliament on the draft Contribution. No amendments to the draft Conclusions had been received. Following a debate an amended text of the Contribution and Conclusions of the XLVII COSAC was agreed.

Following the vote on the Contribution and Conclusions, a debate took place on the result of the Conference of Speakers in Warsaw on 19-21 April 2012 regarding the Inter-Parliamentary Conference for CFSP and CSDP. It was suggested by Mr Ben FAYOT (Luxembourg *Chambre des Députés*) that COSAC should mention in its Conclusions the compromise of the Speakers and note the review in two years. It was regrettable that the solution left out COSAC and therefore weakened the important parliamentary forum based on treaty provisions. This suggestion was opposed by Mr Simon SUTOUR (French *Sénat*) who argued that for two years it had been difficult to reach an agreement and that it would not weaken COSAC. He therefore did not want COSAC to adopt a negative position on the compromise from Warsaw. To this Mr MARTÍNEZ MARTÍNEZ, (European Parliament) added that it was not up to COSAC to challenge a decision taken by consensus by the Speakers of EU Parliaments. Mr Enrico FARINONE (Italian *Camera dei Deputati*) agreed with Mr MARTÍNEZ MARTÍNEZ and Mr SUTOUR. Mr Averof NEOFYTU, (Cypriot *Vouli ton Antiprosopon*) said that the discussion on the subject should not be reopened and announced that the first Inter-Parliamentary Conference on CFSP and CSDP would take place in Cyprus on the 9-11 September 2012.

Hereafter Mr GAŁAŻEWSKI reminded the participants that during every presidency there had been meetings between the Committees on Foreign Affairs and Defence independent from COSAC. The Inter-Parliamentary Conference for CFSP and CSDP would combine COFACC and CODACC and after two years the conference would be reviewed. During this review it might be necessary to look at the cooperation between the COSAC Secretariat and the secretariat of the Inter-Parliamentary Conference. The agreement from Warsaw did not however prevent COSAC from discussing security and foreign affairs issues. Ms KJER HANSEN concluded that the suggestion that COSAC should make a statement on the conclusions from Warsaw was not generally supported. She added that she thought the conclusions did not necessarily exclude the COSAC Secretariat from being involved in the work of the Inter-Parliamentary Conference for CFSP and CSDP. Mr MARTÍNEZ MARTÍNEZ replied it was Ms KJER HANSEN's personal interpretation on the COSAC Secretariat and in his view it was not what was meant in Warsaw.

7. Sustainable growth - Promoting the transition to a resource efficient economy in Europe

Keynote speaker: Mr Janez POTOČNIK, Commissioner for the Environment.

Commissioner POTOČNIK focused on environmental policy as a part of the Single Market. He underlined that resource efficiency was a central part of the Europe 2020 Strategy and essential for

Europe's competitiveness and long-term prosperity. Mr POTOČNIK stressed that the economy and the environment were inter-related and inter-dependent. He believed that the Single Market could be a driving force for greening the economy and resource efficiency could help revive the Single Market.

The Commissioner focused his speech on three main themes. The first was the crucial aspect of resource efficient growth. By 2050 there would be nine billion people on earth and the demand for resources would be three times larger. That was why one of his main objectives was to decouple resource use from economic growth. To this end Mr POTOČNIK appealed to national parliamentarians to keep a close eye on their governments regarding environmental issues and legislation in this area. For example he suggested “a shift in taxation from labour to pollution and resource use”. He also mentioned the immediate potential for investment and job creation in the area of waste management. A recent Commission report showed that full implementation of existing waste legislation could create 400,000 jobs in the EU and save €72 billion a year compared to non-implementation.

Secondly, the Commissioner talked about greening of the Single Market, on which a Communication would be published at the end of the year. Thirdly, implementation was one of the most important aspects of environmental legislation. Mr POTOČNIK underlined the role of national Parliaments in helping to achieve timely transposition and in choosing the proper national implementation measures tailored to each Member State. He concluded that the future must be sustainable - there was no real alternative.

During the ensuing debate 15 speakers took the floor. They underlined various aspects of EU environmental policy including forests, water, CO₂ reduction, climate change, Rio +20 and environmental information. Replying to questions about agricultural policy the Commissioner described changes in this sector which were to be beneficial for the environment. He underscored the need to reduce food waste, which counted for up to 30% of food production. He also said that the Commission had a special focus on water in 2012, taking into consideration both floods and drought. Furthermore he explained that the reform of the CAP would make it a more environmentally-oriented policy as the Commission intended to pay farmers in advance for avoiding pollution and punish for pollution after action, thereby integrating the policies and focusing more on avoiding damage instead of repairing it.

Mr GALAŹEWSKI focused on global resource efficiency and asked how the Commission intended to protect and preserve global resources, taking into account that some Member States use external resources. Several speakers were sceptical about some energy sources, pointing out, for instance, that nuclear power was not a solution for reducing the use of fossil fuels. In addition, the speakers said that reduction in use could be expensive for consumers and the EU regulations aimed at promotion of renewable energy sources should help to avoid excessive burden to citizens. Mr POTOČNIK assured parliamentarians that the Commission did its best to tackle these issues and tried to do it in the context of the Rio +20 Conference, taking into account the green economy and proper governance in the environmental area.

8. The Digital Single Market

Keynote speaker: Ms Neelie KROES, Vice-President of the European Commission responsible for Digital Agenda.

Vice-President KROES stressed that digital revolution was changing the EU economy and action was needed to capitalise on this. She underlined the importance of the digital economy by saying that it was already bigger than Belgium's national economy and could reach 5% of the EU GDP in a few years. Besides, it was growing faster than the Chinese economy and by 2016 online spending could reach 10% of overall consumer spending. She emphasised the benefits of the internet, underscoring that ICT investment capital was most productive, ushering in new solutions such as cloud computing and slashing costs especially for SMEs.

The Commissioner underlined that three things were needed to create a vibrant digital Single Market: broadband networks; a digitally literate workforce; and legal frameworks. Talking about broadband Ms KROES said that global internet traffic had doubled since 2010, and was expected to double again by 2015. However, ageing infrastructures would not meet demand, and therefore greater investment in broadband networks was needed. She added that increasing broadband penetration by 10% translated into 1-1.5% growth of GDP. The Commissioner said that over €9 billion investment in broadband and digital public services has been proposed within the Connecting Europe Facility. She also reminded delegates that Europe used to be the leader in wireless internet and called for efforts in this area. The Commissioner noted that Radio Spectrum Policy Programme had been agreed and called for initiatives in this respect.

Another issue to be addressed was human capital. Ms KROES underlined that the demand for skilled IT professionals could soon outstrip supply. She also drew attention to the fact that one in four EU citizens had never used the internet. In this context, she recalled the “digital champion” initiative launched jointly by her and President BARROSO and already operating in the UK and Romania. Referring to legal frameworks she said the EU should do away with economic barriers and obstacles to cross border payments for goods and services. In this vein, Ms KROES welcomed the efforts of the Danish Presidency and recalled that the European Council called unanimously for the completion of the digital Single Market by 2015. Ms KROES also said that a proposal to make it easier to identify, authenticate and transact online would be adopted the following month. On online content, the Commissioner informed that the European Commission was preparing a proposal on copyright and added that public sector open data was worth tens of billions. Summarising, she called for support of the digital economy and for building an e-EU.

During the ensuing debate 19 speakers took the floor. Several speakers stressed that there was still only a conglomeration of different national online markets, and others brought up the issue of ACTA, voicing concerns it might slow down the Digital Agenda. Mr SYLLOURIS (Cypriot *Vouli ton Antiprosopon*) noted that 150 million EU citizens had never used internet and the EU was lagging behind the US, as it only invested 60% of what Americans did in telecommunication and computer networks. Lord Lyndon HARRISON (UK *House of Lords*) for improved access of SMEs to e-procurement. Ms Catherine MORIN-DESAILLY (French *Sénat*) highlighted the fact that multinational digital companies have strategies of tax optimisation that may distort fair competition and turn Europe into a digital colony. Mr Carlo CASINI (European Parliament) asked about the authentication of e-signatures and the possibility to have electronic voting everywhere in the EU. Ms Fidelma HEALY EAMES (Irish *Seanad Eireann*) said that the internet presented a lot of opportunities through e-commerce and e-signatures. However the EU should give the EU citizens the confidence that it is a safe tool. Another speaker warned against internet snooping.

In response to the question on e-procurement Ms KROES said the Commission would launch a proposal in this respect. She also informed that a proposal to revise e-signature would be launched at the end of May. Referring to e-books, she said she was in favour of aligning VAT rates on cultural projects regardless whether they were sold online or not. She also advocated cheaper

roaming tariffs stating that her dream was no roaming charges. The Commissioner also emphasised the need to prioritise digitalisation in educational systems giving an example of Singapore where a project of pilot digital schools had been launched. She also pronounced herself in favour of engaging elderly people in digital agenda on a larger scale and added that by going digital (using Skype and e-teaching) aging populations could avoid social exclusion.

9. Adoption of the Contribution and Conclusions of the XLVII COSAC

On the last point of the agenda Mr MARTÍNEZ MARTÍNEZ requested the floor and stated that in the view of the European Parliament point 6.3 of the Contribution was without prejudice to Art. 230 of the TFEU which says that "The Commission shall reply orally or in writing to questions put to it by the European Parliament or by its Members". Mr Matevž FRANGEŽ (Slovenian *Državni zbor*) pointed out that there were three mentions of jobs and growth in the draft Contribution and Conclusions and 23 mentions of the markets.

Hereafter the participants voted and adopted the text of the draft Contribution and Conclusions of the XLVII COSAC as amended by the meeting of the Chairpersons. Once translated into all official languages of the EU, the Contribution of the XLVII COSAC will be published in the Official Journal of the EU.

Finally, Mr NEOFYTOU announced that the next meeting of the COSAC Chairpersons would take place in Limassol on 8-9 July 2012 and the COSAC plenary meeting would be on 14-16 October 2012 in Nicosia. Mr NEOFYTOU extended a special invitation to Turkey saying that they would be happy to see a Turkish delegation participate in COSAC meetings in Cyprus. Lastly, he mentioned that the first Inter-Parliamentary Conference on CFSP and CSDP would take place on 9-11 September 2012 in Paphos.

Ms KJER HANSEN then closed the meeting by thanking Lord Roper (UK *House of Lords*) as he was participating in a COSAC meeting for the last time. She said that she remembered Lord Roper always taking part in COSAC meetings and wished him all the best.