

**MINUTES OF THE MEETING OF THE XLIV COSAC**  
**Egmont Palace, Brussels, 25-26 October 2010**

**AGENDA:**

**1. Opening session of the XLIV COSAC**

- Welcome addresses by Mr Philippe MAHOUX, Co-Chairman of the Federal Advisory Committee on European Affairs of the Federal Parliament of Belgium and Mr Herman DE CROO, Member of Parliament and a former Speaker of the Belgian *Chambre des représentants*
- Adoption of the agenda of the XLIV COSAC
- Presentation of the Fourteenth Bi-annual Report of COSAC
- Decisions of the Presidential Troika of COSAC

**2. 1st theme of the Fourteenth Bi-annual Report of COSAC: Sustainable development and the programme EU2020**

Introduction by Prof. ir. Bernard MAZIJN, Ghent University

**3. 3rd theme of the Fourteenth Bi-annual Report of COSAC: The future role of COSAC after the entry into force of the Treaty of Lisbon**

Introduction by Mr Herman DE CROO, Member of Parliament and a former Speaker of the Belgian *Chambre des représentants*

**4. State of play of the Belgian Presidency of the EU Council**

Guest Speaker: Mr Yves LETERME, Prime Minister of Belgium

**5. 2nd theme of the Fourteenth Bi-annual Report of COSAC: Parliamentary control of the European security and defence policy**

Introduction by Prof. Dr. Jan WOUTERS, Catholic University of Leuven

**6. Chairpersons' meeting on the Contribution and Conclusions of the XLIV COSAC**

**7. Intervention by Mr Danny PIETERS, Speaker of the Belgian *Sénat***

**8. Intervention by Mr José Manuel BARROSO, President of the European Commission**

**9. Intervention by Mr Herman VAN ROMPUY, President of the European Council**

**10. Debate and adoption of the Contribution and Conclusions of the XLIV COSAC**

**PROCEEDINGS (on 25 October 2010):**

**1. Opening session of the XLIV COSAC**

The opening session of the XLIV COSAC meeting was co-chaired by Mr Philippe MAHOUX, Co-Chairman of the Federal Advisory Committee on European Affairs of the Federal Parliament of Belgium, and Mr Herman DE CROO, Member of Parliament and a former Speaker of the Belgian *Chambre des représentants*.

Mr Philippe MAHOUX and Mr Herman DE CROO warmly welcomed the participants of the XLIV COSAC meeting and extended a particular welcome to the newly elected Chairpersons of the Committees on European Affairs of the Bulgarian *Narodno sabranie*, the Czech *Poslanecká sněmovna*, the Slovakian *Národná rada*, the Swedish *Riksdag* and the UK *House of Commons*. Mr MAHOUX recalled that this is the third COSAC meeting in Brussels and the twelfth Belgian Presidency of the EU Council. The Chairman underlined that the agenda of the current Belgian Presidency was largely dominated by the matters related to the implementation of the Treaty of Lisbon.

Mr Philippe MAHOUX proposed the adoption of the agenda of the XLIV COSAC meeting. The agenda was adopted without changes.

The Fourteenth Bi-annual Report of COSAC was presented by Mr MAHOUX who thanked the COSAC Secretariat for drafting the report. The Chairman introduced the three topics of the report noting that they would be discussed during this COSAC meeting and that the information analysed in the report would serve as a good basis for the discussions.

Mr DE CROO informed the participants of the XLIV COSAC of the decisions of the Presidential Troika meeting which took place the day before. Among them was the decision to give the floor to the President of the Assembly of Western European Union (henceforth "WEU"), as an expert on the issue of parliamentary control of the common security and defence policy, during the upcoming XLIV COSAC debate on the subject.

## **2. 1st theme of the Fourteenth Bi-annual Report of COSAC: Sustainable development and the programme EU2020**

Introduction by Prof. ir. Bernard MAZIJN, Ghent University

In his introduction to the debate Prof. ir. Bernard MAZIJN first explained the evolution of the concept of "sustainable development" from a vague idea to the concept we know today. Prof. MAZIJN stressed that over the last 20-25 years experts had been developing methodologies on operationalisation of this concept, yet all international reports agreed that it was 'too little too late'. Then, Prof. MAZIJN presented and commented on chapter 1 of the Fourteenth Bi-annual Report of COSAC on Sustainable development in the EUROPE 2020 Strategy.

20 Members of COSAC took the floor during the debate, which followed the introduction by Prof. MAZIJN. Some Members underlined the importance of the EUROPE 2020 Strategy as an essential instrument aimed at promoting economic growth in Europe. In order to overcome the crisis in the long-term, some Members proposed to invest more in research and innovations.

For several Members, certain elements of the EUROPE 2020 Strategy, such as biodiversity, job creation, transport policy, education and innovation were not sufficiently developed.

Some Members pointed out that it was important to focus on structural reforms in order to stabilise public finances.

Members also mentioned that, according to them, the EUROPE 2020 Strategy did not sufficiently ensure the economic and social integration and was not linked to key global challenges such as the fight against poverty.

Moreover, some Members stressed the importance of the role of national Parliaments in the implementation of the EUROPE 2020 Strategy and especially through the budgetary means. Furthermore, they underlined that national Parliaments should proactively follow the process of implementation of the EUROPE 2020 Strategy. Many suggested the need to provide for sanctions in order to overcome the lack of involvement of some Member States. The importance of creating mechanisms which could support the implementation of the EUROPE 2020 Strategy was also underlined by many delegations. Concerning the evaluation of the implementation of

the EUROPE 2020 Strategy, some Members mentioned the need to exchange information and best practices between national Parliaments.

Some Members recalled the failure of the Lisbon Strategy and indicated the need to clarify and specify the objectives of the EUROPE 2020 Strategy in order to make it easier to evaluate its results.

### **3. 3rd theme of the Fourteenth Bi-annual Report of COSAC: The future role of COSAC after the entry into force of the Treaty of Lisbon**

Introduction by Mr Herman DE CROO, Member of Parliament and a former Speaker of the Belgian *Chambre des représentants*

COSAC held a debate on the future role of COSAC, continuing the debate started in the previous, XLIII COSAC with the aim of elaborating possible further developments within the framework of COSAC.

Analysing the replies of the 40 national Parliaments/Chambers and of the European Parliament, Mr Herman DE CROO made a distinction between the “traditional” activities of COSAC (i.e. the former COSAC co-ordinated subsidiarity checks, the debate on the European Commission Work Programme and the exchange of information and best practice) and its “new” activities (i.e. monitoring Europol and evaluating the activities of Eurojust, involving specialised parliamentary committees and organising of a “European Week”).

Regarding the former category, Mr DE CROO observed that:

- the views of the Parliaments/Chambers on COSAC co-ordinated subsidiarity checks varied substantially;
- only practical obstacles seemed to be in the way of an annual debate on the European Commission Work Programme;
- the exchange of information and best practice was traditionally considered to be the most important mission of COSAC.

Regarding the latter category, Mr DE CROO noticed that:

- monitoring Europol and evaluating the activities of Eurojust would probably become one of the most exciting challenges for COSAC;
- the participation in COSAC of the specialised parliamentary committees needed further reflection;
- the attitude towards a possible "European Week" was not necessarily optimistic in every Parliament/Chamber.

As a conclusion to his introduction, Mr DE CROO stated that, on the one hand, COSAC will have to consolidate a number of its traditional activities, and, on the other hand, it will have to evaluate a number of new missions in order to eventually reach a standpoint on their added value.

Amongst the 24 Members of Parliaments who contributed to the debate the predominant opinion was that COSAC should continue to be a forum of sharing information and best practice between national Parliaments and the European Parliament on issues related to the European affairs.

Most interventions stressed the importance of COSAC debates on highly political issues, which would ensure that national Parliaments contribute to the discussions on substantial questions. Therefore many speakers emphasized that COSAC should focus more on substantial points and less on competence-related issues.

Some Members also underlined the importance of close cooperation between the European Parliament and national Parliaments, which should also go beyond the framework of COSAC. However, it was made evident that there were controversial points in this cooperation (i.e. Framework Agreement between the European Parliament and the European Commission). Therefore a number of Members of national Parliaments insisted on respecting the institutional balance between the EU institutions according to the letter and the spirit of the Treaty of Lisbon and reflecting it in the Contribution of XLIV COSAC.

Furthermore, Members pointed out that COSAC should continue to play a major role in the implementation of the Treaty of Lisbon, *inter alia*, by holding regular debates on the implementation of the Treaty provisions related to the new powers of national Parliaments. They also pointed out the need for a more efficient coordination of views of national Parliaments, for more efficient ways of dealing with subsidiarity issues and for enhanced cooperation between IPEX and COSAC. COSAC coordinated subsidiarity checks were considered to be effective according to some interventions.

Concerning the involvement of specialized parliamentary committees in the work of COSAC, the interventions highlighted the approach that was also reflected in the Fourteenth Bi-annual Report, namely that the composition of the delegations to COSAC was an autonomous right of each national Parliament/Chamber. Therefore specialized parliamentary committees could be involved in the activities of COSAC.

Many Members of Parliaments mentioned in their interventions that the basis for the annual COSAC debate should be the European Commission Work Programme, which would enable national Parliaments to form their opinions on the Commission's yearly work and therefore to ensure a better reflection of the political views of national Parliaments at the European level.

In this context, most interventions underlined the importance of the debates on European issues by national Parliaments. This was viewed as an important means of overcoming the deficit of democracy in the EU since national Parliaments are closer to citizens than the EU institutions.

During the debate, some Members also underlined that advanced technology tools such as videoconferencing should be used more widely in interparliamentary cooperation.

Summarising the debate, Mr DE CROO distinguished the following:

- on the one hand, the primacy of national Parliaments, *inter alia*, because of their proximity to the citizens;
- on the other hand, the democratic character of the European Parliament which might be further enhanced by, e.g. the citizens' initiative;
- the need to bring national Parliaments and the European Parliament closer together with the help of such bridges as COSAC, which has evolved into a forum of open debates between Members of national Parliaments and the European Parliament.

The main challenge will consist in letting this to be known to the citizens.

#### **4. State of play of the Belgian Presidency of the EU Council**

Guest Speaker: Mr Yves LETERME, Prime Minister of Belgium

In the introductory part of his presentation, Mr Yves LETERME emphasized that the preparation of the Belgian Presidency of the EU Council had been carried out in full compliance with the letter and the spirit of the Treaty of Lisbon and the Belgian institutional set-up.

Mr LETERME explained that the Belgian Presidency Programme was elaborated around the following five main themes: (i) the socio-economic cohesion, (ii) the implementation of the Stockholm Programme, (iii) the social dimension of the EU, (iv) the environment and the climate, and (v) the EU external dimension, the enlargement of the EU and the establishment of the European External Action Service.

Next, the Prime Minister presented some of the main results of the Belgian Presidency so far, such as the conclusion of the so-called SWIFT agreement, allowing sharing EU citizens' bank data with the US authorities and the setting up of the European External Action Service. According to Mr LETERME, as a result of the decisions taken on the organisation and operation of the Service along with the adopted associated instruments on its financing and status, the European External Action Service would be operational and start functioning on 1 December 2010.

As to the financial sector reforms, Mr LETERME stated that the Belgian Presidency was working towards consolidation of financial integration, creation of a new architecture for supervision of the financial sector, improvement of stability of the financial system and increasing consumer and investor protection. Some work had already been done to create a new supervisory structure at European level to detect and identify systematic risks for financial stability. The legislative package met the agreement of the Council and the European Parliament. As for the supervision of the banking system, a global agreement was reached last September. Concerning the regulation of hedge funds and private equity firms, an agreement on the directive on Alternative Investment Fund Managers was also on the way. The objectives were to avoid the repetition of the collapse of the banking system and to establish adequate solidarity mechanisms.

In the area of common commercial policy, the Prime Minister emphasized the free-trade agreement with South Korea, which is considered to be an important step to enhance the international trade relations of the EU.

Mr LETERME further mentioned the political agreement of the EU Ministers of Transport concerning the revision of the Eurovignette directive which allows Member States to recover the external costs generated by road haulage.

The Prime Minister continued by giving an extensive presentation of the EUROPE 2020 Strategy for employment and growth, successor of the Lisbon Strategy. Following the new approach, Member States are required to identify their national targets, the main bottlenecks hindering their progress and to establish a comprehensive reform programme. In December the European Council would take stock of the progress. This strategy had to be seen as an integral part of the EU's Economic Governance. Accordingly, it was critically important that the macro-economic, budgetary and EU Strategies complement and reinforce each other. Innovation was highlighted, as a determining element within the EUROPE 2020 Strategy. Therefore it was important to find

as soon as possible an agreement on the European Patent, in order to protect innovations and results of research. Mr LETERME underlined that the credibility of the EUROPE 2020 Strategy would partly depend on the ability to implement the European Patent initiative.

The Prime Minister further focused on the conclusions reached by the so-called Task Force on Economic Governance (i.e. the working group chaired by the President of the European Council), which will be submitted to the European Council on 28-29 October 2010. The plan was to have the European Council endorse these conclusions and to decide on the way forward in order to agree on a framework for crisis management before the current framework terminates. Mr LETERME informed COSAC that in order to implement the conclusions of the Task Force, a Treaty change might be needed, as requested by Germany. The Prime Minister expressed hope that the requisite legislation would be in force by the middle of 2011.

As to the remaining part of the Belgian Presidency, Mr LETERME focused on two important meetings: first, the G20 Summit in Seoul, where subjects such as exchange rate interventions and the reform of international financial institutions would be discussed, and secondly, the Climate Conference in Cancun, where the European Commission and the Belgian Presidency intended to act as a joint team.

In the ensuing debate, a large variety of issues were raised. Members asked the Belgian Prime Minister about the EU enlargement prospects, more specifically in view of Serbia's candidacy, whereas concerning Croatia's accession perspectives were generally considered positively.

Other interventions concerned the area of climate change and renewable energy, the economic and financial crisis, and the social dimension.

The Stability and Growth Pact has also been a subject of several interventions, with concerns about the possible financial sanctions for Member States that fail to adhere to the targets. Some speakers questioned whether such measures would be compatible with the concept of European solidarity. The possible need to amend the Treaties also raised some concerns among the speakers.

The European External Action Service also raised questions including some concerns over the representation of smaller EU Member States within the Service.

Some questions were raised on the efforts made by the Belgian Presidency with regard to specific EU Regional Policies, including the Danube Strategy and the Eastern Partnership.

In his replies, Mr LETERME expressed hope for rapid conclusion of the accession negotiations with Croatia and noted that the negotiations with Turkey continued.

Regarding the economic situation in the EU, the Prime Minister noted signs of timid recovery and considered that the issue of sanctions against Member States had to be handled carefully as well as possible amendments of the Treaties.

## **5. 2nd theme of the Fourteenth Bi-annual Report of COSAC: Parliamentary control of the European security and defence policy**

Introduction by Prof. Dr. Jan WOUTERS, Catholic University of Leuven

The debate on the parliamentary control of the European security and defence policy (henceforth "CSDP") was preceded by an introduction by Prof. Dr. Jan WOUTERS, who underlined the great importance of this topic especially in the light of the secession of the activities of the Assembly of WEU in June 2011.

Prof. WOUTERS started his intervention by recalling what the Treaty of Lisbon says and what it does not say on CSDP and the parliamentary oversight of this area. Prof. WOUTERS recalled that CSDP is governed by Articles 2 (4), 42, 44, 46 TEU, Article 222 TFEU and Protocols 1 and 10. However, there are no specific provisions in the Treaty which explicitly deal with the issue of parliamentary scrutiny of CSDP. Therefore, Prof. WOUTERS highlighted a 'somewhat remarkable paradox' of the Treaty of Lisbon, which reinforces CSDP without providing for a more adequate parliamentary oversight of this policy area, i.e. the limited powers of the European Parliament remain largely unchanged, the organisation and promotion of effective and regular interparliamentary cooperation within the EU remains to be determined together by the European Parliament and national Parliaments, while COSAC will be able to organise interparliamentary conferences on CFSP, including CSDP. Prof. WOUTERS also pointed out that the Treaty of Lisbon strived to take a major qualitative step forward in the EU external relations, in particular by creating the post of the triple-hatted High Representative on Foreign Affairs and Security Policy and making CSDP an integral part of the EU external relations.

Next, Prof. WOUTERS proceeded to the analysis of the replies of national Parliaments and the European Parliament to the questionnaire for the Fourteenth Bi-annual Report of COSAC and sketched the following main tendencies:

- most Parliaments enthusiastically support the need for interparliamentary exchange on CFSP and CSDP;
- interparliamentary scrutiny should cover both CFSP and CSDP;
- costs associated with the interparliamentary scrutiny of CSDP should be kept to a minimum.

Prof. WOUTERS concluded by saying that there is a need to reflect on the successor of the Assembly of WEU and to continue parliamentary debates on the forum for the interparliamentary scrutiny of CSDP because such debates have not yet reached a stage of maturity to enable to take a final decision.

Following the introduction, the President of the Assembly of WEU Mr Robert WALTER took the floor as an expert. Mr WALTER recalled the history of the Assembly of WEU and its activities over 55 years. He underlined the need for a pro-active and effective parliamentary scrutiny of CSDP which under the Treaty of Lisbon by its nature remains intergovernmental. Mr WALTER singled out two models for future interparliamentary oversight of CSDP: a passive and a pro-active and suggested creating a small steering group to arrive to a consensus on this decision within the following six months.

In the ensuing debate, 24 speakers took the floor. Some Members presented the comprehensive reflections of their Parliaments on how interparliamentary scrutiny of CSDP should be conducted. For instance, Mr Česlovas Vytautas STANKEVIČIUS presented the proposal of the Lithuanian *Seimas* on COFDAC, while Ms Francesca Maria MARINARO and Mr Nunziante CONSIGLIO presented the proposal of the Italian *Camera dei Deputati* and *Senato della Repubblica* on Interparliamentary Conference for European Foreign, Defence and Security Policy.

Other Members in their interventions underscored principles which should govern the future interparliamentary scrutiny of CFSP and CSDP, such as:

- the need to define the scope of the parliamentary scrutiny of CSDP;
- to streamline the existing interparliamentary cooperation;
- not to create new bodies, structures or institutions;
- to find an optimal institutional solution by involving COFACC, CODAC and COSAC;
- to have an effective and regular democratic oversight which has added value;
- the need for national Parliaments and the European Parliament to work together for determining the optimal solution.

Following the debate, Prof. WOUTERS presented his summary highlighting the following points of agreement:

1. Necessity to have interparliamentary scrutiny of CSDP;
2. National Parliaments' intention to weigh heavily in the parliamentary scrutiny of CSDP;
3. Complementarity of the activities of national Parliaments and the European Parliament;
4. Strong need to use existing expertise, bearing in mind that CSDP is an integral part of CFSP;
5. No need to create new unnecessary structures, but to ensure an added value and to avoid unnecessary overlaps;
6. Need for cost effectiveness;
7. Need to be open *vis-a-vis* third countries.

## **6. Chairpersons' meeting on the Contribution and Conclusions of the XLIV COSAC**

Two weeks prior to the XLIV COSAC meeting the Belgian Presidency had put forward a draft of the Contribution and Conclusions giving COSAC delegations the opportunity to submit their proposals for amendments. The submitted amendments were discussed at the Chairpersons' meeting at the end of the first day of the XLIV COSAC meeting. The Chairpersons discussed and agreed on a number of amendments to the proposed drafts of the Contribution and Conclusions. Based on the Chairpersons' decisions, the second drafts of the Contribution and Conclusions were prepared and submitted for debates and adoption by COSAC on the second day of the XLIV COSAC meeting.

### **PROCEEDINGS (on 26 October 2010):**

#### **7. Intervention by Mr Danny PIETERS, Speaker of the Belgian *Sénat***

The debates of the XLIV COSAC on 26 October 2010 were preceded by the intervention by Mr Danny PIETERS, Speaker of the Belgian *Sénat*, who welcomed the participants of the XLIV COSAC meeting and reassured them of the unquestionable commitment of Belgium towards the EU and its integration process.

#### **8. Intervention by Mr José Manuel BARROSO, President of the European Commission**

Mr José Manuel BARROSO started his intervention by referring to recent challenges both at the international level, as the economic and financial crisis, and at the European level, as the

negative outcome of referenda on the Constitutional Treaty and the need to implement the changes foreseen in the Treaty of Lisbon. In these facts lies the origin of the political dialogue between national Parliaments and the European Commission, which has been taking place in the last four years. In this context, Mr BARROSO suggested that national Parliaments played a role in the preparation of the European Commission Working Program for 2012.

The economic recovery, which is on its way, is based on three pillars: (i) a fundamental and comprehensive reform of the European financial system, where supervision has already been implemented; (ii) the need for a stronger approach to economic governance, based on the consensus bolstered by the Task Force led by Mr Van ROMPUY and (iii) the EUROPE 2020 Strategy. Within this Strategy, which establishes a co-ordinated European framework that reduces the risk of unilateral measures that could erode the Single Market, the President of the European Commission focused on issues such as the Digital agenda, the industrial policy, the fight against poverty and exclusion, the resource efficiency? He also mentioned the concerns expressed by national Parliaments on the proposal by the European Commission on the seasonal workers directive. These concerns will be analysed by the Commission before taking a decision on its 'political reply'.

Given the fact that national Parliaments are meant to participate in the implementation of the EUROPE 2020 Strategy through the approval of the National Reform Programs, Mr BARROSO stressed the need for a political consensus on these issues at the national level.

Several issues were raised in the debate which followed the intervention of Mr BARROSO, such as the totalitarian regimes and their victims; the importance of cooperation between the European Commission and national Parliaments for the success of EUROPE 2020 Strategy; the possible veto of an initiative by national Parliaments; and the delay of the European Commission responses to comments made by national Parliaments. The difficulties reflected in the negative outcome of the referendum on the Constitutional Treaty were also mentioned, as well as the difference between the concepts of cooperation and imposition. The questions asked to Mr BARROSO by Members of national Parliaments also referred to such topics as the ecological situation in the Baltic Sea and the European Patent System.

Mr Miguel Ángel MARTÍNEZ, Vice President of the European Parliament, asked a question on the role of the European Commission in the relationship between the European Parliament and national Parliaments, as well as on the relevance of any mention in the COSAC Contribution of the framework agreement between the European Parliament and the Commission.

Mr BARROSO answered these questions, stating that there was no uniform reading of the past, but unity against any attack on freedom; as to the delays in answering the comments sent by national Parliaments, he recalled the need to translate European Commission responses to official languages, and asked for understanding, as there had been no increase in the European Commission staff. The need to simplify the linguistic regime on Patents was considered by the President of the European Commission as the only option to make the European Patent System competitive compared to those of the USA or China. He identified distance between people and politics as one of the main problems of the EU, even if the EU has full democratic legitimacy. As to the European Parliament, he agreed on the need of a special partnership between the European Commission and the European Parliament, given the fact that the European Parliament holds a direct legitimacy while the European Commission holds an indirect legitimacy.

Due to the technical problems that arose during his intervention, the President of the European Commission invited the Members of COSAC to forward their unanswered questions to the European Commission promising to answer them in writing.

## **9. Intervention by Mr Herman VAN ROMPUY, President of the European Council**

Mr Herman VAN ROMPUY started his intervention with some reflections on the EU institutional framework established by the Treaty of Lisbon, and in particular regarding the tasks of the President of the European Council as well as the role of the EU Parliaments.

With regard to the newly created post of the President of the European Council, Mr VAN ROMPUY emphasised the full-time character of the post and its role as consensus facilitator at the European Council meetings. In this sense, there should not be any confusion with the role of the President of the European Commission, as the European Commission initiates legislative proposals, while the European Council sets out the Union's strategic directions. As a further major difference with the President of the Commission, Mr VAN ROMPUY underlined that the President of the European Council is neither elected by nor accountable to the European Parliament.

On the role of the Parliaments of the EU, Mr VAN ROMPUY highlighted the double democratic legitimacy, as articulated by the European Parliament and by national Parliaments, as a unique strength of the EU. The Treaty of Lisbon has improved democratic accountability by increasing both the powers of the European Parliament, whose approval is needed for passing most of the EU legislation, and by explicitly recognising the role of national Parliaments in different EU procedures. On the other hand, the members of national Governments which sit in the Council are also accountable to national Parliaments. Therefore the subsidiarity scrutiny by national Parliaments can prove to be an important asset in shaping the position of the Ministers in the Council.

On the European Council, Mr VAN ROMPUY explained that, while not denying the "intergovernmental" aspects of the Union, the internal functioning of the European Council is not purely intergovernmental, as the President of the European Commission is a full member of the institution and the President of the European Council does not represent a Member State as he is appointed to work for the overall interest of the Union. Furthermore, in some matters, the EU has at its disposal a number of procedures which do not require unanimity of the Member States.

In any case, the perception of a power shift in favour of the European Council is due to the significant role this institution has played in relation to the current main preoccupation of the EU - macroeconomic governance -, which requires the coordination of national policies, as 98% of public spending in the EU is carried out at the national or sub-national level.

In relation to the role played by the European Council in macroeconomic policy, Mr VAN ROMPUY summarised the work of the Task Force he had chaired and whose report had just been published<sup>1</sup>, and where the following topics were dealt with: (i) the review of the Stability and Growth Pact; (ii) the broadening of the scope of monitoring national economic developments

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<sup>1</sup> The report "Strengthening economic governance in the EU" was submitted by the task force to the European Council, on 21 October 2010.

and (iii) a deeper coordination of national policy decisions. In this regard, the Task Force is fully aware that the responsibility for monetary decisions lies at the European level and the responsibility for budgetary matters and for economic policy remains at the national level, although within a jointly agreed framework. On this basis, the Task Force proposes actions in order to ensure that each Member State fully takes into account the impact of its economic and fiscal decisions on its partners and on the stability of the Union as a whole, and to strengthen the capacity at the EU level to react when the policies of one Member State threaten the Union.

The Task Force report will be forwarded to the meeting of the European Council on 28-29 October 2010, in order to seek the political backing of the EU Heads of State and Government. In this context, Mr VAN ROMPUY underlined that the issues concerning the Stability and Growth Pact were not just a matter of sanctions to be imposed on Member States or the rectification of past mistakes. The Stability and Growth Pact had to be seen in a wider context: during this crisis, which had been compared to the Great Depression, the Union managed to avoid the mistakes made in the 1930's; and, in order to avoid another such crisis, the Union faces the challenge of improving Europe's structural growth rate and its general economic performance, which will be the focus of the EUROPE 2020 Strategy.

During the ensuing debate, the following relevant issues were singled out: macroeconomic governance and the proposals set forth by the Task Force; the issue of possible sanctions to Member States that endanger the Stability and Growth Pact; the planned increase of the EU budget for 2011 while the Member States' budgets are being drastically cut; the permanent fiscal transfers to weaker Member States; the Franco-German Deauville Declaration which introduced elements of flexibility in the procedure for the establishment of sanctions; the EUROPE 2020 Strategy; the Cancún Summit for Climate Change; and the Union for the Mediterranean.

In relation to the economic crisis, the President of the European Council argued that the crisis, although it had not started in Europe, needed a European solution, and this solution was also a responsibility of individual Member States. For its part, the setting up of the Task Force was a proof of the flexibility of the EU institutional framework, where the different institutions involved had complemented each other to seek a solution to the crisis.

Regarding the Franco-German Deauville Declaration, Mr VAN ROMPUY stated that the procedure regarding excessive deficit was already in the Treaties and an important consensus had been reached, although there was still work to be done. In relation to the issue of monitoring, the conditions had been very flexible, in order to take into account the different economic situations to be found in different Member States. Finally, on the issue of budget cuts, Mr VAN ROMPUY highlighted the relative importance of the national and EU budgets in relation to the size of their respective economies.

### **Incoming Hungarian Presidency**

Mr Richárd HÖRCSIK, Chairman of the Committee on European Affairs of the Hungarian *Országgyűlés*, introduced the forthcoming Hungarian Presidency of the Council of the European Union in the first semester of 2011. The Hungarian Presidency plans to focus its attention on the reform of the Common Agricultural Policy, the future of the Cohesion Policy and on promoting the creation of a common energy policy. During the Presidency, the Hungarian Parliament will organise eight meetings of the Committee Chairpersons (i.e. the Committees on Finance, Committees on Regional Development and Sustainable Development, Committees on

Agriculture, Committees on Health, Committees on Foreign Affairs, Committees on Education, Science, Research and Employment). The COSAC meetings will also be held in Budapest. The meeting of the Chairpersons of COSAC will take place on 10-11 February 2011 and the XLV COSAC meeting will take place on 29-31 May 2011.

#### **10. Debate and adoption of the Contribution and Conclusions of the XLIV COSAC.**

After a debate on additional proposals for amendments from national Parliaments and the European Parliament the Conference adopted the Contribution and Conclusions of the XLIV COSAC by consensus.