



**17th Summit of Chairmen
of EPP Parliamentary Groups
in the National Parliaments in the EU
and in the European Parliament**

3-4 December 2012



Relations with National Parliaments EN

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PROGRAMME

December 3rd

OPENING OF THE SUMMIT:

Co-presidency

- **Paulo RANGEL** MEP, Vice-Chairman of the EPP Group responsible for Relations with National Parliaments
- **Tasos MITSOPOULOS** MP, Spokesman for the “Democratic Rally Party”, Cyprus

Session 1

TOWARDS A REAL ECONOMIC AND MONETARY UNION: A NEW STEP TO ACHIEVING A POLITICAL UNION?

Rapporteurs:

- **Janusz LEWANDOWSKI**, European Commissioner for Financial Programming and Budget
- **Anders BORG**, Minister for Finance, Sweden
- **Francis DELPÉRIÉE** MP, Chairman of CDH Parliamentary Group in the Senate, Belgium
- **Sybrand van HAERSMA BUMA** MP, Chairman of the CDA Parliamentary Group in the Tweede Kamer, the Netherlands
- **Marianne THYSSEN** MEP, Member of the Economic and Monetary Committee, rapporteur on the report “Towards a genuine Economic and Monetary Union”

Debate

December 4th

Co-presidency

- **Paulo RANGEL** MEP, Vice-Chairman of the EPP Group responsible for Relations with National Parliaments
- **Tasos MITSOPOULOS** MP, Spokesman for the “Democratic Rally Party”, Cyprus

Session 2

WHAT IS THE FUTURE ROLE FOR THE NATIONAL PARLIAMENTS?

Rapporteurs:

- **Anna KINBERG BATRA** MP, Chair of Moderaterna Parliamentary group, Sweden
- **Rubén MORENO PALANQUES** MP, Partido Popular Speaker at the Congreso, Spain
- **Michael IKRATH** MP, Vice-Coordinator of the Committee on Financial Affairs of the Austrian Nationalrat
- **Iñigo MENDEZ de VIGO**, State Secretary for European Affairs (Spain), Former Chairman of the European Parliament delegation to the Convention
- **Rafał TRZASKOWSKI** MEP, EPP Group Coordinator on Constitutional Affairs

Debate

Session 3

PRESENTATIONS OF THE ACTIVITIES FOR THE FINAL MONTHS OF THE CYPRUS PRESIDENCY AND THE FORTHCOMING IRISH PRESIDENCY

- **Tasos MITSOPOULOS** MP, Chairman of the Parliamentary Group “Democratic Rally Party”, Cyprus
- **Dara MURPHY** MP, Chairman of the Foreign Affairs Committee, Ireland

Evening event hosted by Joseph DAUL MEP, Chairman of the EPP Group in the European Parliament, for the participants of the 17th Summit in the presence of European Commissioners

Speaker: **Alain LAMASSOURE** MEP, Chair of the Committee on Budgets

Conclusions and adoption of the final declaration

OPENING OF THE SUMMIT

PAULO RANGEL MEP, Vice-Chairman of the EPP Group responsible for Relations with National Parliaments



Paulo RANGEL MEP, Vice-Chairman of the EPP Group responsible for Relations with National Parliaments

Paulo RANGEL MEP (EPP, PT), Vice-Chairman of the EPP Group Responsible for Relations with National Parliaments outlined the progress achieved by the European Parliament in dealing with the economic crisis legislative package and the need for more involvement from the national Parliaments.

“We are gathered here for the seventh time since I was elected Vice-President of the group responsible for relations between national Parliaments.

I would like to begin by thanking you for your presence. I am particularly delighted to welcome a large number of representatives from national Parliaments. This is the largest representation to attend our meetings since we initiated this process of interparliamentary cooperation between EPP groups.

We need everyone to get involved.

Dear friends, the European Union needs new consti-

tutional momentum and structural reforms, it must go further.

If we are to have more Europe, an increasingly European spirit and a “more” European approach, we need to be more engaged.

The last three years have highlighted the importance of European solidarity for the economic, financial, political and social solidity of each Member State. Without the political life of the European Union’s institutions, the destructive nature of the crisis we are experiencing would have devastated the economies and finances of most of the Member States.

The last three years have revealed shortcomings in the European Union’s institutional structure, which was only recently introduced by the Treaty of Lisbon. This structure now needs to be changed in many ways.

The history of the Union has shown that the solution lies, as is frequently the case, in its roots: in the spirit and approach proposed by its founders.

We need “more Europe” but a Europe which brings practical solutions to the problems that citizens face on a daily basis and that the Member States, alone, without a European dimension and the impetus that it brings, will never be able to solve.

I believe that we are right to want to deepen the economic and monetary union.

We need a deep and genuine monetary and economic union that provides strong and stable prospects in the financial, economic, budgetary and political domains.

The citizens of Europe, through their legitimate, dem-

ocratically elected representatives, must clearly show that they wish to remain united, and act decisively in building solid and permanent structures in financial, fiscal and economic areas to guarantee the political stability which is essential to support the euro and the Union.

Many of these reforms can be carried out within the framework of current treaties.

Others require changes and revisions.

Last week, the committees of the European Parliament adopted the opinions and reports which outlined our views on the European banking union. As rapporteur to the Committee on Constitutional Affairs, I was able to express my firm belief that banking supervision should come within the competence of the European Central Bank (ECB), rather than a new authority or the current European banking authority. The ECB should be turned into a genuine central bank.

This would be a first stage towards examining the functions of this bank, which are still largely confined to price stability. Regardless of the constitutional issues that may arise, the solution would be to allow the European Central Bank to act as a monitoring body.

This option has several advantages:

- It allows us to benefit from the ECB's great experience in matters relating to financial stability, thereby contributing to greater credibility;
- Central banks have supervisory powers in most Member States;
- It has the merit of not increasing the complexity of the European Union's institutional architecture.

This process is essential if we are to provide a combination of guarantees to those States which are not in the eurozone and the States that wish to participate in the monitoring mechanism.

We must ensure equal treatment and participation for all EU Member States, whether or not they are within the euro area.

Since the Treaty of Lisbon came into force, the role of national Parliaments has been growing and changing.

Interparliamentary cooperation in the European Union is established among the guidelines adopted by the Conference of Speakers of the national Parliaments and is carried out through the following forums:

- Conference of Speakers of the EU Parliaments
- Conference of European Affairs Committees (COSAC);
- Joint Parliamentary meetings on issues of common interest;
- Meetings of standing committees;
- National Parliament (NP) representatives at the EU.

Interparliamentary cooperation is particularly important in the transfer of information and best practices, and also in monitoring the application of the principles of subsidiarity and proportionality of the Protocol annexed to the Treaty of Lisbon.

In this context, we should mention the first 'yellow card' presented to the European Commission: a coalition of 12 national Parliaments was created to submit a reasoned opinion to the Commission, calling for a re-examination of one of the regulatory proposals, known as 'Monti II', on the right to strike in the context of the protection of workers posted to another country in the 27 Member States.

Following this 'yellow card', the Commission withdrew its proposal. This mechanism for monitoring subsidiarity has demonstrated its effectiveness and rationale.

The establishment of a European economic government based on the convergence of national economic policies, solidarity and financial discipline, is essential to guarantee the prosperity and the coherence of the euro zone.

This can only be accomplished if the parliaments of Europe assume a leading role. Parliaments are called upon to discuss, in accordance with the Treaty, all matters relating to economic and monetary union, es-

pecially in issues related to tax policies and its social consequences.

In a deep and genuine Economic Monetary Union, all major economic and fiscal policy choices should be subject to coordination and surveillance at European and national levels.

A precise calendar and scheduled efforts/meetings are essential to ensure that parliaments discuss these issues in time, in order to ensure that their decisions can be taken into account in the various periods of economic and fiscal coordination.

Democratic control and accountability shall occur at the level at which the decisions are taken.

Therefore, the European Parliament and the national Parliaments should develop an even more close cooperation. We welcome the proposal for resolution adopted on 27 November by the European Affairs Committee of the French National Assembly, regarding the democratic anchor of the European economic government. It requires, among other things, the rapid establishment of the Conference previewed in article 13 of the Treaty on Stability, Coordination and Governance in the Economic and Monetary union.

Finally, interparliamentary cooperation sharing information and expertise with regard to the European Semester has already proved its value and should be strengthened.

As Rapporteur on the European Semester 2013, for the Committee on Constitutional Affairs of the European Parliament, it is my intention to act in favour of a timely calendar of interparliamentary meetings enabling a more efficient participation of European and national Parliaments in the procedure.

In this context, the cooperation between representatives of the citizens at a national and European level is essential.

As you already know, the President of the European Parliament sent an invitation to national Parliamentarians to meet with European Parliamentarians in Brussels, from 28 to 30 January 2013, for a parliamentary week on the European Semester.

This project is inspired by my proposition of AGENDA 27, which I proposed 3 years ago. I would like to take this opportunity to announce that there will be a very important meeting in Munich next year and we are strongly committed to the success of this meeting.

I would like to thank Manfred Weber for organizing the Munich Justice and Home Affairs Congress, assembling Members of national Parliaments and the European Parliament dealing with justice and home affairs issues.

The EPP Justice and Home Affairs Policy Conference will take place on 10 May in the afternoon, beginning at 12.00 noon, and on 11 May 2013 in the morning

The idea, proposed by Manfred Weber, is to bring together the different legislative and policy processes concerning justice and home affairs in a single 'place' and to organise an EPP Policy Conference in this policy area.

The Policy Conference would discuss both matters of current concern and long-term programme issues.

There is a growing need to involve experts in the debate on justice and home affairs, to compare different national views on these topics and contribute to finding joint European solutions for the benefit of the European public.

Finally, I would like to inform you that the next meeting of the Network for European Affairs, will take place next March and our Young Members Network will meet in Poland in late September.



l-r: Francis DELPÉRÉE MP, Chairman of cdH Parliamentary Group in the Belgian Senate; Anders BORG, Minister for Finance in Sweden; Beatrice SCARASCIA MUGNOZZA, Head of the EPP Group Service in charge with Relations with National Parliaments; Paulo RANGEL MEP, Vice-President of the EPP Group responsible for Relations with National Parliaments; Tasos MITSOPOULOS MP, Spokesman of the “Democratic Rally Party”, Cyprus; Laura PERALTA PALACIOS, EPP Group Adviser; and Janusz LEWANDOWSKI, European Commissioner for Financial Programming and Budget.



l-r: Werner AMON MP, Vice-Chairman of the ÖVP parliamentary group in the Austrian Nationalrat; Michael IKRATH MP, Vice-Coordinator of the Committee on Financial Affairs in the Austrian Nationalrat; and Fritz GRILLITSCH MP, Member of the Committee on Agriculture and Forestry in the Austrian Nationalrat.

FIRST SESSION:

TOWARDS A REAL ECONOMIC AND MONETARY UNION: A NEW STEP TO ACHIEVING A POLITICAL UNION?

JANUSZ LEWANDOWSKI, European Commissioner for Financial Programming and Budget

Janusz LEWANDOWSKI, European Commissioner for Financial Programming and Budget, stated that what it is really needed in Europe is a political component, to generate more accountability and legitimacy for a “more Europe” approach. In order to solve the shortcomings of the eurozone, political instruments are necessary to involve national Parliaments and, in general, the people of the continent, in the decision-making process.

At the level of the European Commission, two initiatives have been running in parallel for the past three years: the first refers to what might be called immediate crisis management, while the second is attempting to succeed in the reconstruction of the monetary union.

Given the lesson of interdependence, the available instruments such as the EFSM, ESM, alongside the outright monetary transactions by the European Central Bank, have generated some stability. However, the Blue Print by the EC tackles the foundations of the eurozone, by considering the economic principles of the monetary union, the present political realities, as well as the legal restraints of existing Treaties.



Janusz LEWANDOWSKI, European Commissioner for Financial Programming and Budget

The Commissioner underlined that a possible lack of a common identity in Europe, hinders full institutionalization of solidarity and mutualisation of economic responsibilities.”

ANDERS BORG, Minister for Finance, Sweden



Anders BORG, Minister for Finance, Sweden

Anders BORG, Minister of Finance, Sweden, emphasised that growth, fiscal challenges and avoiding divisions among euro and non-euro countries should be carefully considered.

On growth, Minister Borg stated that productivity growth has been too slow in Europe over the last years. Therefore, in order to overcome the challenges of the ongoing economic turmoil, the competitiveness of Member States service markets should be increased, the functioning of the labour markets should be improved, public finances should be restructured aiming

to increase funding for education and R&D. Overall, much more attention should be given to the costs of over-regulating the domestic sectors of Member States.

When considering the fiscal challenges, one can see that Europe is in a problematic position: the increased debts and high deficits allow very limited room for stability-oriented policies. Long term stability, when it comes to fiscal policies, is thus challenged. Labour or capital taxes cannot be increased further; Europe is already a high tax region. At the same time, cutting all the expenditure of the public sectors is not a solution, knowing that spending more on education and R&D is a necessity. Therefore, restoring credibility and also allowing more generous room for manoeuvre are core issues. In the short term, more should be done to stimulate recovery and at the same time, being careful not to jeopardise long-term credibility. Disregarding the commitments already made by each Member State would also be detrimental to recovery.

Regarding the role of the European Union, Minister Borg considered that a stronger monetary union for the eurozone should be combined with an efficiently functioning EU. A division between the euro and non-euro countries would have consequences in the long-term. Both the euro and non-euro countries pose certain challenges, but for the Union to continue to function, all Member States should cooperate to improve the monetary union.

FRANCIS DELPÉRÉE MP, Chairman of the CDH Group in the Belgian Senate

Francis DELPÉRÉE MP (CDH,BE), Chairman of the CDH Group in the Belgian Senate delivered a presentation on institutional frameworks in the economic governance.

“I do not know if the general mood in Europe is being affected by the recent and considerable dampening of the mood in Belgium.

What I do know, however, is that we are trapped in a never-ending institutional fog. Governing in a fog is inadvisable, not to say dangerous. In my opinion, a two-fold approach is necessary to tackle this confused situation.

Firstly, the current **shortcomings** of European economic governance must be identified.

Secondly, **institutional frameworks** must be specified within which the following can be devised: new governance; what is known as genuine governance; and dare I say it – better governance.

Overview of the shortcomings of European Economic Governance

Let me start by searching a database of information to find the answer to this simple question; where can I find a code of conduct for European economic governance?

I will give you the answer, or rather the answers, in a short while. Right now, I am drowning in a sea of references to a multitude of texts and documents.

If I were to stick to the bare minimum, I would have to : re-read the treaties, acquaint myself with the Stability and Growth Pact, read the six-pack and the two-pack, consult the Euro Plus Pact, look into the various European aid funds, study the Europe 2020 programme, analyse the Treaty on Stability, Coordination and Gov-



Francis DELPÉRÉE MP, Chairman of the CDH Group in the Belgian Senate

ernance, the notorious TSCG, which is currently being ratified, consult the Van Rompuy report, without forgetting, the national constitutions and laws for example those which enshrine the budgetary ‘golden rule’, and many more.

I am a lawyer. I am also a member of parliament. I cannot help but think that there are too many texts, and that all of these texts, as useful as they may be individually, when taken together help to create an opaque system through which it is sometimes very hard to find our way. We can only guess what the average European citizen thinks of the situation.

Professor Jean-Victor Louis, who is not a Eurosceptic, uses the term ‘legal anarchy’. I am not far from sharing his opinion.

This phenomenon causes problems in respect of a number of basic requirements which should be met by European law: (A) coherence, (B) security and (C) stability.

The first shortcoming is that there are too many texts, and yet at the same time too few which contain regulations that are legal in the strict sense of the word.

Proper legal regulations do exist in Europe, for example those enshrined in the treaties or in acts of secondary legislation.

Yet these legal regulations stand alongside a range of proposals, declarations, recommendations, roadmaps and so on. They co-exist with a set of political, economic and financial instruments whose status is poorly defined.

What I want to say is that it is not just time to make laws, but to make proper laws. We say that ‘bad money drives out good’ when it comes to financial matters; what we are seeing is bad laws cancelling out good ones.

The second shortcoming is the blatant lack of legal security. In principle, the law establishes a hierarchy of legal regulations, by placing the various rules in relation to each other.

Legal regulations do exist in Europe, but some derive from Community legislation and others from international law. Their provisions overlap and sometimes contradict each other. To take just one example, the Treaty on Stability, Coordination and Governance, the notorious TSCG, amends and tightens up the provisions of the six-pack. What this means is that an international treaty signed by 25 states is going to be used to revise an act of Community law adopted by 27 states.

What I want to say is that it is time to build an orderly and structured legal system.

There is still a lack of legal stability. In principle, laws are long-term solutions, yet Europe appears to be governed by short-term considerations.

The ink on treaties is barely dry before people start calling for new institutional negotiations, sometimes on key points. The six-pack had hardly been implemented before the two-pack was added on to it. Is this really a good idea, when what we are regulating is economic and social behaviour? Empiricism, or indeed

what could be called institutional restlessness, is not necessarily the best way to work.

Regulations and institutions must be given time to settle down before the provisions are revised or the key points amended.

Institutional framework

That brings me to my second question. What action can we take in this institutional fog? How should we eliminate the shortcomings? What kind of institutional framework should we create for European governance?

I have one simple belief. There can be no such thing as governance without a system of governance. Governance for governance’s sake, governance which is the responsibility of governance professionals, is by definition poor governance.

I believe strongly that political authorities, assisted by efficient administrations and scrutinised by vigilant assemblies, should be in charge of governance.

In order to achieve this objective, we must have: a coherent federal system, an efficient parliamentary system, and a democratic political system.

I experienced the unitary state which existed in Belgium. For the past 40 years I have lived in a federal state, based on a clear division of competences and funding.

I sometimes feel like the European Union is playing the role of a vast unitary state, where the decisions taken at the top are imposed on the Member States and their citizens, regardless of the content of these decisions.

Economic governance must not reverse the principle of conferral, which governs the limits of Union competences (Article 5(1) TEU).

I will take just one example; that of pensions.

To the best of my knowledge, the European treaties do not grant the Union any specific competences in this

field. Pensions are a national competence, or a federal competence in a state like Belgium.

At the end of the 2012 European semester, the European Union addressed a number of recommendations to Belgium on this subject. In particular, it suggested – raising the current retirement age of 65, and revising the ‘pre-pension’ system, or in other words the financial benefits granted to those who retire before the legally required age.

I cannot help but think that this type of intervention by Europe is problematic in at least two respects, namely at the level of the European institutions and at the level of the Belgian institutions.

It is apparent that Europe, in its various configurations, sees itself as entitled to intervene in a field where the EU is granted no specific competences by the treaties, and nobody seems to be bothered by this. I will no doubt be told that the EU takes no decisions on such matters, and instead only issues recommendations and dispenses advice under the Europe 2020 programme.

My question is whether there is any place in a well-designed federal system for an authority – any authority – to issue an opinion, even a non-binding one, in areas which do not fall under its competence. If we agree to this way of doing things, we agree that everyone is allowed to interfere in everything all the time. This is unacceptable.

I would also note that the European Union addressed its concerns to the Belgian State at the end of the European semester.

It was the Belgian government that redrafted the basic documents – the stability or convergence programme and the national reform programme. It is therefore quite understandable that the EU chose to engage in dialogue with the government, but by doing so it bypassed the national Parliamentary institutions.

This is a shocking situation. Everyone knows that budgetary competences are regarded as being at the very heart of parliamentary sovereignty. The dialogue between the EU and the Member States must not take place over the heads of the national Parliaments.

If we want to avoid what I would call institutional drift, it is time to place the actions of the European authorities, the national authorities and even the regional authorities in a federalist framework, based on a clear and coherent division of competences and funding between the EU and the Member States.

If we want to avoid these disagreements in future, it would also be a good idea for internal reforms to set out in more detail the responsibilities of both national governments and parliaments in the areas where the European Union is active.

The parliament, or rather the parliaments, must be at the heart of institutional arrangements for economic governance. I will limit myself on this occasion to three specific comments.

1. – The European Parliament must play a key role in this respect, which is a point rightly made in the Thyssen report. If we want deeper economic and monetary union, the European Parliament must play a greater role. At present, ‘economic dialogue’ allows the Presidents of the Council, the Commission, the European Council and the Eurogroup, to be invited to speak before Parliament during the European semester. The European Parliament must not regard this dialogue as an opportunity to compete with the national Parliaments; on the contrary, it can act as their best ally in monitoring the EU authorities.

2. – The national Parliaments must also make their voices heard during the budget procedure. I have to say that the schedules which have already been laid down are extremely disruptive at national level. They oblige the national assemblies to revise their working methods and rhythms, to revise their methods for scrutinising governments, and to take action at two key points: when the stability programmes and national reform programmes are submitted and when the final recommendations for the European semester are drafted.

3. – The Van Rompuy report may create new opportunities, in order to ensure ‘more integrated decision-making’ and in order to organise a ‘joint decision-making process’. I must, of course, mention the conference provided for by Article 13 of the TSCG, at which rep-

representatives of the European Parliament and the national Parliaments would be able to discuss budgetary policies and other subjects covered by the Treaty.

I will ask just one question, which I hope will not strike you as overly iconoclastic. Where is the citizen in all of this, in all of these procedures? We represent the citizens, albeit at different levels. The documents I have quoted and the political players I have mentioned – do they lend sufficient weight to the 500 million European citizens?

In times gone by, it was the demand by governments for adequate financial resources that allowed parliaments to emerge. There is no need for me to remind you about 1215 and the Magna Carta.

Today, 800 years later, economic governance at European and Member State level must not result in the disappearance of those parliaments.

This is the challenge facing us today. We must avoid parliaments becoming the collateral victims of a new definition of economic governance.

We are not just talking about institutional legitimacy. We are also talking about the validity, the effectiveness, and I would even go so far as to say the admissibility of the decisions that have been taken. Europe cannot carry out the governance duties assigned to it if European citizens have doubts regarding the value of its interventions.

SYBRAND VAN HAERSMA BUMA MP, Chairman of the CDA Parliamentary Group in the Tweede Kamer, the Netherlands

Sybrand van HAERSMA BUMA MP (CDA, NL), Chairman of the CDA Parliamentary Group in the Dutch Tweede Kamer, at the beginning of his intervention referred to the Nobel Prize received by the EU for its contribution to peace, and also to the challenges Europe has to face today. In this context, clear decisions leading to a better Union are needed, especially in the area of the Banking Union and, also political Union. By openly addressing current and stringent topics, “politicians will encourage the people of Europe to come closer to the decision mechanism. All these will support deeper integration and a more competitive Europe.”

The Dutch MP believes that for Europe to hold a prominent position among world economies, a tight compact budget and economic reforms are needed. In this regard, the European Commission should show its ability to keep the Member States on track: keeping national budgets in order and fulfilling



Sybrand van HAERSMA BUMA MP, Chairman of the CDA Parliamentary Group in the Tweede Kamer, the Netherlands

the requirements of the budget agreements already signed. This way also, solidarity with the countries lagging behind would be realised.

MARIANNE THYSSEN MEP, Member of the Economic and Monetary Committee, rapporteur on the report “Towards a genuine Economic and Monetary Union”



Marianne THYSSEN MEP, Member of the Economic and Monetary Committee, rapporteur on the report “Towards a genuine Economic and Monetary Union”

Marianne THYSSEN MEP, Member of the Economic and Monetary Committee, rapporteur on the report “Towards a genuine Economic and Monetary Union” (EMU) presented the state of play of the monetary union construction. In her view, the economy can be strengthened by building a banking union, for which we need, tight monetary union, therefore more discipline and more budgetary agreement between Member States. “You know that we have been looking particularly at the economic dimension and we know that there are things which can be improved in terms of political union too and we want to emphasize accountability, democracy and transparent decision making in economic and monetary matters. So we made some decisions and a number of important steps have been taken on monetary union.”

She went on to explain the content of the Report ‘towards a genuine Economic and Monetary Union’ adopted by the European Parliament: “ In our Report we want to set- out a number of ambitions, there are many challenges facing us in terms of the Monetary

Union and we have to make choices, so we can attempt to produce a better EMU to resolve the crisis. So how we do that? I should mention the “two-pack” that involves a budgetary discipline, a budgetary framework from Member States, fighting for a budget in balance and gradual monitoring.

I think that the Commission may propose prevention measures, so, before coming forward with the budget plan for presentation to the national Parliaments, Member States would be invited to have their budgets screened by the EU Commission and that would give us an opportunity to make comments and remarks and to make some proposals to the national Parliaments. So, that is the preventive angle; we also covered it in our Report.

We’ve produced a Report for the Member States which are falling behind, which have difficulties (cf. Report of J.-P. Gauzes), and there are different reports for other countries which are not running an excessive deficit, which are not in the program, and depending on developments, for better or worse, monitoring will be strengthened. Members States will come forward with their plans and will be able to respond to our comments, and if they are in general difficulties, we’ll follow them more closely and they will provide a three-monthly report to the Commission. It is not a question of confidence; we need to keep on pressure on those Member States which are having difficulties. I don’t think that the “two-pack” or the “six-pack” will be a problem.

The European Commission should have strength and creativity. There are still problems to solve. There is an entire chapter which is very important to the EPP and this is the chapter which deals with the new roadmap, short-term instruments, and the growth of the budget should be 1 % of GDP in Europe We are against that in the Committee, we did not believe that it will be physically possible, there are 136 legal bases in the Treaty, so it should be able to go further to find stability, to make progress. To talk about redemption funds is not in line

with the Treaty. The European Court of Justice gave a ruling which confirms our initial approach. So, this is a delicate matter, still unresolved. The trialogue is now over; we had meetings at political level and an exchange of views with relevant Commissioners. So what should we do now? Should we ask for clarification from the European Commission, about what they intend to do? Do they intend to persevere with regard to, for example, the growth funds, euro bonds, the redemption funds? There are even more things we can do, we need budgetary order, we need, where possible, to amend the Treaty, it is important for the Group to think about this and other Groups should be thinking about this also. If the other Groups agree on the “two-pack”, we could make progress on the budget and the ways to strengthen it.”

Banking surveillance

Marianne Thyssen continued with a presentation of the Parliament’s report on banking surveillance: “Member States agree that we need to set up our banking surveillance system, that would be coordinated within the European authority. The European Commission is very ambitious and on September 12, they tabled two proposals: one for a single surveillance mechanism with the European Central Bank (ECB) playing a crucial role, in coordination with the national budgetary authorities, and the second proposal, to change the regulations on the European surveillance authority which will culminate in the setting-up of a new European surveillance of the banking monetary body.

We need a European stability mechanism which would allow banks to recapitalize, without going through other financial authorities and a decision should be taken on that, it’s not going to happen automatically. We have to use the European stability mechanism to recapitalize banks where necessary, but, of course, there has to be a protocol of agreement so that all the conditions are met, and banks would have to be, under control of the European authority. As far as we are concerned, it is a priority condition. It is important that European surveillance is set up and there is confidence in the Europeanisation of the market - as opposed to the fragmentation we are experiencing. Therefore we stress the importance of the role of the ECB and we would also like maximum involvement of the non-euro zone Member States.

The Commission proposal provides cooperation agreement between Member States and the Commission. National authorities could also be involved in the surveillance mechanism. Member States are not yet committed, they are not necessarily in favour of something they have not created, in fact, with the government body of the ECB which will have the last word on this proposal. This is a proposal on which only 17 Member States of the eurozone have voted, so the Commission supported this. We will see how to give greater rights to the non-eurozone Member States to ensure that they are efficiently represented. The question is how far we can go to ensure equal treatment? If a State signs a reinforced cooperation agreement, then it becomes a Member State which participates in the system, but we can’t have two types of participant Member States: you are in or you are out, that’s how it seems to me.

We need to ensure that an overall package is produced to ensure that everybody in the supervisory body has the same weight. We can’t have some States more important than others and we cannot have a system which the body of the ECB will simply “rubber stamp”. It is important that we can have a kind of steering committee, which, would be crucial, because we have a Council with more than 25 members, and it’s difficult to make them agree; therefore a small steering committee would be a useful decision-making tool.

Regarding the question of responsibility, we know that there is a democratic deficit and we have to ensure that the accounting processes are more transparent. We know that the ECB has its own system for the transmission of information. But one of our pre-conditions related to supervision in the supervisory body: to have to report to the European Parliament. We don’t want to separate the budget authority, we want a budgetary authority under the ECB.

A final, important choice to be made: is that everything would have to be covered by a single supervisory machinery. There would be a single supervisory body, a single legal responsibility, which would be the ECB. With regard to national competencies they would be below the level of ECB and, of course, you can’t have the ECB control under 6 national banks so the national authorities would have to be involved. From our point of view, we said that for those banks, which are not the biggest banks, there would be cooperation with national authorities. And what is important for the European Parliament: one single final responsibility for the system - the European Central Bank. “

DEBATE



René VAN DER LINDEN MP (CDA, NL), Member of the CDA parliamentary group in the Dutch Eerste Kamer, said that non-euro Member States, especially those that would like to join the euro in the future, have to be involved in the decisions relating to Economic and Monetary Union. In his

view the actual proposal on the Economic and Monetary Union doesn't include a reference to democratic control. For the Dutch MP, British members are more closely and strongly involved in the process than the members of national Parliaments and Senates of the euro countries.» As far as it is not a clear institutional framework for all, I hope sincerely that it will bring forward the Eurogroup that will also be in Europe's interest, especially to have a new space to make progress in Europe without being blocked by one or two other MS.



Nicola FORMICHELLA MP (PdL, IT), Spokesperson for the PdL and member of the Committee on EU Affairs in the Italian Chamber of Deputies, considered that, given that austerity policies have very limited room for manoeuvre, growth and competitiveness should be the real targets.

However, the challenge is to find a harmonious way to combine budgetary cuts with measures which target growth and competitiveness.



Peter ÖSTMAN MP (KD, FI), Chairman of the Christian Democratic Parliamentary group in the Finnish Parliament, recalled that Sweden hasn't been involved in the Working Group on the Financial Transaction Tax, inquiring on the means to oppose such a tax.

He underlined that we have to change the attitude of those who think that Europe is the problem. «Alone we are nothing, together we are strong». He continued by explaining that the Spanish government had made many reforms: implementation of the new labour market, a major financial reform, budget reforms, services market, education system. «It is our intention to confirm that Spain will implement the reforms, but Europe needs more integration». Finally, he stated that there is a lack of coordination between the members of the national Parliaments and the European Parliament.



Michael IKRATH MP (ÖVP, AT), Vice-Coordinator of the Committee on Financial Affairs of the Austrian Nationalrat, talked about a “two-speed Europe” and separated zones. He reckoned that the economic crisis is a crisis of budget and a crisis of growth for the Member States and will, in future, be governed

by the effect of the banking union, which is a more effective form of financial control for our economies.



Jean BIZET MP (UMP, FR), Vice-president of the Committee on European Affairs in the French Senate, believes that if Europe wants to have a strong economy and a monetary union which is based on the foundation of the political union then, it should support the idea that countries which are willing

to engage in structural reforms will receive financial support for this purpose.



Rubén MORENO PALANQUES MP (PP, ES), Spokesman of the Joint Committee for the European Union in the Spanish Congress, stressed that among the four pillars of the European Monetary Union framework, “democratic legitimacy and accountability” has become weaker and weaker over time. He

said there was a sizeable gap between the decision-making process at Council level (which has lately gained more political powers) and the implementation of the resulting decisions.



Corien WORTMANN-KOOL MEP (EPP, NL), EPP Group Vice-Chairwoman responsible for the Working Group on the Economy and Environment, added that the European Parliament would like to see strong balances and a capital requiring system in force as soon as possible. “We don’t

want to split Europe into two zones, eurozone and non-eurozone. We want a special lending regime for SMEs, and a special requirement regime in place. We are now negotiating with the Council to get this. It is better to take our time and have a good system”, she added.



Concluding the debate **Anders BORG**, Swedish Minister of Finance, said that when it comes to the trade-off between growth and austerity, this constitutes a real challenge. However, the main role of the EPP political family is to continue to combine a dynamic market economy with social responsibility.

Under these circumstances, growth is expected to come from entrepreneurship, innovation and a more flexible labour market.



Janusz LEWANDOWSKI, European Commissioner for Financial Programming and Budget, referring to the Financial Transaction Tax, said that by taking into consideration past experiences and operating certain improvements, such a tax would prevent increased expenditure from

national budgets. It would also help reduce the national contributions to the EU budget.

SECOND SESSION:

WHAT IS THE FUTURE ROLE FOR THE NATIONAL PARLIAMENTS?

ANNA KINBERG BATRA MP, Chair of Moderaterna Parliamentary group

Anna KINBERG BATRA MP (M, SE), Chair of Moderaterna Parliamentary group, Sweden, agreed on the importance of the events such as the Summit and the Networks. She went on to remark on three points of danger regarding the crisis: Too many new regulations affecting Member States on banking issues, too strong centralisation and a lack of communication with citizens and a lack of understanding by citizens, of the European project. In addition to that, she mentioned five areas of possible construction for cooperation with national Parliaments: use of budgets with responsibility, combining austerity and growth, accountability for governments; transparency. She also mentioned the Lisbon Treaty provisions for subsidiarity check and finally, cooperation based on network meetings with politicians of different Member States and the European scene.



Anna KINBERG BATRA MP, Chair of Moderaterna Parliamentary group



l-r: Rubén MORENO PALANQUES MP, Speaker of the Partido Popular in the Spanish Congress; Anna KINBERG BATRA MP, Chair of Moderaterna Parliamentary group, Sweden; Iñigo MENDEZ DE VIGO, State Secretary for European Affairs (Spain), former Chairman of the European Parliament delegation to the Convention; Beatrice SCARASCIA MUGNOZZA, Head of the EPP Group Service in charge with Relations with National Parliaments; Paulo RANGEL MEP, Vice-President of the EPP Group responsible for Relations with National Parliaments; Tasos MITSOPOULOS MP, Spokesman of the “Democratic Rally Party”, Cyprus; Miguel SEABRA, EPP Group Adviser; and Rafal TRZASKOWSKI MEP, Member of the Committee on Constitutional Affairs.

RUBÉN MORENO PALANQUES MP, **Spokesman of the Joint Committee for the European Union in the** **Spanish Congreso**



Rubén MORENO PALANQUES MP, Spokesman of the Joint Committee for the European Union in the Spanish Congreso

Rubén MORENO PALANQUES MP (PP, ES), Spokesman of the Joint Committee for the European Union in the Spanish Congreso, stated that it is very important to increase the cooperation with the national Parliaments and stressed that they have a significant role, as the so called: “third co-legislators”. “National Parliaments contribute in a constructive way by using the co-responsibility within the European Union when dealing with the crisis by adding or decreasing legitimacy”, he added.

PETER MICHAEL IKRATH MP, **Vice Coordinator of the Committee on Financial Affairs of the Austrian** **Nationalrat**



Peter Michael IKRATH MP, Vice Coordinator of the Committee on Financial Affairs of the Austrian Nationalrat

Michael IKRATH MP (ÖVP, AT), Vice-Coordinator of the Committee on Financial Affairs of the Austrian Nationalrat insisted that there is a gap between Europe and its citizens because they do not understand all the new concepts that European politicians are discussing and underlined his concern about youth unemployment in Europe: “we need growth, employment and financing for SME’s!” he said. Moreover, he stressed that “we need to strengthen the Parliamentary system at EU and national level, extending co-decision power for the European Parliament when it comes to European legislation and national Parliaments must be emancipated from their national Governments”.

IÑIGO MENDEZ DE VIGO, **State Secretary for European Affairs (Spain)**

Iñigo MENDEZ de VIGO, State Secretary for European Affairs (Spain), former Chairman of the European Parliament's delegation to the Convention, emphasised the importance of the role of national Parliaments since the Lisbon Treaty and commented on the recent activation of the early warning system with the Monti II subsidiarity check, the so called "yellow card" and withdrawal of the report from the European Commission. He moved on to comment on the Van Rompuy report, mainly on one of its four pillars which focuses on political Union, "Democratic legitimacy and accountability" and insisted that it is the less developed pillar and that there is still work to do. He suggested the creation of an "Assembly of European Citizens" which would gather representatives of the national Parliaments, the European Parliament and the Committee of the Regions, which would not have a legislative function and would allow national and European parliamentarians to give their views. "It could consist of a bi-annual meeting, where the President of the Commission or the President of the Council, could bring forward for discussion, for example, the program of the European Commission, and hear views from MEPs and MPs".



Iñigo MENDEZ de VIGO, State Secretary for European Affairs (Spain)

RAFAŁ TRZASKOWSKI MEP, **EPP Group Coordinator on Constitutional Affairs**

Rafał TRZASKOWSKI MEP (EPP, PL), EPP Group Coordinator on Constitutional Affairs stated that in order to strengthen the legitimacy of the process we need more cooperation between national and European Parliaments. He stated that we need to use the tools established in article 13 of the Fiscal Pack to reinforce our views on many different subjects such as: the Budget and the European Semester. To conclude, he pointed to the increase of dialogue and engagement from national Parliaments since the introduction of the subsidiarity check through reasoned opinions and contributions.



Rafał TRZASKOWSKI MEP, EPP Group Coordinator on Constitutional Affairs

THIRD SESSION:

PRESENTATIONS OF THE ACTIVITIES FOR THE FINAL MONTHS OF THE CYPRUS PRESIDENCY AND THE FORTHCOMING IRISH PRESIDENCY

TASOS MITSOPOULOS MP, Spokesman for the “Democratic Rally Party”, Cyprus

Tasos MITSOPOULOS MP (DISY, CY), Spokesman for the “Democratic Rally Party”, outlined the progress achieved by his country’s Presidency on different European dossiers.

“The presidency of the Council of the EU is not suitable for promoting national goals and issues. The rotating Presidency must be constantly neutral and unbiased aiming for the promotion of general EU policies and goals. Trying to impose national issues on the EU agenda while conducting the Presidency always backfires. That was the general approach of Cyprus during its rotating Presidency.

On the other hand, Cyprus is a relatively new Member State and a small country with limited professional staff. So in order to pursue an efficient Presidency, skilled personnel was hired from the private sector and at the same time additional support was given from the European Commission and from other EU members, which are provided us with diplomats and other professional technocrats for the Presidency.

The Cyprus Presidency ends in a few weeks. It is being marked of course by the on-going crisis in euro area and an intensified dialogue on Union’s future.

During the Presidency, Cyprus remained committed from the first day to doing its utmost to promote growth-oriented measures that will enhance investment, competitiveness and create job opportunities, as referred to in the Compact for Growth and Jobs, on the basis of the June European Council conclusions, in full harmony with fiscal consolidation and stability.

As with all Presidencies, we allowed for flexibility to adjust our priorities according to current political and economic developments; for example, after the con-



Tasos MITSOPOULOS MP, Spokesman for the “Democratic Rally Party”, Cyprus

clusion of the June European Council with a decision for a stronger Economic and Monetary Union (EMU) and also the Compact for Growth and Jobs; the Presidency focused on both of these priorities.

The EMU is undisputedly the top priority of the Union, as it is imperative to restore growth and sound public finances and this is why the agenda of the Council in the following weeks is unprecedentedly heavy in relation to the EMU.

On 13 and 14 December, the European Council will discuss the necessary steps for the completion of the EMU, following the interim report that the President of the European Council submitted to the Heads of States and Governments at the October Summit.

Last week, the Commission also presented a “blueprint” for a deep and genuine economic and monetary union that identifies how to move towards a deep and

genuine EMU that can deliver lasting financial stability, economic prosperity and social welfare. The Blueprint also identifies what remains to be done to achieve a true banking, fiscal and economic union.

The Presidency's goal is to reach an agreement on the proposals for a Single Supervisory Mechanism, a step closer to a banking union. It is also a reply to the need of direct recapitalization of banks. Once this is established, the next step will be to create a common resolution authority so as to safeguard swift decision-making.

In terms of economic governance, the Cyprus Presidency attached great importance on reaching an agreement in December on the pending proposals for enhancing economic governance, the 'two-pack'. These proposals will complement the framework for stronger economic governance. Unfortunately it seems that reaching an agreement will be impossible within the frame of the Cyprus Presidency.

Let me now refer briefly on what was inevitably the Presidency's top priority: the negotiations on the Multiannual Financial Framework (MFF) for 2014-2020. Our Presidency undertook very intensive work: we worked as an honest broker in order to bring work to a level of maturity and facilitate the Extraordinary European Council in November.

We must acknowledge that an important step forward was indeed made in the last European Council. Heads of States and Governments had a frank and useful debate on the substance of the MFF. They exchanged views on how to strike the right balance between putting in place an MFF promoting growth and jobs while taking into consideration the need to have some degree of moderation in spending. This is an important question that merits a serious discussion and reflection at the highest political level.

Negotiations on the MFF are always tough; even in 2005, in times of growth, despite the hard work done by the Luxembourg Presidency, the deal was only sealed under the UK Presidency. Imagine how high the bar has been set, now that all Member States are

undertaking tough fiscal consolidation reforms; it has become even more difficult for Heads of States and Governments to agree.

The MFF is no longer in Cypriot hands, it will hopefully be concluded under the Irish Presidency and I hope this will take place early in 2013.

Enhancing the internal market and opening up trade further constitutes a key to growth, and was an important priority for the EU in 2012 (celebrating the 20th anniversary of the Single Market); this will also lead to promoting private investment which should be the main driver for growth.

Completion of the Single Market is the only way for SMEs and consumers to enjoy its' full benefits. It enhances Europe's competitiveness. The single European market, along with the eurozone, best illustrates the true meaning of EU economic integration and unity, and is certainly the most visible achievement of European integration for EU citizens. As a result, the Cyprus Presidency placed emphasis on the adoption of the remaining legislative proposals in the Single Market Act.

In this area, agreement has been reached on Unitary Patent, a major breakthrough after 35 years of negotiations. Also, only a few days ago a preliminary agreement was reached on the Trans-European Energy Infrastructure (pending an approval by COREPER). This agreement is very important since it lays down the rules for the timely development of energy networks in Europe, so as to secure energy supply in the Union, to promote energy efficiency and savings and the development of new and renewable forms of energy.

We are very close to an agreement with the Parliament on the access to venture capital, social entrepreneurship funds, and alternative and online dispute resolution. Priority is also given to the Accounting Directive with the aim to reach an agreement with the EP.

Progress has also been achieved on the Public Procurement package aiming for an agreement between Member States, as well as on the Posting of Workers,

Professional Qualifications and Energy Taxation Directives.

Moreover, the completion of the digital single market is crucial - to this end implementation of the Directive on the re-use of Public Service Information is imperative.

Other than the issues I have already mentioned, the Presidency has achieved significant progress and has completed a number of files in other areas, such as in the area of Justice and Home Affairs, and in particular with the Common European Asylum System (Dublin Regulation and Reception Conditions Directive).

Important also is the progress achieved on the EU's external trade policy. Only some days ago, the EU Trade Ministers agreed to officially start trade negotiations with Japan.

An important Cypriot initiative and a milestone for our Presidency was also the signing of the Limassol Declaration on the Integrated Maritime Policy, on October 8.

Last, but not least, the Cyprus Presidency, acknowledging that enlargement strengthens the Union as it extends the zone of stability and prosperity, has put the enlargement dossier high amongst our priorities. This commitment is demonstrated also by the fact that the Minister of Foreign Affairs has already visited most of the candidates and potential candidates (Serbia, Montenegro, FYROM), urging a redoubling of efforts. In line with the renewed EU consensus on enlargement, the further advancement of the European perspective overall of the Western Balkans, is an issue of paramount importance. All progress made will be examined at the meeting of the General Affairs Council, on 11 December.

Another important element of the Presidency was the parliamentary dimension. The House of Representatives hosted, to date, five parliamentary conferences in the framework of which the Presidents and the members of the Parliamentary Committees on Foreign Affairs, Finance, Agriculture, Environment, and Justice and Home Affairs, exchanged views on current European topics.

Even after the end of the Presidency, in early 2013, the House of Representatives, will host the Conference of the Speakers of the parliaments of the EU member states and the meeting of the Director Generals of the national Parliaments.

On 9 and 10 September, Cyprus hosted the inaugural meeting of the Inter-parliamentary Conference on the Common Foreign and Security Policy and on the Common Security and Defense Policy. During the meeting the delegations adopted the rules of proceedings of the newly established Conference on the basis of consensus.

Another important event was the 48th meeting of COSAC, which was held between 14 and 16 October. A full text of conclusions was adopted referring to the main European issues, the principles of subsidiarity and proportionality, the enhancement of inter-parliamentary cooperation, the economic governance, the reform of the EMU, the completion of the single market and other key issues.

I have tried very briefly to present you the main up-to-date achievements of the Cyprus Presidency's intensive work, which will continue at all levels in the remaining weeks of our Presidency. On this occasion we commit ourselves to working effectively and efficiently in spite of the fact that my party is currently in the opposition.

As a final note, let me remark that, as this crisis is becoming more political, the European project must be safeguarded; thus all our actions need to be aimed at restoring confidence in the EU both via the markets and via EU citizens; thus believing in a stronger and better Europe."

DARA MURPHY MP, Chairman Fine Gael Foreign Affairs Committee (Ireland)



Dara MURPHY MP, Chairman Fine Gael Foreign Affairs Committee (Ireland)

Dara MURPHY MP (FG, IE), Chairman of the Foreign Affairs Committee, highlighted the priorities of the upcoming Irish Presidency.

“This is Ireland’s 7th Presidency and the 40th anniversary of entry into the European Union. Although the EU is now more Brussels focussed, the Presidency can give a different emphasis every 6 months. With regard to our own economy – we hope to be the 1st country out of the Program in 2014. Employment is increasing and growth is steadily returning.

With respect to the significant issue of our debt, the commitment given by the Heads of Government in June, to break the link between sovereign debt and banking debt must be delivered quickly. Five years ago, our debt to GDP ratio was one of the lowest in Europe. Then the banking crisis hit. We must now minimise the cost of banking failure to our citizens. Ireland did not allow contagion to other European Banking Institutions.

There is an overlap in the Presidency with Cyprus’ continuity. The main emphasis in Ireland will be to get back to core principles of jobs and growth.

The Irish Program focuses on issues that affect citizens on a day-to-day basis. 2013 – is the European Year of the Citizen, never before have micro financial difficulties been mirrored by the Union as a whole. We are a small, open economy, dependant on growth. Our exports are umbilically linked to growth in Europe.

A significant part of Presidency will be about jobs mobility – 1.3 Million vacancies in the EU. We will be addressing the issue of jobs/employment on a European level. We are worried about the latest EU figures: 14% unemployed, 30% youth unemployment.

There are technical workers coming in from India to Ireland and consequently to the EU. We must address the fact that most young people leaving Ireland don’t go to Sweden or Finland etc.

Research, innovation and education will be a focus – the cycle of reduced expenditure. Pan European Patents and Research and 2020 Funding are absolutely vital.

We have a good relationship with the Americans – we could push the EU-USA Trade Agenda. The Single Market remains most important for European citizens – we have the tools from the Compacts and Stability Mechanism.

Our main focus will be to restore more positivity about the EU Project. We have many cultural events planned to show our citizens that Europe isn’t just about bureaucracy and to display the collective value in being European. We want to show Europe and also Ireland in a good light to Europe.

I hope many of you will take the opportunity to visit Ireland during our forthcoming Presidency.

DEBATE



During the debates, **Tasos MITSOPOULOS** MP (DISY, CY), Spokesman for the «Democratic Rally Party», explained that surveys in Cyprus show that people are tired with the European Union's lack of effectiveness in solving problems.



Dara MURPHY MP (FG, IE), Chairman, Fine Gael Foreign Affairs Committee of the Irish Parliament, stated that the difference between MEPs and national Parliamentarians is that the latter can connect directly with the people whereas citizens do not have the same access to European parliamentarians. "There is a medical analogy in Ireland which can be used in politics: a good health system must be provided closest to the patient".



Jean BIZET MP (UMP, FR), Vice-president of the Committee on European Affairs in the French Senate, underlined the fact that we need to work with democratic participation and be pragmatic, stating that it is important to communicate to citizens, the advantages of European own resources and the Single Market.



Rafał GRUPIŃSKI MP (PO, PL), Chairman of the Civic Platform Group in the Polish Sejm, spoke about "European fatigue" syndrome underlining that people are tired of waiting for a solution. Regarding the role of national Parliaments and governments, he questioned

how much their power should be increased and cautioned that if current solutions create a two speed Europe the cohesion of Europe may be in danger.



Antonio LÓPEZ-ISTÚRIZ WHITE MEP (EPP, ES), Secretary General of European Peoples Party, stated that he is very worried about the European elections in 2014: "We forecast that if there is a continued lack of responsibility, in one year's time, Europe may end up in the hands of radicals and non-European parties". Moreover, he added: "we will need to have a common candidate and a common European program, and we have to work together and participate in future events."



Kyriakos GERONTOPOULOS MP (ND, EL), Vice-Chairman of the Committee on European Affairs in the Hellenic Parliament, said that the EPP should act as an intermediate body, listening to the citizens and representing them better. Regarding the negotiations on the future European budget, he insisted "the citizens cannot understand what's happening and are getting confused with the process".



Concluding **Iñigo MENDEZ DE VIGO** (PP, ES), State Secretary for European Affairs, believes that when there are restrictive budgets in national Parliaments, then we need an expansive budget in Europe, because EU policies can give more added-value. The Spanish minister said that "we are lacking a new European narrative which will develop the European way of life based on respect, solidarity and European values".

EVENING EVENT

Guest speaker :
Alain Lamassoure MEP,
Chair of the Committee on Budgets

ALAIN LAMASSOURE MEP, Chair of the Committee on Budgets

Alain LAMASSOURE MEP (EPP, FR) Chair of the Committee on Budgets made a presentation on the settlement of a long-term European budget.

“All national budgets are in a critical state. Twenty-one of the 27 Member States are under excessive deficit procedures. Half a dozen have received bilateral loans from their partners or new European funds. Half of the Member States are in recession and the short-term forecasts for the others are worrying. More than two thirds of our countries have serious competitiveness problems.

Our political family agrees on a fundamental point: it is by working together, within the framework of the Union that we must emerge from the crisis, and emerge from it stronger than before. That means that we must make every effort to come up with a model of solidarity at European level.

Solidarity must no longer mean taxing more and spending more. It means spending better.

There are four keys to achieving this:

I - Making better use of our small European budget.

Its shortcomings are not those generally cited in our national debates. It is increasing not more, but less, than the national budgets. In fact, as a proportion of GDP, it has actually decreased by a quarter in the last 20 years. Our administrative costs are the lowest in the world (less than 6 %): the rest is used for investment and economic measures to support our businesses, our farmers, our local bodies and our researchers. At EUR 130 billion, it accounts for one twentieth of the national budgets and one fortieth of all public spending. It costs every European citizen just 73 cents per day. Nevertheless, it has three flaws:



Alain LAMASSOURE MEP, Chair of the Committee on Budgets

Its structure: designed to meet the needs of the 1990s, is very poorly adapted to the competitiveness goals of the Europe 2020 agenda.

Its financing: For the first 30 years, it was based on own resources, i.e. taxes allocated directly to the European budget. That was still the case when Mrs Thatcher was in power. Today it depends entirely on contributions from the national budgets. Given their current state, it has become impossible to finance European programmes. Moreover, if the governments both pay out and receive the money, what is the point of the common budget?

The lack of satisfactory democratic control: no-one really debates its revenue, neither in the European Parliament, nor in the national Parliaments.

II - Tackling financial solidarity – loans, debt relief – and budgetary solidarity together.

It is the combination of both that is helping Greece, Ireland and Portugal as well as Latvia, Hungary and Romania.

It is also the combination of both that is hitting the taxpayers. The two agreements last week, the agreement to reduce Greece's debt and the draft agreement on the 2013 budget, each cost French taxpayers the same sum – EUR 600 million – in the name of European solidarity. Nobody in France is aware of that.

The Commission has presented a 'central euro area budget'. We must be careful to avoid two risks:

- aid being divided between funds governed by different rules and procedures, which would make it difficult to ensure information for citizens and parliamentary control.
- Europe being divided in two. Gone are the days when we might have thought that the countries in the euro area should be at the forefront of new European integration initiatives. In three or four years, everyone will be part of the euro, except for one or two countries which are able to opt-out. Instead of working with 17 'plus', it will be 27 'minus'. That is what happened with the budget treaty.

III - Making the most of the savings in the national budgets achieved by pooling resources.

If we apply the principle of subsidiarity correctly, the competences and resources that we now have at European level should lead to an equivalent reduction in national spending. If the 27 Member States pool their resources, the EU budget is the natural receptacle. We can also combine the resources of certain Member States, without involving the European budget. Above all, we have to understand that now money is scarce, we need to use it better.

Take the example of external relations. Our 27 countries have 3 164 embassies and consulates, employing

more than 93 000 staff at a cost of EUR 7.5 billion, while the US only employs 28 000 staff. Are the 3 700 employees of the EEAS going to be added to the existing numbers or is the European Service, the 27 national diplomatic and consular services, going to be replaced bit by bit, over a long period of time?

When we establish a European Food Safety Agency, what is the point of retaining the national agencies with equivalent means, which lay down their own quality criteria, divide the single market and push up the overall administrative costs?

When it comes to large-scale investments, Community financing has enabled Europe to establish its own GPS, the Galileo programme's cluster of 30 satellites, preventing France, Germany and the United Kingdom from engaging in costly competition that would have resulted in needless duplication, which they did so well, or so badly, for combat fighter aircraft. Defence is indeed a typical area in which it is now essential to pool our resources if we want to maintain, or improve the security of our continent and reduce our military spending.

IV - Giving priority to the methods, procedures and institutions that bring us together instead of those that divide us.

Few people are aware of this, yet it is a fundamental point and one to which our EPP family must pay particular attention. It is one of the great lessons of European integration and it is why we deserved to win the Nobel Peace Prize. Reconciliation among peoples obviously requires strong political will and it needs visionaries such as our 'founding fathers'. Experience has shown, however, that there are also methods, procedures and institutions that, by their very nature, can bring people together or, on the contrary, lead to division and confrontation.

For example, if EU decisions are taken only in the European Council or in the Council of Ministers, with a single representative per country, the system very quickly leads to confrontation. If France loses an important vote, it is an accident. If it loses two, the op-

position becomes restless. If it loses three in quick succession, it is a national humiliation. However, if the decision also requires a majority in a parliament, in this case the European Parliament, political differences can diffuse the situation and even bridge national divides. Some French MEPs vote for, some vote against, and others abstain. The final result is the victory of a political majority and the defeat of a political minority; and we have moved beyond an approach based on national conflicts.

The same applies to the financing of the budget. Financing the European family's common budget from the national budgets is like organising a dangerous confrontation between two types of countries: net contributors, on the one hand, and net beneficiaries, on the other. Unfortunately, that is the approach used for financial solidarity under the EFSF and the ESM. If it is a temporary situation, then so be it. If it is to last for 10 or 15 years, however, it will rapidly become intolerable for the taxpayers in the donor countries and humiliating for the citizens of the countries receiving the aid. The displays of hatred towards Angela Merkel on her courageous trips to certain southern capitals and the insulting statements heard in northern Europe about certain southern partners show that we have reached the absolute limit of what is acceptable. Designed hitherto, as a wonderful instrument to reconcile the people, the Union risks becoming an infernal mechanism that pits them against one another once more.

That is why, over and above the question of the banker of last resort, we have to ask the following question: in the solidarity model that we are designing at European level, who is the taxpayer of last resort? We also have to start reflecting together on the question that will immediately follow: when ensuring that the national budget policies are compatible with one another, and with the Community budget, who is to be the decision-maker of last resort? The answer clearly lies with our parliaments. Here, however, everything remains to be decided.

SUMMIT DECLARATION

The Chairmen of the EPP Parliamentary Group in the European Union adopted a declaration of commitment to the reforms process, which aims to promote growth, create jobs and increase the competitiveness of the EU economy

17th SUMMIT DECLARATION BRUSSELS, 3-4 DECEMBER 2012

We, the Chairmen of the EPP Group are committed to the reforms process which aims to promote growth, create jobs and increase the competitiveness of the EU economy.

We, the Chairmen of the EPP Parliamentary Group in the European Union, are concerned about the difficult situation of many European families and citizens due to the current crisis. However, they are aware that in order to put the EU firmly on the right track to financial stability and economic recovery, cosmetic touches are not sufficient.

We believe that the Economic and Monetary Union (EMU) should be based on the guiding principles of the European Union as laid down in the Treaties. It must support the social market economy by promoting sustainable growth, competitiveness, employment, and by safeguarding the European social model. Furthermore, we underline that our vision for a stable and prosperous EMU is based on the four essential building blocks of the Van Rompuy Report:

- An integrated financial framework to ensure financial stability particularly in the euro area and to minimise the cost of bank failures to European citizens.
- An integrated budgetary framework to ensure sound fiscal policy making at national and European levels, encompassing coordination, joint decision-making and greater enforcement.
- An integrated economic policy framework which has sufficient mechanisms to ensure that national and European policies are in place promote sustainable growth, employment and competitiveness, and are compatible with the smooth functioning of EMU.
- Ensuring the necessary democratic legitimacy and accountability of decision-making within the EMU, based on the joint exercise of sovereignty for common policies and solidarity.

We, the Chairmen of the EPP Group want to appeal to all leaders of the 27 Member States to conclude an agreement on the European budget which must reflect the needs of the European economy, increasing our competitiveness while preserving social cohesion.

We also want to appeal to all European institutions, to advance on the negotiations of key dossiers (European Banking Union and European Governance Framework “Two Pack”) which are an important part of the European response to this crisis.

We, the Chairmen of the EPP Group in the European Union agree that the European Parliament is a fundamental institution to guarantee the democratic legitimacy of the European Economic Governance Framework and are convinced that national policies must fully reflect the realities of being in a monetary union maintaining an appropriate level of competitiveness, coordination and convergence to ensure sustainable growth without large imbalances.

Regarding the future role of national Parliaments we, the Chairmen of the EPP Group, take note of the provisions of Article 13 of the Treaty on the Stability, Coordination and Governance in the Economic Monetary Union and reiterate that cooperation between the national Parliaments and the European Parliament play an important role in the process of economic coordination, budget decisions and governance in the EU.

In relation to the Inter-Parliamentary Conference for the Common Foreign and Security Policy and the Common Security and Defence Policy, which was held in Paphos, on 9-10 September 2012, we, the Chairmen of the EPP Group, take the view that enhanced dialogue and exchange of information contribute to strengthening the parliamentary and democratic dimension of the Union, by ensuring more transparency and efficiency in the legislative process.

Additionally, we welcome the initiative of the President of the European Parliament, for organizing the first edition of the parliamentary week on the European Semester which will take place in Brussels from 28 - 30 January.

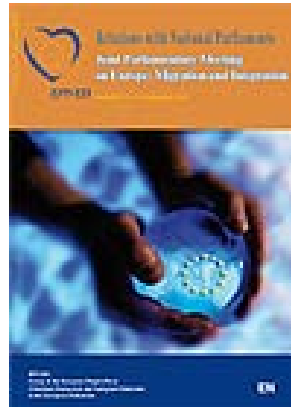
Latest internal publications

“National Parliaments” Series

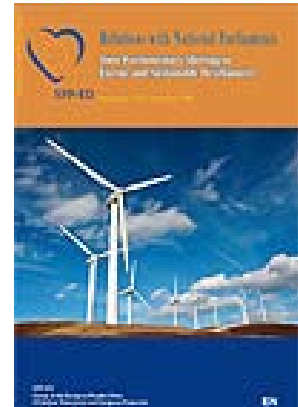
EPP Group in the European Parliament



11th Summit of Chairmen of EPP-ED Parliamentary Groups in the National Parliaments in the EU (16-17 November 2008)
March 2010/ EN, FR



Joint Parliamentary Meeting on Europe: Migration and Integration (10-11 September 2008)
June 2009/ EN, FR



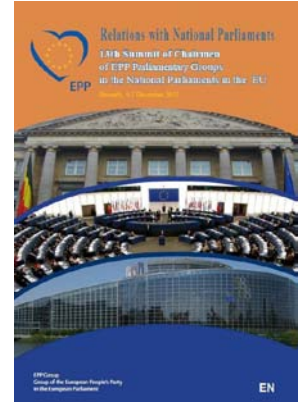
Joint Parliamentary Meeting on Energy and Sustainable Development (20-21 November 2008)
June 2009/ EN, FR



Joint Parliamentary Meeting on A New Deal for European Economic Recovery? (16-17 February 2009)
June 2009/ EN, FR



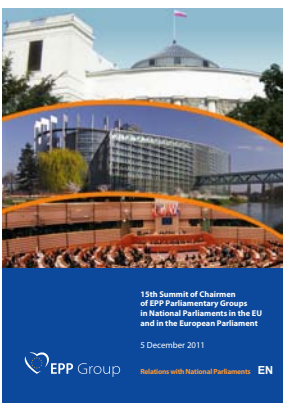
12th Summit of Chairmen of EPP Parliamentary Groups in the National Parliaments in the EU (10-11 May 2010)
November 2010/ EN



13th Summit of Chairmen of EPP Parliamentary Groups in the National Parliaments in the EU (6-7 December 2010)
January 2011/ EN, FR



14th Summit of Chairmen of EPP Parliamentary Groups in the National Parliaments in the EU (27-28 June 2011)
December 2011/ EN, FR



15th Summit of Chairmen of EPP Parliamentary Groups in the National Parliaments in the EU (5 December 2011)
May 2012/ EN, FR



16th Summit of Chairmen of EPP Parliamentary Groups in the National Parliaments in the EU and in the EP (4-5 June 2012)
December 2012/ EN, FR

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EPP Group
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EPP Group Relations with National Parliaments
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EPP Group Relations with National Parliaments
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Joint Parliamentary Meeting
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Relations with National Parliaments
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November 2011

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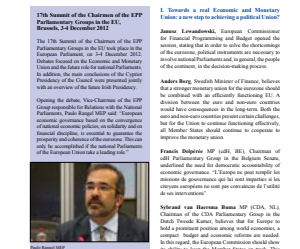
12th Summit of Chairmen of EPP National Parliaments
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The 12th Network Meeting of EPP National Parliaments
The 12th Network Meeting of EPP National Parliaments took place in Brussels on 10 November 2011. The meeting was attended by the Chairmen of the EPP National Parliaments from 12 different countries.



17th Summit of the Chairmen of the EPP National Parliaments
The 17th Summit of the Chairmen of the EPP National Parliaments took place in Brussels on 10 November 2011. The summit was attended by the Chairmen of the EPP National Parliaments from 17 different countries.





EPP Group

in the European Parliament

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