

**48TH CONFERENCE OF THE PARLIAMENTARY COMMITTEES FOR
UNION AFFAIRS OF MEMBERS OF THE EUROPEAN UNION (COSAC)**

Speech of Deputy Minister for European Affairs

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I am very happy to be here among you at the 48th COSAC meeting, in the framework of the Cyprus Presidency of the Council of the European Union, in the second half of 2012.

The upgraded role of the national parliaments in the EU, as this has evolved after the Lisbon Treaty, involves increased inter-parliamentary cooperation which enables the regular exchange of information, best practices, and views on EU matters among the European Affairs Committees. As the Cyprus Presidency, we applaud and encourage this. COSAC has an important role to play as a forum for the exchange of views on EU policy issues.

The Cyprus Presidency supports the enhanced role both of the European Parliament and of national parliaments. We are already in constant dialogue with the EP, and this is bearing fruit with regard to the achievement of the goals of the Cyprus Presidency. We also consider that the regular exchange of views between the national parliaments and the Council is more important than ever before.

The Lisbon Treaty has led to a further 'parliamentarisation' of political developments within the EU and the strengthening of inter-parliamentary dialogue. Cooperation and coordination between national parliamentarians and members of the EP leads to a more effective formulation of the European legislative agenda, in the wake of developments, including the introduction of the European citizens' initiative.

By enhancing the competencies of the EP and the powers of the national parliaments,

the new provisions of the Lisbon Treaty have contributed to the strengthening of democratic legitimacy of the EU and have led to the statutory participation of national parliaments in the EU decision-making process.

Another very important and topical issue is the enhancement of democratic accountability and political participation, as stated in last June's Report *Towards Economic and Monetary Union*. In the on-going discussions on the completion of EMU, it is important to secure the close participation of both the EP and national parliaments, always in the framework of the Community Method. Indeed, as the Union moves towards more unified economic, fiscal and structural policies, powerful mechanisms are required in order to legitimise the decisions made and to secure the necessary democratic accountability and political participation.

In its discussion paper on the EMU, the EP underlined that national parliaments must retain full responsibility for their national budgets within the limits of the EU fiscal framework. That is why it is important that the country-specific recommendations approved in the framework of the European Semester are being discussed both by the EP and the national parliaments.

Honourable parliamentarians,

Cyprus has undertaken the Presidency at a historically critical period for the future of Europe, resulting from the crisis in the Eurozone which has led many to question the entire European institutional edifice.

It is precisely for this reason and in admittedly difficult circumstances that we are committed until the end of this semester to work towards a Better Europe, a Union closer to its citizens and the world, with emphasis on social cohesion and the principle of solidarity.

Despite the uncertainties linked to the current crisis, one thing is now clearer than ever before: Europe can go forward only if its citizens participate. Europe must move closer

and closer to its citizens and the citizens must move closer to Europe; they must make Europe their own, a hospitable space of their own, a space for the expression of the democratic ritual.

Political participation in European affairs is essential at all levels, local, regional, national, and European. At the European level, the most important manifestation of political participation is the election for the European Parliament. We must therefore make sure that the EP election in 2014 will mobilise European participation to an unprecedented extent.

In order to facilitate the achievement of this aim, the EU Council, in cooperation with the European Parliament, is looking into the possibility of moving the EP elections from the scheduled date of 8 June. That date being a holiday in most member states, there might be reduced citizen participation in the elections. It is important to secure all the conditions that will facilitate the greatest possible participation, and thereby further strengthen the democratic legitimisation of the result.

In addition, in order to strengthen this Europe-wide dialogue, a suggestion was made which has been adopted by the President of the Commission, Jose Manuel Barroso in his State of the Union speech before the EP last month, regarding presentations to be made by the European political groups of their candidates for the position of President of the Commission in the framework of the EP elections.

It is important at this point to say that with a view to ensuring transparency and in order to make the European political parties, which represent the citizens of Europe, European legal entities, the Cyprus Presidency has taken seriously into consideration the proposal of the Commission which was submitted last month, in connection with the statutes and funding of European political parties and European political foundations, and which aims at reinforcing the promotion, recognition, effectiveness, transparency and accountability of the European political parties and foundations

linked to them. So far, two meetings have already taken place at the level of the Council working group.

The Cyprus Presidency has tried to set realistic and achievable goals. In early July, at our previous meeting with the COSAC Chairpersons, I presented the goals of the Cyprus Presidency. Today I will attempt to give a short overview of the first months and what we expect to achieve by the end of the year.

The main items on the agenda of the Cyprus Presidency have been dictated by current developments in the EU, including the completion of negotiations for the new Multi-Annual Financial Framework, the completion of the Common European Asylum System, Economic Governance, Banking Union, the 2013 Budget, and the Single Market Act.

One of the most important goals of the Cyprus Presidency is the **completion of negotiations for the Multiannual Financial Framework** by the end of 2012. The aim is for a budget which will support development, employment, competitiveness, and convergence, in conjunction with the Europe 2020 Strategy, as requested also by the European Council in June. The Cyprus Presidency is working intensively to ensure that this goal is achieved. In September, the Cyprus Presidency issued a revised negotiating framework which has already been discussed at the General Affairs Council, while a new revised negotiating framework will follow by the end of October, in view of the Extraordinary European Council on 22-23 November, possibly with a narrow price range and/or specific figures where possible, and if deemed useful.

In addition, in the week beginning 5 November, the Office of the President of the European Council will hold bilateral meetings with all member states aiming to achieve the greatest possible convergence of views. The goal is to achieve agreement at the Extraordinary European Council on 22-23 November.

Also extremely important for the Cyprus Presidency is **the completion of the Common European Asylum System** by the end of 2012. This will strengthen practical cooperation among member states, based on solidarity and burden sharing, for the protection of the rights of those in need of international protection, with the aim of creating a safe space for all citizens in full accordance with universal values.

We have already achieved agreement with the EP on the Directive laying down standards for the reception of asylum seekers Conditions and the Dublin Regulation on the substantive part of the Regulation (the comitology issues are pending), while we are working at full speed to complete negotiations with the EP on the Directive on procedures for examining applications and for the Eurodac regulation.

With regard to Schengen Governance, thanks to the coordinated efforts and understanding between the President of the EP, Mr Martin Schulz and the constructive position of the Conference of political groups on the one hand, and the Cyprus Presidency and the Council on the other, it was possible to continue the negotiations between the European Parliament and the Council, in the framework of the usual legislative process. More specifically, following a decision by the President's Conference in September, the examination is continuing of the 5 files related to border issues, the work on which had been suspended, and the first trilogue has already taken place on the Schengen Borders Code.

Of crucial importance also are the issues of Economic Governance. More specifically, the Cyprus Presidency gives priority to the work on the **two pack** which is aimed at an enhanced supervision of the economy and the budget of the Eurozone member states, which currently face, or are threatened by serious difficulties, and closer control and evaluation of the draft budgets. The Cyprus Presidency is continuing the dialogues with the EP, aiming to achieve agreement on these important proposals by the end of 2012, pursuant to the wishes of the European Council.

Another major chapter is the **Banking Union**. The June European Council determined that in order to tackle the current crisis and the need to 'break the vicious circle of the banks and public debt', the further integration of the financial sector is essential. Consequently, there is a need for real economic and monetary union based on four pillars: banking union, economic union and political union on the basis of democratic legitimacy and accountability. The Commission has already announced the package of proposals for the Single Supervisory Mechanism on 12 September.

In the framework of the Cyprus Presidency, the first meetings of the ad hoc working group have already taken place to discuss these proposals.

The aim of the Cyprus Presidency is to adhere to the strict time frame set by the European Council for achieving agreement on the Single Supervisory Mechanism by the end of 2012, as well as securing the quality of the legislation, since these issues are both complex and very important. It is noted that the discussion on the proposals on the Single Supervisory Mechanism is directly linked to the proposals on the Deposit Guarantee Schemes, and the proposal for establishing a framework for the recovery and consolidation of credit institutions and investment firms (Bank Recovery and Resolution) which the Cyprus Presidency is promoting with the aim of achieving agreement. It must of course be noted that there are a number of challenges to overcome in the effort to achieve these goals. These are the result of the different approaches of the Member States, particularly those outside the Eurozone.

Another important priority is to achieve substantial progress in the legislative proposals contained in the **Single Market Act**. Europe must urgently take steps to improve living conditions and create more jobs. For this reason, the Commission proposed a series of measures aimed at boosting the European economy and creating employment on the 20th anniversary of its establishment. In October 2012, the Commission proposed a second package of actions (Single Market Act II) for the further development of the Single Market and the utilisation of its unused work force as a lever for development.

The target set by the European Council relates to the adoption of the proposals by the end of 2012. One proposal was closed during the Danish Presidency, while in the Cyprus Presidency it is anticipated that 6 legislative proposals of the Single Market Act will be adopted, and for discussions another 5 are expected to continue during the Irish Presidency, either because of the EP time frame or because of the delayed submission of the proposal by the Commission or because of lack of progress in the deliberations owing to the complexity/sensitivity of the issue. In addition, 3 more proposals are connected to and depend on the Multiannual Financial Framework.

Another main priority of the Cyprus Presidency is the achievement of agreement with the EP on the **2013 Budget**. On 24 July, the General Affairs Council approved the position of the Council for the draft EU budget for 2013. The Cyprus Presidency will work towards the timely adoption of the 2013 budget, taking into account the need for balance between fiscal consolidation and the appropriate allocation of funds in policies contributing to development and job creation. The first triilogue has been scheduled for 17 October.

In closing, I would like to refer to a recent success in the context of the Cyprus Presidency: the adoption on 8 October of the Limassol Declaration on the EU Integrated Marine Policy. This was an important initiative built on the last Lisbon Declaration, and was embraced by President Barroso and President Christofias. It was approved during the Informal Meeting of Ministers which took place in Cyprus. It relates to an initiative of the Cyprus Presidency and is expected to be a milestone for the future policies and actions of the Union in the marine sector.

I have described to you the main priorities in brief. However, work is continuing intensively in all Working Groups as well as in the Committee of Permanent Representatives in order to complete many other acts of law, while some results are slowly and humbly emerging through the completion of certain sectoral proposals. Our aim is to work intensively to achieve the greatest possible number of results.

I would like to close my intervention with a message of optimism, underlining that a better Europe is possible – a democratic, ecological and social Europe. But this goal cannot be achieved without the common struggle of the peoples of Europe, beyond national boundaries and the narrow limits of the nation state. In other words, our hope for the future is a deep and genuine economic union which will draw legitimacy from its citizens and the organised European society.

The decision to award the Nobel Peace Prize to the EU has come at the most auspicious moment, at a crucial point in time, filled with shocks to the system, misleading and disorienting statements, doubt and uncertainty, to remind us of the quintessence of the European vision, the basic parameters of the European edifice, as conceived by the fathers and pioneers of the unifying process and integration: a plan for peace, security, prosperity, social cohesion, through unification, osmosis and solidarity. A system of values and ideals, a space of justice, a hospitable place for ideas, entrepreneurship, development, quality of life for people without exclusions, above all for the young. It reminds us precisely of the need to honour the contract of generations, which is an intrinsic part of the European idea, and to deliver to the new generation a better Europe which will always be part of the solution and never the problem, which will mean more to citizens and to the world, which will lead by example and broaden the lines of the horizon and of the capabilities of our anthropocentric society, through its constant osmosis and its open window on the world and global affairs.