

## XXXI COSAC – 19 May

### [European Constitutional Treaty.]

**Chairman:** I welcome all of you to the 31st meeting of COSAC. I realise the room is a little crowded. One of our difficulties is that this is the only facility we could find to host a meeting with 17 different languages using interpretation boxes. We ask for your forbearance in this matter. I am delighted to see such a great turnout for this, the first meeting of COSAC in the 25-member format.

The Irish Presidency occurs at the most significant moment in the recent history of the EU. The enlargement of the Union that took place on 1 May last, which was celebrated in this very building, means that for the first time ever, COSAC is attended by representatives of 25 national parliaments as well as the European Parliament, all participating as full members. It is my hope that the agenda proposed by the Presidency for this meeting will meet with the approval of members.

For this meeting the Presidency, in consultation with the Troika, has invited representatives from the Parliaments of Croatia, the Former Yugoslav Republic of Macedonia and the Ukraine to participate as special guests. It has also invited Mr. de Vries, counter-terrorism co-ordinator of the European Union. I welcome each of our guests to Dublin.

We have circulated the agenda and the programme for this meeting. Additional copies of COSAC documents are located on the document table outside the main entrance of the meeting hall. The agenda for the proceedings reflects the decisions made at the meetings of chairpersons on 19 February last. As the agenda is rather extensive, I have allocated short time slots to certain items of business, in particular Nos. 5, 6 and 7, the involvement of European regional legislative assemblies in COSAC, the language regime in COSAC meetings and the proposed amendment to the rules of procedure. I hope we will be in a position to make up some time from that allocated to other items. Therefore, in the event that any item concludes early, I propose to move directly to the next item on the agenda.

I do not wish at any stage to propose strict time limits on contributions; however, I ask members to try to keep their contributions to under four minutes. This is in accordance with Rule 11.4 of the rules of procedure and should allow as many contributions as members wish to make. For those seated at the back of the room without microphones, there are roving microphones which will be brought to you.

I welcome Deputy Brian Cowen, Minister for Foreign Affairs. I am grateful to the Minister on taking time out of his busy schedule to address members. As a representative of the Presidency of the Council, his responsibilities are onerous. He has been a frequent visitor to the Oireachtas Joint Committee on European Affairs, at which he has reported progress of his programme for the Presidency and briefed us on the General Affairs and External Relations Council in advance of Council meetings on a monthly basis. Before the conclusion of the Irish Presidency, there may be advances in the discussion on the constitutional treaty. On behalf of COSAC, I offer our best wishes to the Minister in this very important task.

I intend to call Mr. de Vries as the first speaker after the Minister, then to open the discussion to intervention, following which the Minister will respond. We need to finish this part of our discussion before 11.30 a.m.

**Minister for Foreign Affairs (Mr. Cowen):** I wish all the delegates a warm welcome to Dublin Castle this morning to the 31st COSAC plenary meeting. I am particularly pleased to address the first meeting of COSAC following the Union's enlargement, which we were delighted to host in Dublin earlier this month.

In many respects the enlargement of the European Union re-focused attention on what the European ideal is and what it stands for, and why the continued development of the

Union is critical to the future security and prosperity of the Continent. I cannot adequately describe the sense of genuine joy and palpable emotion felt in the Phoenix Park just under three weeks ago when our ten new partners were formally admitted to the European Union in what I felt everyone believed was an elegant and fitting ceremony. This truly was an historic moment in the history of the continent of Europe. Ten states and 75 million citizens joined a family of 15 other democracies to work together to build a better Union for all Europeans. In nine of these states the decision to join the Union was taken directly by the people in referenda. In choosing to join the European Union, these citizens expressed a vote of both trust and confidence in the Union, like millions of citizens, including my own compatriots, before them. As we in Ireland have discovered, this trust will not be misplaced.

All across our Continent millions of Europeans celebrated the enlargement together. In Ireland, ten major towns and cities welcomed one of the new member states and its citizens into the Union and during that weekend of celebrations citizens from very different lands celebrated together, forging friendships and building contacts.

All our citizens know that the foundations of peace and partnership on which the Union is built are the way forward for this Continent and that, like previous enlargements, this fifth enlargement of the European Union will equally benefit both new and old member states and the wider Union as a whole. Yet even as we move forward, the key challenge for all, at both Government and parliamentary levels, is to seek to re-engage our citizens in the debate on the European Union to focus on what we have achieved together and what we can achieve in the future in the longer term. We need to encourage all Europeans to express their views on the European Union and on their expectations as to how it evolves into the future.

The delegates, as directly elected parliamentarians, play a key front line role in meeting this challenge by assessing and reviewing the impact of draft EU legislation on the daily lives of their citizens, on business and on the future of their countries. Through the delegates, citizens have a direct say in defining European Union legislation and in shaping developments within the Union. Our own Oireachtas Joint Committee on European Affairs, expertly chaired by the conference Chairman, Deputy Gay Mitchell, is a testament to this fact. For example, at its last meeting the Sub-committee on European Scrutiny of the Joint Committee on European Affairs, responding to concerns expressed on a draft Commission proposal, invited representatives from Ireland's information technology sector to meet officials from the relevant Departments and parliamentarians to discuss the draft measure. As with all meetings of the committee, this discussion was held in public session and members of the public were free to attend. Such initiatives demonstrate to both citizens and business that they have a voice in the European Union, whether through national parliamentary committees or in the European Parliament itself.

I compliment the Sub-committee on European Scrutiny of the Oireachtas Joint Committee on European Affairs for its work in this regard. The committee was established less than two years ago and in that short time not only has coped efficiently with a heavy workload in terms of examining draft EU legislation, but also has acted as a watchdog for the citizens who need to be reassured that their national Parliament is indeed closely scrutinising developments in Brussels and the impact legislation may have on life here in Ireland.

The committee does not limit itself to examining draft EU legislation. Every month I, or one of my ministerial colleagues, brief the Oireachtas Joint Committee on European Affairs prior to General Affairs and External Relations Council meetings, affording members the opportunity to make their views directly known to Government on a range of issues. This demonstrates again that open, frank and public discussions on EU issues are not only possible but positive for all concerned, and proves to citizens that their views count, whether expressed through their representatives in national assemblies or the European Parliament. For this reason, it is imperative that citizens exercise their right

to vote in the elections to the European Parliament next month to shape how they wish the European Union to evolve over the coming years.

In October 2001, the Government also established an independent National Forum on Europe to promote greater public discussion and debate about Ireland's role in the European Union and in its future. The forum, under the chairmanship of Senator Maurice Hayes, has played a significant role in keeping the public informed about how the EU impacts on their lives. Meeting here in Dublin Castle in plenary session, travelling through all regions of Ireland to bring the debate to the local level and engaging young people through media and competitions, the forum has provided a valuable means to engage Irish people in the debate on Europe, offering a place for voices and views from all sides to be heard. As with the scrutiny procedures, this initiative demonstrates, once again, to non-governmental organisations and citizens that they can make their views known on policy and legislative developments in the European Union and that their opinions will be listened to.

Under the Europeans - Working Together theme, the Irish Presidency has also sought to bring the Union closer to its citizens by pursuing and promoting a range of policy and legislative initiatives aimed at creating a better Europe for all Europeans. For example, the Irish Presidency placed a particular emphasis on revitalising the Lisbon strategy to create a stronger and more robust European economy to build and focus on our greatest strength, that is, our own people. I firmly believe that the wide-ranging package of legislative proposals under the Lisbon strategy, many of which will be subject to review by the committees of the delegates, will if implemented have positive and tangible effects, not only for business but for the lives of all Europeans.

Our Presidency objectives of working closely together with partners in bringing the European Union closer to its citizens has also been reflected in our approach to the draft constitutional treaty. Since assuming the Presidency in January, we have worked intensively with the partners to make progress towards concluding the IGC and reaching agreement on a new treaty for the European Union, and we have sought to ensure that the remarkable work of the European convention and that of the previous Italian Presidency is built upon.

The convention succeeded in consolidating the existing treaties and in producing a draft constitutional treaty, which is written in language that is considerably more accessible and legible to citizens and which stands head and shoulders over those existing treaties in terms of simplicity and straightforwardness. The treaty was debated in a much more open and transparent way than any previous one and representatives of national assemblies and the European Parliament played an important role at the Convention on the Future of Europe in drafting and shaping it. This treaty is citizen-friendly and consolidates the democratic foundations of our Union. The treaty will help to demystify the European Union for many citizens, setting out clearly and coherently the common values and shared principles, to which we all can subscribe and which go to the heart of what the European is and what it is trying to achieve.

It is important to note that while a number of important amendments have been proposed to the draft, the essence of these key Articles has not been questioned in the IGC at any stage. The changes that will make decision-making in the Union more comprehensible through the substantial reduction in the number of different legal instruments are unchallenged. The constitutional treaty makes clear who is responsible for decision-making and in what areas.

The role of the European Parliament has been further enhanced and, with it, the democratic oversight of the Union itself. The charter of fundamental rights is also set to become an integral part of the treaty. National parliaments, in particular, have been given new powers. The proposal in the protocol on subsidiarity and proportionality to allow national parliaments to issue a yellow card, so to speak, to Commission proposals on the basis of a breach of the principle of subsidiarity, and to appeal on the same grounds through their member state governments is a major innovation. I understand the committee will continue discussions on this issue later this morning.

COSAC is also being encouraged to promote the exchange of best practice between national parliaments and the European Parliament, specifically to organise interparliamentary conferences on particular topics such as the Common Foreign and Security Policy or the security and defence policy. This proposal will greatly enhance the flow of information between EU institutions, including the European Parliament, the member state governments and national parliaments. Such innovations will ultimately lead to more public discussion about public policy and contribute to promoting greater and wider understanding about the EU, its policy orientation, legislative priorities and our shared objectives as Europeans.

There were issues of concern to all parties that needed discussion and resolution in the IGC. The Italian Presidency made significant progress on many of these issues and it was unfortunate it did not prove possible to conclude negotiations last December. A few issues remain outstanding but the commitment and renewed political will demonstrated by partners in the course of our consultations in the first half of our Presidency helped the spring European Council to conclude that the negotiations should be reconvened and that they should be concluded no later than the June European Council. Since then we have put in place a programme and a timetable aimed at fulfilling that mandate. Earlier this week we had a successful two-day meeting of Foreign Ministers and at the beginning of this month senior officials met in Dublin to try to resolve some of the less sensitive and complex non-institutional issues. We will have further meetings of Foreign Ministers next week and perhaps again but certainly on 14 June before the European Council on 17 and 18 June.

The Taoiseach's pre-European Council tour of capitals is well under way and he is discussing the issues of concern to each partner in the course of these meetings. The outstanding issues will be familiar to all members of the committee and I do not need to go into detail on them. Based on the earlier meeting of senior officials, and confirmed by our meeting at Foreign Minister level earlier this week, we are very close to a broad consensus on many of the non-institutional issues and hope that it will not be necessary for these to be raised again in detail. We also discussed several other more sensitive non-institutional issues such as the budgetary procedure, the common commercial policy, and the charter of fundamental rights on which progress was made. We also held a useful orientation debate on questions about the scope of qualified majority voting, and put forward a paper on the Commission to Foreign Ministers. In essence, we believe that we would retain one commissioner per member state until 2014 whereupon a move would be made to a smaller Commission on the basis of equal rotation. This proposal meets the twin principles of efficiency and legitimacy. While agreement on this issue will form part of an overall institutional package the initial reaction of partners was constructive. We have not made any specific proposals on the issue of voting weights in the Council and are continuing to discuss this issue with all of our partners. I am confident a solution that can ensure efficient and effective decision-making while addressing the concerns of member states can be found.

In response to the Taoiseach's letter to his colleagues on the European Council asking them to take a positive and focused approach in negotiations and to avoid raising issues not previously signalled, partners have been pragmatic and constructive. They are aware of the need for a balanced and fair outcome that respects the positions of all member states. There undoubtedly exists a strong political will among all partners to conclude the negotiations and finalise a constitutional treaty that will enable the enlarged Union to continue to function effectively and efficiently and to play a leading role on the world stage. As parliamentarians within governments those here will again be prominent in explaining the treaty and outlining its aims, objectives and implications to citizens. It is vital that we promote a strong dialogue and disseminate full and clear information on this treaty to our citizens to enable them to make an informed decision and express their views, either through those present or by voting in states where the treaty will be put to the people in a referendum.

Even at this stage the latest Eurobarometer findings indicate that most voters in the EU 15 support a constitution for the Union. By constantly focusing on the disagreements within the EU and the negatives, we tend to lose sight of the bigger picture. The EU is the world's largest trading bloc and EU membership has contributed to the prosperity of the Continent and every member state. Fundamentally the Union has ensured peace and security for its members for over half a century. The European Union works and the treaty will make it work even more efficiently and effectively.

I thank the committee for inviting me to address it and I wish it every success with the conference and in working even more closely together with COSAC to build a more open and transparent Europe for our citizens.

**Chairman:** Thank you very much, Minister. We have eight names of speakers so far. The first speaker will be Mr. De Vries, followed by Mr. Napolitano. Members are aware that the Declaration on Combating Terrorism made in Brussels on 25 March 2004, at paragraph 14, on the establishment of the position of a counter-terrorism co-ordinator, states:

The European Council emphasises that a comprehensive and strongly coordinated approach is required in response to the threat posed by terrorism.

The European Council accordingly agrees to the establishment of the position of a Counter-Terrorism Co-ordinator.

The co-ordinator, who will work within the Council Secretariat, will co-ordinate the work of the Council in combating terrorism and, with due regard to the responsibilities of the Commission, maintain an overview of all the instruments at the Union's disposal with a view to regular reporting to the Council and effective follow-up of Council decisions.

The European Council welcomes the decision of the Secretary General - High Representative Solana to appoint Mr. Gijs De Vries to the position of Counter-Terrorism Co-ordinator.

We are very privileged to have him here this morning.

**Mr. Gijs De Vries:** Thank you very much, Mr. Chairman. I am delighted to be here, first to follow in the footsteps of Mr. Cowen, the Irish Minister for Foreign Affairs. As a former member of the Dutch Government I know the weight of the responsibility that he carries on his shoulders in moving us towards a successful conclusion of the Intergovernmental Conference. I have full confidence in his powers of persuasion and I very much hope he will be successful, particularly when it comes to my responsibilities in making sure that my decision-making in the European Union becomes as effective as it can be with respect to legislation affecting counter-terrorism. It is essential that the European Union in this area can act swiftly and effectively and I believe that the proposals of the Convention will go a long way toward allowing the Union to act as such. I therefore very much hope Mr. Cowen will be successful in making sure these paragraphs will be endorsed by our member states.

I also thank the Presidency for inviting me here to discuss very briefly some points that fall within my current responsibilities. As a former member of my national parliament and as a former member of the European Parliament I am delighted to see here several former colleagues from both the old and the new member states and I very much hope that we will be partners in the fight to make Europe safer. Terrorism is an attack on the values of liberty, democracy, tolerance and the rule of law, values which are cherished by men and women the world over, regardless of nationality or religion. Terrorism denies the very values on which the European Union is founded, which are enshrined in our founding treaties and which have inspired the Universal Declaration of Human Rights. That is why there is no cause or reason that can justify terrorism.

Unfortunately terrorism is not a new phenomenon in Europe, as many of my colleagues know well. In Ireland, Spain and Britain alone, more than 5,000 lives have been lost to terrorism over the past 30 years. Our experience has taught us that the only way to

defeat terrorism is to confront it. As an all-out attack on the essence of a free society, terrorism requires an all-out response, which means we must do everything in our power to stop the terrorists and their supporters and put them in jail. It also means draining the swamps and transforming any environment that allows terrorists to fester and prosper.

Because terrorism is an all-out attack on our system, there is a temptation to believe that any measures can be used to fight this threat. I caution against that. In our combating of terrorism we must be careful to preserve and protect the rights, liberties, principles and values terrorists are seeking to destroy. Otherwise, the terrorists will have won. In the long term, victory in this battle will only be won if legitimacy remains fairly on our side.

The Madrid bombings on 11 March this year drove home to us what we had known and said for a long time, namely that Europe is both a target and a base for al-Qaeda inspired terrorism. The risks, as we all are aware, of new major attacks in Europe remain high. No European country is immune to this threat. We are all vulnerable. That is why we must remain united in action.

Much has been done, in terms of European Union action and legislation, since the attacks on 11 September 2001 in the United States but much work is still ahead of us. First, we must ensure that counter terrorism is a central component of the foreign relations of the European Union. We must ensure that it remains high on the agenda in our contacts with like-minded countries and with international institutions. I have just returned from the United States where I discussed with the United Nations how the Union and the UN can work together, and from Washington where I discussed how the United States and Europe can work together.

Second, we must ensure that our intelligence and security services, policies forces and judicial authorities work closely together. We must improve our capacity to share and analyse information. At the June European summit, together with Secretary General Solana, I will make specific proposals to reinforce the European Union's intelligence capability.

Third, it is important that we have sufficient legal instruments in each of our countries to allow our police forces, security services and judicial authorities to do their work as effectively as possible. This means that we must act at European Union level to establish the necessary legislation. Some legislation is in place at EU level. However, there is a problem with it to which I want to draw the conference's attention.

Let me use the example of the European arrest warrant. Until recently our countries had to go through lengthy procedures to be able to extradite suspected terrorists to other EU member states. Today there is a European arrest warrant which means that when, for example, Swedish prosecutors now issue an arrest warrant, the police of any other EU member state must arrest the suspect in question and extradite him or her, even if the person in question is a national of that other country. This means that extradition can proceed much faster and that it is much harder now for criminals to escape arrest and to find a safe haven in other member states. However, this important agreement has not yet been ratified by all national parliaments.

Another example of the work at EU level is the creation of so-called joint investigation teams, which means that law enforcement authorities of two or more member states can set up joint teams for criminal investigation. For example, German and Danish police and prosecutors can work together in one team with their Portuguese colleagues in Lisbon. However, the same difficulty applies here in that this important legal instrument has not yet been ratified by all national parliaments.

I draw the attention of delegates, as legislators and as the elected representatives of the people of Europe, to the importance of swift implementation of the legal instruments we need to be effective in the fight against terrorism. Perhaps it is not sufficiently well known that there are several dozen pieces of legislation which have been agreed, either by the United Nations or by the European Union, which are still awaiting national ratification. I am sure this has not yet been an issue which has been addressed in detail in all national parliaments but I plead with the delegates, as former colleagues and as the representatives of the people of Europe, to assess domestically in each of their

parliaments the procedures used to scrutinise European legislation in this domain and, where possible, speed up these procedures.

The delegates will ask me what the Council of Ministers can do to help them in that work because I know from previous experience that sometimes national parliaments deal with a great deal of legislation coming from Brussels but often national parliaments do not know exactly when we will be confronted with a particular proposal. That makes it difficult for national parliaments to plan the work. I would like the European Council in June to help the national parliaments in that respect by establishing a clear timetable of all the legislative work of the Council of Ministers during the next three Presidencies - the incoming Dutch Presidency, the Luxembourg Presidency and the British Presidency. This would provide a clear road map indicating when the European Commission will table certain proposals, clear deadlines for the Commission and when the Council of Ministers is expected to take a decision. That kind of forward planning should help the work of the Council, but I very much hope it will also help the delegates' work in scrutinising legislation in time.

We have a common responsibility, as representatives of our member states in government or in parliament, to do everything possible to be effective in the fight against terrorism. National governments have a role to play but they cannot do that effectively without the delegates' support, engagement and looking at the necessary domestic procedures. I very much hope that at future meetings of COSAC the delegates could take stock of their work in this area, compare experiences, identify best practices and ensure that we continue to work together towards this important aim. I thank the delegates and look forward to working with them.

**Mr. Giorgio Napolitano:** I express my deep appreciation to the Minister, Deputy Cowen, not so much for his statement this morning but rather for his tenacious and wise commitment on behalf of the Irish Presidency, which has been working for months to reach agreement on the draft constitution treaty by June. I express a deep concern however about the manner in which the Intergovernmental Conference is proceeding. The Minister said a large number of amendments has been presented but that the essence of the treaty has not been called into question. Perhaps we have had too many amendments. Too many issues have been reopened in the IGC. What has happened is what everyone wanted to avoid. We have opened a Pandora's box. Everyone has presented a position which had already been settled to the final compromise in the Convention.

What is the essence of the treaty? It is not easy to describe, but basically it is that the 25 member states of the European Union should be placed in the best possible position to take decisions and act, and to rise to the new challenges that we have all identified together. We must absolutely avoid weakening the draft constitution with regard to extension to qualified majority voting, judicial co-operation, the integration of the Charter of Fundamental Rights into the treaty and enhanced co-operation. We do not know exactly what the government positions will be on all these crucial issues. The Minister said that the work of the Convention had proceeded in full transparency and that it was possible to follow proceedings daily, but we would like to know which representatives of parliaments and governments supported certain positions. Regarding the Intergovernmental Conference, everything becomes much less transparent, more confidential and more difficult to understand. We have to rely on the small amount of information published in the press.

I am a representative and a Member of the European Parliament, and in the Intergovernmental Conference we supported the positions for which we were given a mandate by our Parliament. We know that concerns have been expressed about the powers of the European Parliament, in particular with respect to the budget. I do not want to have to face a choice in the European Council in June between no constitution or a weak constitution. We must have a constitution. It will be a terrible blow to the credibility of the EU if we show that we are powerless to conclude this matter and if we

were to waste six months of the convention's work. We must also approve a valid constitution, not a weakened one compared with the one prepared by the convention. Otherwise, in the coming years for all our governments, national parliaments and the European Parliament, new and older member states of the European Union, there will be extremely different times and we may not be up to the task.

**Chairman:** There are 17 people offering to speak and we must close the list because we cannot accommodate everybody. Speakers should confine their contributions to two or three minutes, otherwise later speakers will find themselves excluded.

**Mr. Elmar Brok:** I took part in the IGC over the past two days and spoke to interlocutors there. I will say a little on how I see the situation and the points taken on board by the Irish EU Presidency. I will address two or three points very briefly because I have heard them confirmed here. Towards the end of his speech, Mr. Napolitano talked about going round and round in our negotiations, and about certain delegations attempting to take certain courses. I thank the Irish Minister for Foreign Affairs, Deputy Cowen, for resisting such moves.

Having listened to Mr. De Vries I want to talk of remit, particularly when it comes to security and justice policy. It is important for us to have good co-operation at European and national levels. We also need to undertake work at European level because there are certain cross-border issues, but for that we need to have majority voting, majority adoption of decisions. Certain proposals fall back behind the position established by the Amsterdam, Maastricht and other treaties. It is important we make sure that we represent the points of view of our citizens because it is important for them to know that what is decided in Europe is what they want.

From the point of view of the European Parliament, majority voting is very important if we want to make good decisions, particularly in an enlarged Europe. The budget, for example, must be very well balanced. The European Parliament should not play a subsidiary role when it comes to budgets. All parliaments are involved in the drawing up of budgets. It is their responsibility, task and remit. Looking to the future, it is important to make sure that the governments are not ahead of the European Parliament. That is not the point of the exercise.

I am concerned about the European framework research programme, a crucial issue for all of us in the future. We need to ensure that the parliaments, including the European Parliament, are fully involved in the decision-making process there.

**Mr. Mario Greco:** Like last year's conference in Rome, this conference is being held at a particularly sensitive time. Just a few days ago we extended our welcome to the ten new member state of the EU, who are now full participants in our work. Yesterday the meeting in Brussels chaired by the Minister concluded, and that is another step down the road towards the constitutionalisation of the treaties. As we have seen from the initial contributions, we all wish to see matters concluded as soon as possible, but we want to ensure that the text produced by the convention is respected in its essence. At the 30th COSAC conference in Rome, we made a commitment in that regard which needs to be reiterated here. This is a message to the IGC to say that we should not weaken on certain points.

The Minister was correct, as was the Irish EU Presidency from the outset, to recommend to all the parliamentary delegations not to reopen points already agreed in the first phase of the IGC under the Italian EU Presidency. We note with regret that, as Mr. Napolitano said, a very large number of amendments has been tabled which run the risk of opening a Pandora's box. We are concerned about that.

The work of a convention is itself the result of a great deal of finely-balanced work and compromise and we do not wish to upset that. I know that the Council would not wish to move away from the idea of majority voting. We have been paralysed by the unanimity rule in foreign policy areas and hope to move beyond that. Europe will be in a



better position to rise to the challenges cast before us if, as Mr. De Vries pointed out, it can adopt a *modus operandi* which will enable it to take decisions. The unanimity rule has to be ascribed to those areas of a purely constitutional nature, certainly as regards the policies of the EU. We are looking here at the role of the national parliaments in constitutional terms. Obviously we would like to see more, but as the Minister pointed out, the work done in the Convention constitutes a major move forward in the democratisation of the Union.

The Minister mentioned the principle of subsidiarity. I will conclude as I realise my time is up. However, we should not ignore the real relevance of parliamentary co-operation anchored in COSAC. Both the Common Foreign and Security Policy, CFSP, and the common defence and security policy, CDSP, are areas we could well look at. There could be a third chamber to look at certain areas. There are opportunities for that in the draft constitution.

**Ms Maria Eduarda Azevedo:** In the first half of 2004 Europe will witness two unforgettable historical events, which are extremely valuable in the creation of a new geographical dynamic and the promotion of our development. On 1 May we had the biggest enlargement in the history of the Union, with the new membership of the central and eastern European countries. The southern dimension of the Union has been strengthened as well. The second event is the long-awaited approval of the constitutional treaty of the European Council on 17 and 18 June.

I heartily welcome the enlargement which will allow Europe to breathe with both lungs, as Pope John Paul II put it. I was honoured to participate in the Convention on the Future of Europe. I participated in the drafting and I believe certain shortcomings should have been considered - the draft treaty in respect of the role of national parliaments and political scrutiny of the European area of freedom and justice. The most regrettable feature, however, is European security and defence policy. That is the most difficult issue. Despite the intergovernmental nature of that policy, which is based on joint action and the capacities of the member states, including international budgets, the draft treaty omitted political intervention.

We only referred to the collective role exercised through COSAC and related conferences organised for that purpose. However, there is no obligation to have institutional dialogue between the Council and COSAC. If this were to be the case, COSAC would be given greater responsibility, but we feel that political scrutiny is weakened for national parliaments. That situation is worse than what we have at the moment. Obviously we have time to improve on this to benefit the citizens of Europe and to strengthen our democracy.

The Intergovernmental Conference is reaching a conclusion. It is proceeding apace. In this context it is important to draw conclusions as to whether we should complete the constitution as drafted or whether we should take somewhat more time before approving it to ensure that the ambitions enshrined in the treaty will indeed be realised. As we all know, within the European Union we must base our actions on new paradigms for the future, better democratic quality and the more effective and efficient operation of our institutions. We must be more ambitious politically and express solidarity, confidence and commitment with our European partners. We cannot compromise this entire project.

**Mr. René van der Linden:** I thank the Minister and the speakers for the excellent contribution to this debate. I congratulate the Irish Presidency, which is still going strong. I hope final consensus may be reached at the next Council.

My first remark is concerned with the accession of the new member states. This is a great and historical opportunity. Many of the old member states looked upon the accession of these states as a new problem, but I reject this because we have an obligation to welcome them as full members and present them with the opportunity to be honoured citizens of the EU. In this regard I regret very much that the new members

do not have full access to the labour force of the old member states. It is a missed opportunity. Export of products to the new members and investment presents major opportunities for them, but we do not accept the free movement of the labour force. I express my personal opinion in this regard in solidarity with them.

My second remark is concerned with the intervention of the Minister. He said only a small number of issues remain. However, I share the concerns voiced by Mr. Giorgio Napolitano and Mr. Elmar Brok. I have an impression that an increasing number of amendments will be tabled by different member states in the last days. I therefore do not believe that only a small number of issues remain. Take one example, the EU Charter of Fundamental Rights, on which we had a discussion in the working group and it came to a final conclusion. Then we had a discussion in the convention. I was a member, as were many others here and we came to a final conclusion. Now the Charter of Fundamental Rights is again being reopened. It is the key issue at the heart and soul of the constitution and we have to stick to the agreement of the convention.

My last point is that the draft constitution is a product of representatives of the governments and the parliaments. I cannot see why the representatives of the Parliaments, who were fully involved in framing the outcome of the Convention, now come up with fundamental changes in the draft constitution. I urge the Irish Presidency to stick to the constitution as agreed under the Italian Presidency and not to accept new amendments which will open a Pandora's box. For that reason I wish the Irish Presidency much success. I hope that the failure to reach consensus does not occur a second time. This would be a bad signal to the citizens of Europe and must be avoided.

**Mr. Kimmo Kiljunen:** I too congratulate the Irish Presidency on conducting the Intergovernmental Conference so well. We hope we will have the result of his effort by the middle of June. There is no alternative. It will be unbearable if the constitutional process is not finished in time.

Of course individual countries will have different opinions and compromises are needed. We in Finland are particularly pleased about the compromises found in the EU common defence policy during the Italian Presidency. Now we realise that the Irish Presidency has taken seriously the premise that welfare services should remain within national competencies under the common commercial policy, for the future. That is a major issue for us.

I admit there are some disappointments. The major one is qualified majority voting, QMV, particularly in taxation. We support the extension of QMV in respect of corporate and capital taxation as well as in the Common Foreign and Security Policy. As regards the institutional questions, I ask the Minister whether it is totally unrealistic to expect that the single double majority system for Council of Ministers decisions would be agreed. That would be a clear simple system. Everyone can understand it and clearly, it is also just. I understand that the institutional issues should be discussed together in the Council where questions of EC competition and the rotation system are involved. Nevertheless, simple double majority would be the best system.

These were the issues we discussed in the Convention, of which I was a member too. I have written a book about my experiences in the Convention which has been published by the Finnish Parliament. It is available outside the conference hall.

My final remark relates to ratification. Obviously, each country should have a constitutional way of deciding about the constitution. When we discuss the options for the referendum, we should discuss them after the constitution is agreed by the Intergovernmental Conference, not before. We would know the results and there would be no misunderstanding about the sincerity of the referendum proposals made by some governments.

**Chairman:** The Presidency will have to charge Mr. Kiljunen 10% for promoting his book.

**Mr. Kimmo Kiljunen:** I agree.

**Mr. Kurt Bodewig:** First, I take the opportunity to thank the Minister for Foreign Affairs and Mr. De Vries for their presentations which gave a good structure for our discussions. I wish to refer to a point made by the Minister for Foreign Affairs, namely, the challenge to go as far as possible, have a clear vote for the European Parliament and strengthen our position. In COSAC we have a proposal on this point and I very much hope an appeal in the general election campaign will be possible. I also hope there will be contributions. I think this is the unanimous point of view of COSAC.

I thank the Irish Presidency for the way in which it has proceeded and acted. I am a little concerned, however, about what has happened during the past few days because new amendments have come in. There is no doubt that this is a tactical step which has been taken by some national governments which have tried to take practical steps in the procedure. I am concerned as it seems there is a possibility of opening a Pandora's box. That is dangerous because once it has been opened, it may be very difficult to shut it again.

We have enlargement of the European Union which, of course, we welcome. We welcome the fact that new member states have joined our ranks which I think makes Europe stronger. In fact, it is a reconsolidation of Europe as it was which is certainly to be welcomed.

Alongside enlargement, we also need a deepening of our world for which we need a constitution without which Europe will be weaker. That is why I argue as a Member of Parliament that we should talk to our national governments and remind our representatives how important this is. A number of crucial votes and provisions that need to be agreed have been worked at by the Convention, excellently so. One important point concerns the weighting of votes, making sure the different interests of our countries are maintained at the same time. In any event, we want to take further the Europe we conceive. I hope this responsibility will be taken by national governments across the board. COSAC in its conclusions should perhaps make this point very clearly. It is an important challenge for us to carry out that task. We want to ensure the Intergovernmental Conference finishes successfully and that at the end of the day we have a constitution that is adopted. I would be very grateful if the Presidency and COSAC as a whole could approve such a point that it be part of our conclusions.

In regard to co-operating in the fight against terrorism, Mr. De Vries gave us a road map with a very clear indication of what we might do. That is very positive. It is also good for successive EU Presidencies and a very good way of co-operating. I do not think there is any point in drawing up new rules and regulations. What we need to do is use what we already have at our disposal and try to ensure decisions are not taken in those areas where they have not reached a consensus. In our national parliaments and the European Parliament we have a major task ahead of us but the Executive and legislative powers also need to be involved in this process.

**Mr. Claus Larsen-Jensen:** I thank the Irish Presidency for its handling of matters. My point concerns the composition of the Commission. This has much appeal for people to work very strongly for each country having its own Commissioner. Are the Irish not worried that if all countries are not represented all the time in the Commission, not just according to a rotational principle, that many will see it as a breach of equal rights for all countries, because if you are not part of the rotational principle and the core of the Commission, the smaller countries will feel they will be treated differently where it will depend on whether you are a large or small country? I, therefore, ask that the Irish Presidency works hard towards one Commissioner per country which should continue after 2014. Does it cause disquiet if a matter such as this will be divisive for the European elections if people feel they will lose something, even though the principle of rotation warrants equality?

**Mr. Vytenis Povilas Andriukaitis:** As a country that joined the European Union on 1 May 2004 and which has full rights, we thank Ireland for the excellent Presidency and the excellent environment which allows us to speak in our native languages. I thank the Minister for Foreign Affairs for his presentation on the panorama which we have seen in the past week.

I support the ideas of the previous speakers who were concerned that we might open a Pandora's box. In our understanding, a compromise on the Convention is a good compromise. Therefore, in our opinion, we should maintain that compromise.

My question is whether we could limit ourselves to just resolving the issue of the formula of qualified majority voting and also resolving the obligatory legal formula regarding the charter of fundamental rights. We should also speak about the participation of the European Parliament in the budgetary procedure as it has been agreed at the Convention. In this case, we could get a clear signal that no other issues would be opened.

**Chairman:** To avoid confusion, Mr. Kiljunen's book is available free of charge at the registration desk. However, let me say the Chair still has to charge him 10%.

**Mr. Christian Philip:** All of us would very much like to see in a month's time the European Constitution becoming a reality but I believe that what previous speakers said demonstrates that we are all concerned to know exactly its nature. It is not a matter of achieving a constitutional treaty of any type for the sake of it. I restate the importance we attach to ensuring that the text that emerges from the Convention will not be unravelled. We fully appreciate that in the home straight leg of the Intergovernmental Conference there are proposed amendments and that there will be necessary adjustments but it would be extremely grave if we agreed to enter into such an operation because where would one stop at that stage?

Allow me to say how important it is to ensure that tomorrow's European Union is genuinely capable of taking decisions. We are all concerned to ensure the right balance is struck on voting patterns within the Council. Furthermore, a text adopted next month has to be readable, something of which our citizens may claim ownership. The compromise should not be the lowest common denominator. We have every faith in the Irish Presidency on these issues, but it is important that whatever compromise is agreed, all of us are capable of demonstrating that this text will constitute a new phase in the construction of Europe, not the ultimate goal. The text may attract criticism on some of its aspects, but it will be important to be able to demonstrate that this text embodies its own dynamism. Let us therefore go for it next month, but we should not reach agreement for the sake of having an agreement. If we want to avoid problems of ratification, there has to be a given dynamic in the text. It is important that this COSAC expresses such concerns and wishes to the Governments, and I hope that each of our national parliaments will echo this position in order that we can ensure that next month will be a significant date in the construction of Europe.

**Mr. Jasa Zlobec Lukic:** I have been waiting for ratification for a long time. We would like to congratulate the Irish Presidency for having taken on the impossible challenge of concluding negotiations. The document adopted by the Convention is obviously of key importance. It is a very representative and democratic document thanks to the composition of the Convention. We wish to avoid complications with ratification which affect not only results but also the whole logic behind the text. I would like to ask Minister Cowen two questions on this issue. I am concerned about countries' positions on the double majority. What are the positions of the various member states? What solutions have been proposed by the Irish Presidency? We have all been discussing enlargement and qualified majority voting. In which areas would qualified majority voting be used?

**Mr. Jerzy Czepulkowski:** It is an honour for me to speak before such a prestigious body as the representative of what is now a member state of the European Union. The Irish Presidency, in its statement of goals and objectives at the beginning of the year, decided to take up the enormous challenge to bring the IGC to an end. That is a very important objective, and Poland expresses its conviction that the objective will be achieved and attained during the Irish Presidency. Previous speakers have been so kind as to note that a few problems remain outstanding, albeit in a sea of commonly shared formulations. One of those problems is the way in which decisions will be taken. That is a problem of particular importance to the Polish Government and Polish society. That is why I would like to devote the few minutes allotted to me to that important aspect of the constitutional treaty for Poland.

In Nice, the principles of weighting votes were established. They set out certain relations between the large, medium and small member states, and that provided for a major political role for Poland in an enlarged European Union. That is something that balanced out and still balances out today. The dissatisfaction that Poles feel with some of the other aspects of accession to the EU have been highlighted by the Netherlands, such as economic access to labour markets. Those principles were set out in the accession treaty and they were broadly publicised in the course of our pre-referendum campaign in Poland. People voted yes in the referendum on that basis. After the referendum, the Polish Parliament and Polish society were confronted with a proposal to change those principles in a way that would weaken Poland's political role in an enlarged EU. It is particularly important that in the course of further work on the constitutional treaty, we manage to find an appropriate compromise that could be acceptable to our citizens. It could be based on what is set out in the Nice treaty or on the basis of a double majority proposal, but in such a way that the political role of Poland will not be weakened.

**Mr. Knostantinos Spiliopoulos:** We are very aware of the importance of this COSAC conference in the aftermath of enlargement. The citizens of Europe have taken a decisive step. We want Europe to be an area of peace, security, justice and stability. We would like to contribute to a more secure and democratic world. We congratulate the Irish Presidency for all the efforts it has already undertaken and the results it has already achieved. The work done by the Convention is of such a nature that it brings us closer to a Europe where we have common values. We hope the efforts undertaken by the Irish Presidency will lead to a positive conclusion at the Brussels Summit. Greece is in favour of finishing this work and it is not in favour of opening up new discussions on new subjects. If we were to do that, there would be far too many problems to be resolved. Greece is in favour of double majority voting and is sticking to the Convention's proposals because we believe this is the only system that will guarantee democracy and representation. We favour having one Commissioner per member state; we do not want any discrimination in this area. We also favour drawing up a genuine common security and defence policy. We believe that by having such a policy, Europe could play a more important role on the global scene. Furthermore, we wish to ensure that island matters are safeguarded within the EU.

**Mr. Antonios Skyllakos:** Since the last conference of Community and European affairs committees, decisive steps have been taken with regard to combating terrorism, among other things. We did not find weapons of mass destruction in Iraq and the recent images of torture there lead us all to reassess our approach. Certainly, terrorism must not be used as a pretext for sheltering behind other concerns. We are disappointed with what we hear from the European Union; it is taking exactly the same approach in respect of Israel and of Palestine. We should have hoped that the Council of Ministers would also take a different approach to defend the integrity of the personal data of passengers travelling in the EU. In fact, Article 48 states that EU member governments are empowered to take steps to combat terrorism, even so far as the use of armed

force. We very much oppose that approach and believe that we need a total re-evaluation of those positions.

**Mr. Alberto Costa:** I would like to thank the Irish EU Presidency for the efforts it has deployed to conclude negotiations on the constitutional treaty. I would like to endorse the opinion of several colleagues that we must not have a minimalist constitution with minimum innovations. It is not so much the matter of the number of amendments that concerns me but rather the possibility of achieving a minimal result, which could be very negative. It is not important whether we solve the problem over one six month period or the next, because we are dealing with issues that are important for future generations. A minimalist constitution will not enable us to resolve the problems and challenges facing Europe in the coming years.

The anti-terrorist message expressed by Mr. Gijs De Vries was extremely important, particularly the link he drew with fundamental rights. Europe today must of course combat terrorism, but not by sacrificing fundamental rights. This is so important that I suggest that when we assess this subject in external policy, as suggested by Mr. De Vries, we should always raise the issue of fundamental rights in contrast to the anti-terrorist efforts that are deployed. This, if forgotten, would undermine the anti-terrorist cause.

Finally, I am puzzled because it is unclear whether our anti-terrorism efforts have been uncoupled from the area of freedom and justice that we have developed in Europe. People have mentioned the various instruments - the European arrest warrant, the joint investigation teams, Eurojust and Europol. All of these were promoted on the basis of the area of freedom and justice. Therefore, it is not clear to the EU public why this type of co-ordination is leaving this context, especially when our draft constitution also aims at further developing this area of freedom and justice, where the fight against terrorism finds its proper role and where it should be properly enshrined.

**Minister for Foreign Affairs (Mr. Cowen):** I thank my colleagues for their remarks. I will try to respond in a general way to the concerns that have been raised. First, my colleague Mr. Giorgio Napolitano questioned the transparency of the Intergovernmental Conference. All the documents submitted by the Irish EU Presidency are available online to anybody who wishes to see them. There is no lack of transparency.

Second, the Intergovernmental Conference is a debate. If the Convention text were to provide a consensus agreement, the Intergovernmental Conference would begin and end on one day. However, we do not have a consensus on the Convention text as it stands. When we were presented with the Convention text, we said it was a good basis for our work and it remains so. However, we should not like anyone to think that this Presidency, or indeed any Presidency, is approaching the effort to bring about a consensus on this huge ambitious project in a less ambitious way than has been articulated by our colleagues here today. We share your ambition and we want to see advances on previous treaties, including the Nice treaty. We want to see progression and not regression. However, we must realise that if we want to get agreement, if we want everybody to reach that level of ambition, to meet the public commitments that have been given collectively at the March European Council, then we must have faith in the Community methods. One cannot impose a consensus. One must rather be prepared, as is the European way, to discuss in a rational and constructive fashion the issues that are raised.

When people express worry about opening a Pandora's box, I must point out that the focal point group issued a document that was discussed, containing 43 annexes. These incorporate a consideration by the Presidency as to where the broad consensus should lie regarding those reasonably important matters that provoked debate in the text. Ministers and colleagues asked that this be discussed at our two-day meeting this week and I have no problem discussing the text. I do not believe the Presidency would be meeting its responsibilities if it refused to have a debate about the text. However, as

Mr. Elmar Brok would confirm, the debate on that text was held by 24 member states in 50 minutes over lunch. The fact that people raise another point with me, or the same point on which we had already come to some broad conclusion as far as the Presidency is concerned, does not mean that I accede to the change in the text. I have to explain why it is in many cases that their request cannot be acceded to. However, it is important if people want a consensus, if the Presidency is ultimately being asked to present a text that will attain the agreement of 24 colleagues, that we have a structured debate so people understand why the Presidency is putting a particular proposal. They would know from the debate taking place, like the debate that has taken place over the last two days, that the varying opinions cannot be accommodated like that; that we must of course use the Convention as the basis of our text and keep as close as possible to it.

There are issues that have to be resolved but which cannot be resolved based on what the Convention has proposed. One of the issues concerns that Commission. There is no consensus on a two-tiered Commission and there is no prospect of it being agreed. There are people here who are strong advocates of the Convention path and who accept and acknowledge that.

One of my Greek colleagues mentioned that we must speak to the press and not open new issues. He mentioned the islands. I said we might see how we might accommodate it in a textual way on the basis that we are talking about maintaining a cohesion policy, not creating a whole new cohesion policy by way of a textual change that re-opens matters. In other words, there are issues of text and substance we can debate. This Presidency, on its own judgment based on our discussions, has every intention of going to the European Council on 17 and 18 June, but not with many unresolved issues, although nothing is agreed until everything is agreed.

I need to have constructive discussion, as Mr. Elmar Brok will confirm, which is succinct and deals with issues as I raise them. People are giving me their views and we are not going off on long rhetorical flourishes. People are addressing the issues. Please, let us not think, in the same way as COSAC seeks more dialogue, institutional or non-institutional, with other institutions of the Union that this Presidency or any other Presidency is capable of bringing forward a solution to this problem in the absence of debate and dialogue. COSAC is about dialogue. That we discuss issues does not mean we turn them upside down. We must have clarification because the Community message is that through discussion people get a greater understanding of the requirements of the position we are in and the need for us to generate *esprit de corps* and a sense of solidarity and common cause that will enable us to agree a text and a constitution that is fit for the citizens for whom we are trying to draft it. That is the position.

I am not afraid of dialogue. There are those who tell me to close down the discussions and to come forward with something quickly. It is as if there was about to be a major conflagration. Of course the media will suggest World War III is going on inside the IGC. It would not be churlish if it did not. It is trying to sell newspapers. As you are all aware, when you come to these discussions, some of the issues can be mundane but there are serious policy questions that we have to discuss among ourselves. Let us retain confidence in our ability to do this job. We all have a political desire to get this job done. A political desire on its own will not do the job: there has to be a political commitment which has been expressed at the European Council meeting. We hold our colleagues to that commitment. We will go to the European Council in June with a text with which we believe everybody can and should agree, not based on dimming our ambitions but based on a realistic understanding of what it is we are trying to achieve and where the area of consensus lies. One cannot create an area of consensus here if it does not exist. By the same token - I take the point from my French colleague - we do not intend to unravel the text. I attended such an IGC - the Nice treaty - and spent 12 months trying to start *ab initio* with a text. It does not work. Of course we are going to use the work of the Convention but there are issues we need to discuss, about which I wish to say something.

The Presidency believes the only basis for a consensus on the weighted voting under the Council is a double majority system. The Presidency is prepared to seek to accommodate sensitivities through the member states and population threshold mechanism. The Taoiseach has made it clear. He has been upfront and frank about it. He has said it to your leadership in honesty and truth as a small country, whose influence has grown because of its membership of the European Union. The work of the European Union is not to build on the basis of confrontation or on the basis of exclusion. All 25 members have to find effective decision-making processes so that Mr. De Vries and all of us can do our job. The challenges we face in the 21st century are very different from those faced by the men of vision who created the European Union. I believe we will meet that responsibility but in doing so let us have a sense of realism as well as idealism because idealism without realism is meaningless and, perhaps, our citizens are fed up with it. What we need is a coherent approach and we will have it. After 30 years experience of the European Union, this country and its representatives want to see the new members achieve what we have achieved and all the other 15 member states want that also. Let us not create the idea of an "us" and "them", or of trying to keep others out.

There are difficulties with the free movement of labour for some. There are transitional arrangements and, I believe, caution is unwarranted. We do not have that problem here. Thankfully, I am from the first generation of Irish people who can live and stay at home and work in their own country. Our diaspora extends to millions throughout the world. Without the European Union we could not bring about the economic and political independence we now enjoy working with others.

If I cannot go through all the details, please accept and understand we do not want to have a constitution on the cheap as someone has called it. We realise this is important business but if we are to get the results we want, we must maintain the well-trying methods that have served the European Union well thus far, namely, the Community method of mutual respect, recognising that there are some questions which attach to national sovereignty so that a QMV decision is not possible at this time.

Let us also remember that if we want a balanced constitutional text we must, in fairness to those who want to go further, improve the enhanced co-operation mechanism. We must enable people if that is their wish. We have to think about that and come up with something that will work, that is, if we are genuine about finding a balance. If we are genuine about acknowledging some sensitivities on the one hand we must also enable those by agreement together to go forward, not in a way that creates a two-speed Europe but in a way which acknowledges there are decisions that can be taken here that need not be in conflict with others.

The issue we are dealing with is complex. I assure those present that because we have a debate and because I do not generate unanimity at the first meeting that does not mean we cannot make progress. This is the first meeting of the IGC in this format in five months and there are people here who were not at previous meetings. Are Ministers like me to sit there and not be allowed speak because they were not there five months ago? Let us be realistic and sensible. People are entitled to come who may or may not reiterate the same position as a previous administration. Without a sense of mutual respect and inclusivity what is the reason for a constitution? If we have all these laudable objectives in our constitution let us practice them when trying to agree on it.

Let us be calm and remain confident in our ability to do this job. Without a common political will no human agency on earth will get this done. We need the support of everyone. I know we have the support of everybody of goodwill who wants to see an outcome of which we can all be proud. We will go to the European Council. This Presidency is determined to succeed on the basis of a willing partnership and on an understanding by us all that the compromise that will come forward will retain the spirit and belief in our Union as an effective instrument for prosperity, security and freedom in our society.



**Chairman:** I thank the Minister and Mr. De Vries for their participation in the conference and for giving us so much of their time. I thank also all those who contributed. I hope you will all agree that we had a very interesting opening session.

*Sitting suspended at 11.40 a.m. and resumed at 12.10 p.m.*

### **Scrutiny of EU Business.**

**Acting Chairman (Deputy Seán Haughey):** I am Vice-Chairman of the Oireachtas Joint Committee on European Affairs. The Chairman has been detained at a press conference and will be here shortly.

The Chairman did not welcome members from the observer states. This was an omission which we are happy to put right at this time. I, therefore, give a warm welcome to the delegations from Romania, Bulgaria and Turkey.

The next item on the agenda deals with scrutiny of EU business in accordance with the protocol on the role of national parliaments in the European Union to the Amsterdam treaty. Before opening this discussion, I wish to make a brief report to COSAC. During the meeting of the chairpersons in Dublin in February last, the Chairman was asked to make a statement to this plenary on the operation of the secretariat. I am pleased to do so now on his behalf.

The secretariat began its work on 15 January and immediately commenced to execute the mandate received from COSAC in Rome in autumn 2003. I will briefly recall its tasks. The secretariat is to assist the Presidency in its work in the organisation of COSAC and to prepare reports as requested. It is to keep the archives and update the COSAC website. It is to compile a factual report on developments in the European Union procedures and practices relevant to parliamentary scrutiny every six months in order to provide the basis for debate in COSAC. The full secretariat met on six occasions since its inauguration and I can report on the progress made.

Members have before them the first biannual report which reports the panorama of developments in the Union which have a direct impact on the role and tasks of national parliaments in contributing to the evolving political architecture of the Union. It provides up to date information on scrutiny procedures in our different parliaments and I found the most recent information from our new parliamentary colleagues on their scrutiny procedures most interesting. I will deal later with this report.

I am pleased to hear that, following our decision in February and after further technical discussions, the secretariat has updated the website with the new software provided by the Danish Parliament. Work will continue on preparing guidelines on the management of the website. I would also again like to thank the European Parliament for the office accommodation and logistical support it has put at the disposal of the secretariat. This is much appreciated. Work on gathering material for the archives is proceeding well, thanks to the willingness of parliaments to make their material available.

I express my appreciation for the continuing assistance provided for the Chairman and his staff. I thank the European Parliament for the excellent facilities which have been made available to the secretariat.

We now come to the substance of the debate on the scrutiny of EU business in accordance with the protocol on the role of national parliaments in the European Union to the Amsterdam treaty. The Presidency has circulated the first biannual report in accordance with the mandate presented to the COSAC secretariat. I thank the members of the secretariat for this excellent report. Members will be aware that Rule 7.1 of the rules of procedure provides that the principal business on every draft agenda shall be derived from COSAC's role as a body for exchanging information, in particular on the aspects of parliamentary scrutiny. The principal item of business should be scrutiny of EU business.

Chairpersons at the February meeting emphasised the importance of scrutiny. During that meeting and in consequent correspondence, our colleague, Claus Larsen Jensen, leader of the Danish delegation, raised some important points. Perhaps during the discussion on scrutiny, Claus will again refer to his useful report on the new scrutiny arrangement for subsidiarity planned for the Folketing. I am sure other colleagues will also share their views on this important subject.

We look forward to a stimulating discussion which will go some way towards enhancing co-operation between our respective parliaments on the issues relating to the scrutiny of parliamentary business. Our first contributor will be Dr. István Szent-Iványi from Hungary.

**Dr. István Szent-Iványi:** Two days ago, the Hungarian Parliament passed a new law on co-operation between it and the Government in respect of European affairs issues. The law is in full accordance and conformity with the protocol to the Amsterdam treaty and it is intended to follow the model of document-based procedure. It is based on a procedure which includes consultation and conciliation between the Parliament and the Government. The Parliament has a say in all major issues. This is not binding in legal terms but it is a binding opinion in political terms on the Parliament and the Government. In the first instance, the Parliament should give a reasoned opinion and an explanation thereof. This move improves not only scrutiny but also the communication of information and hiring of candidates to all important EU positions and the full enforcement of the principle of subsidiarity. We are in conformity, therefore, with the process and principle laid down in the draft constitution. We would like have a strong parliamentary role as that would provide the only opportunity to diminish the democratic deficit everywhere and we would like to strengthen the say of national parliaments in all affairs where the government takes over the legislative role of the European Parliament. I will circulate documents which give information on the new rules. We are proud of them and think they will provide a real strong control over government activities in all legislative matters.

**Mr. Janez Kramberger:** The role of the Slovene Parliament is important because our people in their independence of 1991 had an important task to do and our Parliament helped to a great extent. We also play an important role in terms of international relations. In accordance with our law pertaining to foreign affairs, our Parliament has to submit all matters concerning negotiation to the relevant bodies of the Government and is answerable to the Parliament and particularly to the foreign affairs committee of Parliament when it comes to these proposals.

The Parliament gives its approval to all the negotiating provisions that led up to the accession of Slovenia to the EU. We are aware that even after 1 May the Slovene Parliament will maintain legislative powers but only in certain areas where there has been no transfer of power between our Parliament and the bodies of the Union. As concerns the activities of the Slovene Parliament, it is important for us to receive written documents and submissions from our Government. Last year we amended our constitution. There is an article which relates to European issues and we have in a way restructured our relationships between the Parliament and the Government. I know this also happened in other member states.

As recently as a month ago, we adopted an Act on co-operation between the Parliament and the Government when it comes to matters pertaining to the Union. This gives a key role to a new committee, which is called the great committee, and there is also the foreign affairs committee, which is also affected by this new provision. In a way our system is similar to that in Scandinavian member states where an important role is given to these parliamentary committees and the government, for its part, retains the executive powers.

Our Parliament also supports the protocol attached to the constitution, which refers to the role of national parliaments and subsidiarity. We have, therefore, played an active

part in this process and in the Convention, which helped draw up the protocol. We are happy the protocol has not met with objections on the part of different member states.

It could well be that if the new member states still have open minds and are not too restrictive in their approach, they will bring fresh air and a new impetus to the Union whenever we address the role of national parliaments and the legislative processes of the Union. We must always remember our national parliaments are still very much in charge of processes and they must also work together with their governments.

**Mr. Giacomo Stucchi:** All of us will agree on the need to strengthen appropriate measures to ensure the European Parliament exerts proper scrutiny over EU affairs. Certain specific guidelines have been approved and the scrutiny occurs via governments. We have indications of how the governments are to act in this regard.

With regard to the development of best practice, it is important to focus our co-operation in COSAC on that. The value added afforded by the co-operation between national parliaments and the European Parliament is composed of the enrichment it is able to provide by exchanging experience and each parliament respects the proper functions of the other, whether we are talking about co-decisions or consultation with the European Parliament or the indications given by national parliaments to their governments or scrutiny of the principle of subsidiarity and its application.

There is a specific contribution to be made by national parliaments and that cannot be undermined. The European Parliament comes in as well. We do not wish to see the value of co-operation undermined by any of the players. For the reasons I have set out, it is important that we do not risk or restrict the area of co-operation between parliaments on the subject of scrutiny on specific tasks such as examining subsidiarity. The national parliaments have a general role to play when it comes to defining European policies. Through their governments at this time it would be inappropriate to set them up as guardians ready to halt any developments being taken in the EU in order that when we are looking at subsidiarity and the early warning system, co-operation between all the national parliaments in the Union and the European Parliament is needed. Such co-operation cannot but enrich analysis. Moreover, the European Parliament enjoys direct functions when it comes to controlling the application of subsidiarity as co-legislator but it also enjoys *ex post facto* scrutiny and the Commission is accountable to it. National parliaments, when it comes to subsidiarity, could have their role enhanced in a number of ways. If they compare their role with other national parliaments and the role of the European Parliament we might see enhancement.

I would also like to draw attention to something that is too often overlooked, which should be at the core of monitoring subsidiarity, namely the annual legislative report produced by the Commission. We also have the Council's annual activities programme. In Italy we have established a practice where we review that. This enables the legislative bodies to act upstream of subsidiarity controls and, therefore, we are able to step in in good time when it comes to shaping decisions taken at European level and we are able to provide an input into some of the major policy options. COSAC also ought to have an input into the annual legislative programme of the Commission and I am convinced, if that were the case, we would be able to set our collective stamp somewhat better on the control of subsidiarity in due course.

**Chairman:** I point out that we have 14 speakers to go and then more are to come in. If we do not keep contributions brief then later other members will not be able to contribute.

**Mr. Claus Larsen-Jensen:** The Danish Parliament is in the process of changing and improving our procedure. Initially this was done by sending a note or memorandum to everyone. On the one hand, we have started a system which can scrutinise the principle of subsidiarity from day one while at the same time co-ordinating our viewpoints with other national parliaments, otherwise we cannot comply with the rules demanding six

weeks' response. Then we have the committees in our Parliament which have to be involved in the Parliament, while we must also find this yellow card model to make things fit together.

We are thinking of the Dutch idea where the west side gives a means of following what happens; I am using symbols rather than having to use translations. Who is to handle subsidiarity in a national parliament? In the Danish Parliament the treatment of subsidiarity is naturally linked to the treatment of European policy. It is therefore obvious for us to locate it in the European affairs committee, but this problem must be solved in every country in a way that complies with certain time limits, and to inform other countries of what we intend to do. The presidency of COSAC should be the working group, as under the Dutch chairmanship, to find a model which enables us to use this yellow card system.

I propose dealing with the co-operation which has grown considerably with the regional forums both internally in Europe and also in the Mediterranean. There is also the idea of welcoming new eastern neighbours. We should start discussion as to how parliaments can handle new assemblies, whether every country needs to be involved in everything and how one gives that concrete form. I propose we ask the presidency of COSAC to look at this, otherwise we end up with so many parliamentary assemblies that participate without a major context.

**Mr. Andrea Manzella:** On this subject a defensive approach seems prevalent, separating the various components in the hiatus between the Commission initiative and the development of an early warning system. We have modern constitutional organisations now and we should have participation, not separation. This shift from negative defences to active participation is the method of the future.

We should have networking among elected assemblies and the new protocol includes for the first time regional bodies in EU activities. It does not mean we are regionalising the powers of the Union but during the decision-making procedures of the Union, which are based on the community method, there must be the foundation on the basis of a network and territory.

Italy is convinced this should be borne in mind, particularly as we continue to work on the Lisbon strategy. That strategy cannot remain only in the hands of parliaments, both national and European. We should all deal with these issues.

**Mr. Alphonsos Macaitis:** The Lithuanian Parliament has chosen the model of an active parliament, a strong one which would get involved, receiving different documents at an early stage. At present we are scrutinising the subsidiarity system in the Finnish, Danish and Swedish parliaments. Our Parliament has decided that certain committees responsible for various areas should play a certain role: the foreign affairs committee would work with the second committee, while the European affairs committee would work with the first and third pillars. They will mandate Ministers going to the Council. We also scrutinise the annual programme on Commission tasks on a traffic light basis. Green means issues which need no mandate, yellow marks issues to be scrutinised and red means a mandate will be needed.

Our specialised committees are involved in the work at the level of the Council. Granting a mandate occurs not only in the European affairs committee, which has representatives from all committees. It can also be done in plenary session. With subsidiarity we have a similar model to the Danish one.

I thank the secretariat of COSAC for this excellent material. I offer to colleagues a further discussion of the fourth working group on the European Convention and the role of national parliaments. We should further discuss the conclusions presented on 24 October last year. Not all conclusions were included in the texts of the Convention or the protocol, but some of the other conclusions were very significant and we should exchange opinions about them.

**Mr. Jan Jacob Van Dyk:** We are going to discuss the protocol and the role of national parliaments, which is based on the Treaty of Amsterdam. I remind members we have already had a report from the Committee on European Parliamentary Research and Development which gives a good overview of what is happening in all the national parliaments. We have also received this report from the COSAC secretariat, which is very helpful.

We must look to the future. There is a constitution for Europe and new protocols are in effect, one for the future of national parliaments and another dealing with subsidiarity and proportionality. This is a new opportunity for national parliaments to try to commit all the members of parliament, not just the European experts, to European affairs. The Dutch Parliament has carried out an investigation. The House of Representatives and the Senate established a new commission to find out in what way it can fulfil the requirements put forward by the protocol on subsidiarity. Some issues are being discussed, for example, what should be the role and commitment of regional authorities and civic society in this regard, and what kind of role we foresee in establishing new contacts between all the national parliaments. These issues will be discussed in the Commission and we will publish the report in September. We are not just doing this by way of research, we have sent a questionnaire to all the national parliaments of the EU asking for their points of view in this regard. I am thankful for the co-operation we received. We received more than 17 replies from 17 national parliaments, which was very helpful. It is hoped to have a more profound discussion on the issue during the COSAC meeting in The Hague in November. We hope to agree on the role of COSAC and the procedures that can be put in place in the different national parliaments.

**Mrs. Sofia Voultepsi:** I, too, congratulate the Irish Presidency and express my joy. It is my first time attending here as an elected Member of Parliament, not as a journalist, which was my original profession.

I would like to talk about information, a subject which is very close to my heart. I recollect some years ago a question was put to the monarch of a European country as follows. If all your privileges were taken away and you could keep one, which would it be? The king replied, "Information is the only advantage and prerogative I would keep under these circumstances". We are talking here about information and a deficit in parliamentary scrutiny. If information is lacking, citizens will feel they are very removed from the power centres where decisions are taken and will turn their face from politics. The Greeks are passionate in following what is happening in Europe, the work of the Convention and the constitution but they feel very remote from Brussels and the decision-making centre. We believe that national parliaments should, therefore, enjoy a higher profile of participation. It is the role of COSAC to get genuine information and to have a genuine high quality and high quantity exchange of information in order that we can bind citizens into European affairs.

**Mr. Íñigo Méndez de Vigo:** I express my appreciation of something I heard today, that is, the commitment we all have to the constitutional treaty. In the Convention, the majority were from parliament. We as parliamentarians must put pressure on our governments to adopt the constitution as quickly as possible.

On the point under discussion, I was pleased to hear what some people had to say. I worked on subsidiarity in the Convention and we created the early warning system. This is new and it will be extremely useful because it will involve national parliaments in European issues. A series of issues emerged during the discussions on which I would like to comment. First, our working group designed the early warning system. This will involve as a right each parliament, including the individual right of each chamber where

there are bicameral systems. I would be concerned if one tried to turn it into a collective right of national parliaments. This would be an error because subsidiarity also means sensitivity. It is an important component to have national sensitivity to European issues. If someone tries to convert it into a collective right, it will be doomed to failure.

Second, it would be a failure to have a collective means of determining who scrutinises subsidiarity in each national parliament. We tried to do this in the Convention and we realised it would be an exercise in subsidiarity. Each parliament must determine which body will carry out this function. It depends on whether it is possible for regional assemblies to participate or whether there are other considerations. If we try to make either the body or the right collective, it will be the wrong solution. Each national parliament will have to seek its own solutions. I emphasise that seeking solutions to these problems in such an innovative area means we are on the right track.

**Lord Grenfell:** I warmly congratulate the secretariat on its first six-monthly report. It certainly exceeds all my best expectations and is a real treasure house of information and wisdom. It justifies the long and sometimes not easy journey towards the establishment of the secretariat.

I would like to refer to three issues raised in the report, which I hope COSAC members, individually and collectively, will continue to monitor with particular care. The first relates to transparency in the Council. Deliberations open to the public are restricted to proposals under the co-decision procedure. There is no obligation to meet in public when the consultative procedure is used. Is this satisfactory? Second, the Commission is getting much better at providing impact assessments for important policy initiatives. This is absolutely indispensable to scrutiny by national parliaments. What progress has been made in the European Parliament in carrying out impact assessments in regard to amendments proposed to legislation? Third, we need to get a much better grip on what goes on in the comitology committees and discuss how we will do this.

I want to make one point about the COSAC information exchange network. The value to the House of Lords of the European select committee was recently demonstrated through one of our sub-committee inquiries into the proposed Rome II regulation. The committee sought information via the network from other national parliaments on how they intended to scrutinise the proposal. Within a matter of days, responses were received from the European affairs committee of the Folketing, the delegation for the European Union of the Assemblée-Nationale de France and the committee for European Union affairs at the Riksdagen in Sweden. We thank our colleagues for replying so promptly. On completion of the inquiry, we sent our report to all COSAC members via the network and we hope it assisted them with their own scrutiny. I am convinced that a better exchange of information with national parliaments will inform and improve our reports and lead to an enhanced scrutiny of European proposals.

**Mr. Nicos Cleanthous:** Thank you, Chairman, for your invitation. I take this opportunity to thank the Irish Presidency, which has been very sensitive to these issues. [Mr. Cleanthous]

The protocol to the Amsterdam treaty, which speaks of the role of national parliaments within the European Union, is an important and positive step because it recognises the importance of national parliaments within the context of Europe.

Notwithstanding that, no mention is made of an immediate role for national parliaments. In fact, what it talks about is a kind of secondary role for our national parliaments. It seems to me, therefore, that it would be important for us to review the Amsterdam treaty and to take a look at the ways in which national parliaments can gain access to information in the very first stages and as early as possible so as to be informed about what is happening within the European Commission. That is key because it would allow national parliaments to act, to prepare activities and to work together with their governments in preparing these different activities. The role of national parliaments is not mentioned as an immediate one for the time being. That is why we are waiting for the next step, a

protocol on the role of national parliaments within the context of the constitutional treaty for the European Union because there, for the very first time, a genuine role will be granted to national parliaments. We are awaiting that status. We are awaiting the constitution because we believe it will give us a very important role.

Having said that, for the time being we are lacking in experience. It is difficult for us to exercise all of our rights. We are new member states. There are older member states which are better informed of these matters. For us it is new and for the first time we are trying to exercise our rights. We are doing this almost on an experimental basis as a state. We are trying to collect all the information we require in order to make sure we can exert influence on our government but it is quite a job. It is a big task and a challenge for us. We believe this procedure will give us an important role. It is almost a full-time activity in this domain.

I see the Amsterdam treaty and the protocol relating thereto as an interim phase before we move onto the new phase where we will have a clearer idea of our duties and roles. Our Parliament must address European issues and take into account our different national systems and diversity. We have a document which was sent to us by the COSAC secretariat. That text has been most helpful in our work. Moreover, it is also appropriate for us to make useful contributions to this procedure, to the European institutions and to legislative proposals. Of course, these proposals are not binding.

There is a need for us to strengthen the role of COSAC. The discussions which we have among ourselves are of an informal nature at present but they pave the way for further discussions and for the big decisions which will, ultimately, be taken at a European level.

I would like to make a request and I would be very happy if it were acceded to. Would it be possible for the European Commission to take a closer look at the role of national parliaments and to see whether that role could be a direct and immediate one which could be more important in the future and would aid co-operation with our governments in the future? That would be very helpful to us as new member states. We do not have the same kind of information as other states and this would be a first step.

**Mr. Michael Roth:** This is one of the most important debates before COSAC. We must improve the way national parliaments deal with European issues and a degree of self-criticism will not go amiss in certain cases.

National parliaments, through COSAC, are being drawn closer together. We want to trigger a more in-depth exchange of views and experiences between us. However, I would like to flag one point which is close to the heart of the German delegation. We do not need any further bodies for national parliaments at European level. We are the partners of the European Parliament. It is the task of the European Parliament to carry out parliamentary scrutiny at a European level. We are responsible for domestic scrutiny of European action and there is a broad field of action before us. Some of this is fallow territory. Our Danish colleagues have done an outstanding piece of work on this issue. In the German Bundestag we are currently discussing the consequences of the constitution. My Cypriot colleague made a similar point. We must have links between the Commission and national parliaments. I regret that national parliamentarians are sometimes not able to pressure their national governments to provide them with documentation in good time. Clearly, things can be enhanced at national level in certain areas.

I would like to emphasise a point made by a Dutch colleague. It is not enough for the European affairs committees to be strengthened, to have a better linkage with the specialist sectoral committees and to improve our links with our governments on European business. We must ensure the interests of all of our parliaments are enhanced in respect of Europe. This must come centre stage. If we deal with these European issues in the wings of our regular work there will be an ongoing deficit.

The COSAC secretariat has done a very good job and general policy reports come forward. However, biannual reports should focus on the European debates of the

national parliaments. We should forge mechanisms to see where scrutiny works well and where it is capable of being improved.

**Ms Heidi Hautala:** I thank the secretariat for producing an excellent report of the scrutiny procedures of national parliaments. This will form a very good basis for our future work which I hope will become more practice orientated and will bring the parliaments together on the topical issues which are a challenge to all of us.

I support what Mr. Roth from the Bundestag had to say. We must concentrate on the basic function, which is that every national parliament must have a grip over its own government. This will enable us to have a better sharing of information with each other within COSAC. I agree that we do not need a new institutional arrangement.

The new member states seem to have adopted many of the best practices of the national parliaments of the older member states. The co-operation between our parliamentary committee and our colleagues in the new member states has been excellent in finding those best practices.

We have recently paid attention to the fact that we need to be more proactive in our Parliament and in our parliamentary committee. We need to be there when things are still on the table and the Commission has hardly published its proposals. That is the time to start the debate. A good example of how this could happen has been that for the first time ever the Commission's proposal on the service directive has raised a wide, even a public, debate. Politicians are quoting the directive in their weekend speeches and for the first time we see EU policy becoming flesh and blood at national level. Several of our special committees are already talking to experts on the substance of this directive even though the Council working groups have hardly started their work.

I also thank the European Parliament for its excellent efforts in defending citizens' rights. In that regard I speak of the controversial issue of transferring passenger information to the US security officials. We must share information between parliaments and with the European Parliament on sensitive issues and on matters which governments like to keep to themselves. I regret to say that even our Government, last Friday, failed to inform the European Parliament on the actual state of play.

Communications needs to be two-way. I thank the European Parliament citizens' rights committee for consulting the national parliament on this matter before Boogerd Quaak dropped in her report. That is an excellent example of how we should conduct two-way communications.

The new legislative procedure, according to the new constitutional treaty, will open up possibilities and doors to national parliaments at a time when the Council is hopefully and finally opening its doors when legislating. We should examine this in more detail because it may present us with an opportunity to make EU policy public policy in member states.

**Mr. Jacek Protasiewicz:** I wish to begin by congratulating the Irish Presidency on its excellent report which serves as a good basis for this discussion. I would like now to inform the committee on the debate we had in the Polish Parliament in terms of the role it could play in connection with accession to the EU. Poland examined the Amsterdam treaty and, in particular, the protocol on the role of national parliaments. It also took into consideration in an optimistic way what is being set out in the draft constitutional treaty as drawn up by the Convention. The conditions set out in that document for scrutiny by national parliaments of EU business are satisfactory.

Poland believes its two chambers have an important role to play and has drafted a law setting out the way in which that scrutiny function will be carried out. Obviously, that was done on the basis of experience gained by long-standing EU members and from experience of meetings with the English, Greek and Irish Presidencies. We learned a great deal in the course of those meetings. We believe that much can be done. One of the first things Poland did was to set up a European affairs committee. There is a mechanism of obligatory consultation regarding not just draft documents but Government



positions on them and important personnel decisions. A strong mandate has been given which forces the government to co-operate closely with the Polish Parliament. That committee is in the process of being constituted by the Polish Parliament. It is expected it will see the light of day within the next few weeks. It will represent our Parliament in meetings such as this and in direct bilateral relations with EU national parliaments and in the European Parliament. We are prepared to participate in what has been referred to by Mr. Méndez de Vigo as the early warning system. We believe that COSAC should be at the heart of such a system and in particular its secretariat. The secretariat should issue the early warnings.

We also favour the extension of the role of COSAC in such a way as to ensure co-operation among other parliamentary committees responsible for issues such as citizens' freedom and so on.

**Mr. Yasar Yakis:** I express my great pleasure to be here today and to extend my thanks to the committee for its hospitality.

I am deeply influenced by what I heard about the eradication of international terrorism. The Turkish Parliament's experience in this regard will be a valuable asset to European countries. The Turkish Parliament is supportive of dialogue and co-operation between national parliaments in the European integration process. To overcome the democratic deficit of the European Union there must be a broader acknowledgement and improvement of the role of parliament. Recently, our joint efforts have produced very positive outcomes for improving national parliaments' input to European business.

The intensification of co-operation and dialogue between our parliaments will contribute to the process. In doing so, national parliaments and their citizens will actively participate in the European integration process and will make decisions. This is the key to a more democratic future, making our common aspirations rise above the current outflow of political relations between institutional and governmental actors. Sharing and benefiting from each other's experience will be a significant asset for our Parliament in its quest for a stronger and more prosperous Europe. Hence, we would like to make use of the best practices of our fellow national parliaments.

In my opinion, joint co-operative research which scientifically looks into the subject must be undertaken. In this context, we should ensure that decisions taken at European level are more transparent and democratic. The protocol annexed to the Amsterdam treaty on the role of national parliaments was a first decisive step towards this goal. The Copenhagen parliamentary guidelines are confirmation of our joint efforts. COSAC should try to deepen the methods and procedures to follow up implementation of those principles. I sincerely believe that these exchanges will strengthen democratic legitimacy and increase transparency within the European Union.

**Mr. Carl B. Hamilton:** It appears the Swedish experience is similar to that of other countries around the Baltic Sea where we have strict scrutiny of our Government when it comes to these matters. I will not speak too much about that.

However, there is a point I would like to mention which has not emerged from the discussions so far in the context of a new proposal for a constitution. It seems that with this new proposal there will be an incitement for national parliaments to co-operate to seek out other national parliaments which could, perhaps, create a blocking minority with others or, perhaps, create a two thirds majority depending on the case. There will be an incentive for such arrangements, formal and informal.

In co-operation between national parliaments and the European Union, there will be some new factors in the future. COSAC could help in this respect. While there is co-operation, COSAC could help to support it.

I would also like to refer to a matter mentioned by the German delegation, namely, that this is an opportunity for us to involve all the committees which deal one way or another with the European Union. It is an opportunity to bring them all on board. That is an important argument that would mean subsidiarity and scrutiny would be placed within the

remit of a specialised committee and not the EU committees of our parliaments. That would, in a way, encourage or even force our Members of Parliament to become more involved in future than they are currently. At the moment, it is an elite or minority that deals with these matters. It would be better to have a broader basis and to cast the net wider. Therefore, I argue that there will be changes and perhaps our committees will have a lesser role in the future when it comes to scrutiny of EU matters while specialist committees will have a greater role.

This is an opportunity for openness or transparency whenever we discuss EU matters, for example, the matter of subsidiarity and the scrutiny of it. It is extremely important to ensure we have transparency in our discussions and in our hearings.

**Mr. Pavel Sroboda:** I wish to share the experience of the Czech Republic and its reactions in respect of the role of the national Parliament as laid down in the protocol. We have been discussing this matter for more than a year and have adopted legislation which has come into force. We also have a committee for European affairs which now enjoys new terms of reference and powers. I will touch briefly on that committee and its powers.

First, the committee must have available to it all information arising from the European Union. That information is then classified and grouped so that it is laid out in a form relevant to particular committees. It goes to committees with an opinion of our national Government. This is important when it comes to negotiating our position on European affairs nationally. The committee then takes a decision on whether the legislative document or Act is to be debated. It decides whether the lead European committee will deal with the matter itself or refer it to another specialist committee. We determine the distribution of our work at that stage.

After that, the subject is discussed in a plenary session of the national Parliament or, more frequently, the committee will deliver an opinion which is then formally adopted and of which the Government must take account. The words "take account" were used deliberately because the committee has considerable powers vested in it. We have chosen a strong profile for the committee. This conforms with our new legislation which sets out the competences of the committee. Our committee is also involved in the matter of appointments and nominations to posts in the European Union.

The purpose of our legislation is not to complicate further the situation for the Czech Government. However, it is our intention to influence legislation because we are aware European legislation will have a considerable impact on our national legislation and that duties and obligations will arise from it.

We also wish to be able to explain the process in an effective way to our citizens. The committee has an important role in this. The complicated machinery of the European Union appears somewhat rebarbative to the population. We would like to make matters more attractive and accessible to our citizens.

**Mr. Alberto Costa:** I emphasise the importance of national parliamentary scrutiny in areas such as fundamental rights and justice. Traditionally in many of our countries, these are areas which are within the competence of parliaments. Recently, and in the near future with the new European constitution, some of these areas will move to the European sphere. In some cases Bills and laws will not necessarily be discussed in public as has been the case under our own constitutional arrangements.

The scrutiny carried out by our parliaments could end up being nothing more than statements. In some cases scrutiny will take place before adoption of laws while in other cases it may not. We need to ensure that in all our systems we are prepared to provide the necessary guarantees of good quality legislation and good quality European rights. It is not a question of creating a collective right as Mr. Méndez de Vigo was saying. It is a question of properly implementing subsidiarity. We must devise a means of communication among parliaments which will make it possible for every parliament to know the positions of the others in all of these difficult areas.

It is important in the future for Europe not to be able to pass on personal data on Europeans to third countries without beforehand having carefully considered the issue in our national parliaments. We are, certainly, talking about subsidiarity. However, another value which is just as important is at stake here, namely, the democratic quality of European institutions. Our national parliaments must be linked to guarantee this.

**Chairman:** I thank everyone for their co-operation this morning and ask for co-operation for just a little longer. We now conclude the morning session and will resume at 2.45 p.m. approximately.

*Sitting suspended at 1.20 p.m. and resumed at 2.55 p.m.*

### **The Lisbon Agenda in a Globalised World.**

**Acting Chairman (Deputy Seán Haughey):** We will commence the third item on the agenda. The Chairman is in the national Parliament taking parliamentary questions. As Acting Chairman, I will commence the proceedings.

I reiterate an earlier announcement in connection with the visit to the President of Ireland, Mrs. Mary McAleese. The buses will depart at 5.45 p.m. sharp. I wish to clarify that only Members of Parliament from both observer and member states are invited to participate in that visit.

The third item on the agenda is the Lisbon Agenda in a globalised world. During the meeting of Chairpersons, the Presidency was requested to place this item on the agenda. The Presidency was happy to do so and agreed to prepare a discussion paper, which has been circulated to all members. We hope it will form the basis for a useful discussion this afternoon. I hope delegates will find the debate a useful resource for their own parliaments.

In our report we have identified several recommendations. We recommended that the European Commission requires some reorganisation to enable it to service more effectively the policy needs of the process. I support moves to appoint a vice-president of the incoming Commission with particular responsibility for co-ordinating and driving the achievement of targets set.

It should be the first task of the incoming vice-president to simplify and make more transparent the reporting process. A Europe-wide review of skills needs should be undertaken urgently. This has implications for education, training and even immigration policy. The next generation of EU funding needs to be more closely targeted at addressing the Lisbon Agenda and the employment guidelines and targets in particular. Increased emphasis should be given to promoting and improving a public and private investment in research and human capital. There should be a stronger role for the Competitiveness Council. I commend our report to COSAC and hope we can agree a contribution which will serve to advance our common desire to see a successful conclusion to the Lisbon process.

I have a list of 19 speakers who wish to contribute. I call Mr. Vilén from Finland.

**Mr. Jari Vilén:** I congratulate the Chairman for including the Lisbon strategy on the agenda and for his contribution to the debate. The Lisbon Agenda was accepted four years ago with the overall aim of increasing employment and competitiveness in the European Union. I regret to say that the Lisbon strategy is lagging behind, unfortunately. A major improvement is not in sight. We have the means to achieve our aims, but the political will is missing. We do not need any new measures to implement the Lisbon goals. We should concentrate on the existing plan and fulfil the decisions that have already been agreed.

One of the major problems is that implementation has been slow at all levels. We need to improve the Council's legislative process. Many of the Commission's legislative proposals are of great importance in implementing the Lisbon goals. The

Council has been trying to solve common defence problems for years. It seems, after this week's meeting in Brussels, that the Commission is withdrawing the proposals because we have not been able to make the necessary compromises to have the legislation accepted.

National parliamentarians should take a look in the mirror. Some legislative measures which have been accepted at EU level are waiting for national implementation. Member states have not been able to follow the set timetable or to be more active in national implementation. We should pay more attention to ensuring legislation is implemented correctly and similarly in all member states. I refer to the old member states as well as the new ones.

The Commission has been a strong motor in the process and that should continue to be the case. I sometimes feel that the driver is pressing the gas pedal and the brake at the same time. The co-ordination between the Commission's different Directorates General is not perfect. We have received several proposals from the Commission in recent years. The chemical legislation package, for example, is important but does not necessarily improve our confidence in the EU.

If we wish to achieve the Lisbon goals we have accepted for ourselves, we have to find the political will to agree on common measures to improve confidence internationally. In the globalised world in which we live, we cannot afford to think nationally only. Better standards of living, higher employment, increased GDP and better quality of life can only be achieved if we succeed in the global market.

**Mr. Michael Kretschmer:** I thank the committee for choosing this theme, drawing up the report and putting this item on the agenda. The objectives of the Lisbon strategy are crucial if we wish to make Europe the world's most competitive region, to have greater employment and to ensure that our people have a good future. I refer in particular to those in the enlargement countries. I agree with the previous speaker. It is clear that our policy should meet the objectives of the strategy. Relevant issues include environmental legislation, social and economic policies and chemicals, which were mentioned a moment ago.

There is a great degree of enthusiasm for new technologies. We want more support for technological progress. Europeans do not understand, or may not be concerned, if we say that we will make changes in the future in respect of nanotechnology, for example. People prefer to be told about something more understandable, or a clear target such as the first man on the moon. They are interested in something obvious and new. If we speak about a new basis for energy supplies, for example, we should say if it will really touch people, for example by helping to reduce poverty, hunger, AIDS or cancer. We need new technologies, but we need to make our targets and objectives more clear and more understandable to people, especially young people.

How can we draw up a plan to bring other people on board and to make them back us? We need to ensure that the instruments are innovative. We should make clear the projects we will support. The sixth framework programme is not that innovative, to be honest. I argue that it has a number of problems. It is all very well that its intentions are good, but it has not necessarily worked out well in practice. Those of us who represent national parliaments should use the forthcoming weeks to get involved in the discussion and to examine the seventh framework programme to see what it should tackle and do, what its content should be and how it should pan out.

We need to consider structures, for example. If some states are weaker in respect of structures, they should be afforded an opportunity to take part in the framework programme. We need simpler mechanisms and key technologies which we support and which will help us to advance. It has already been mentioned that we need a great deal more money if we are to do that. The seventh framework programme will have to have the necessary budgetary appropriations. We have to acknowledge, on behalf of our states, that countries should not be allowed to withdraw. Nobody should be allowed to stand back. We should all work together. It is a matter for individual states and

parliaments to ensure that countries do not retreat or withdraw. On the contrary, they should get involved more intensively. A handful of states spend more than 3% of their GDP on research and development at present. Most countries are well below that threshold.

**Mr. Jozef Jerovsek:** I congratulate the organisers of the 31st COSAC meeting. Slovenia, which has quite a high level of development, has embraced the Lisbon strategy as a complex economic project that will serve to provide development to all member states in the long term. We regret, therefore, that its objectives have not been implemented with the pace that was originally envisaged. Too little effort is being invested in the strategy, which should be part and parcel of a financial package. To put it bluntly, if we want to achieve objectives such as greater competitiveness, money should be made available from the European funds. If this is done, we will be able to achieve a better co-ordination of development projects on the basis of the European funds and greater effectiveness will be shown by Europe as a whole.

We cannot talk about a pan-European project if all member states do not start from the same point. I refer to the free movement of labour, for example. Although Slovenia is not in the same boat as some of the new member states, the new arrangement flies in the face of the EU's enshrined principles. It is much better to co-ordinate than to reach stalemate. Slovenia's experience is that the more money that is spent on research and education in the longer term, the better. At least 3% of GDP should be earmarked for this area. The contribution of the countries should be at least 1.24%. Thereafter, on the subject of globalisation we must keep our shoulders to the wheel. We have the projects under the Lisbon strategy which I would like to go hand in hand with the keywords "subsidiarity" and "solidarity".

**Mr. Demetris Syllouris:** While I have prepared a written text, to make a briefer statement I shall concentrate on just a few points. We want Europe to be more competitive in the context of globalisation. We must adopt a particular strategy, details of which can be found in the report which has been submitted to the Irish Parliament, our hosts today. If we want to increase competitiveness in Europe, we must implement the proposals from Ireland and build on them with new ideas. This will make it possible for us to meet the challenges of globalisation and competitiveness in Europe. I thank the Irish Presidency for its proposals.

**Prionsias De Rossa, MEP:** I represent the Dublin constituency in the European Parliament. I welcome the delegates and hope they enjoy their stay in the city. As a member of the employment and social policy committee of the European Parliament, I have a keen interest in social policy and the Lisbon Agenda. A constant source of irritation for me is that whenever we have a discussion on this, we tend to focus almost exclusively on competitiveness, to the exclusion of the much wider agenda Lisbon set out. While the strategy is aimed to create a competitive economy, this is supposed to achieve full employment in quality jobs while integrating social policy as a productive factor. We run the risk of having a low quality model in Europe if we fail to integrate social policy and employment strategies with the competitiveness agenda.

The proposal for a super Commissioner on competitiveness is, at first glance, a good idea. However, if the person appointed concentrates exclusively on the business agenda, we will have very lopsided development in the EU and lose the European social model which is one of the unique factors which contributes to the Union's cohesion.

There is no doubt that the model requires modernisation. It must take account of the fact that social protection was developed at a time when we had a relatively high mortality rate. People died much younger than they do now. We had a different demographic profile with many more children being born to parents in Europe. A new model must be created to take account of the different balance in our society *vis-à-vis* pensioners, workers and children. Migration policy must also take account of this balance.

We must give serious thought to ensuring the targets set are global in the factors they consider. If we fail to address the social policy concerns of citizens to enable them to feel part of what is being done and if our actions create a degree of uncertainty and insecurity, we will create a level of unrest which may well prove difficult to address politically. I am pleased the COSAC meeting is addressing these issues.

We discussed the draft constitution this morning. We must hope the IGC maintains the values and objectives set out in part 1 of the constitution which addresses the issues of solidarity, social policy, equality etc. The Lisbon Agenda sits very well in terms of its totality with those values and objectives.

There is a need to address the role of national parliamentarians. While I am now a Member of the European Parliament, I was a member of a national parliament for 20 years and I know the difficulties national parliamentarians face in coping with the volume of material which comes at them from European institutions. I suggested the idea and promoted it in the Convention on the Future of Europe that national parliaments should have a European week during which the Commission's legislative programme for the year would be debated across Europe. Commissioners and MEPs could be invited to debate the agenda to ensure that these issues were priority matters for national parliaments as well as for other institutions.

**Mr. Denis Badré:** The excellent report we are using as the basis of our work and discussion is very opportune. Europeans are nowadays very concerned about the relocation of companies to other regions. They are concerned about the fact that skills are moving to other countries while capital is fleeing. People are looking for remuneration elsewhere. This is a major challenge. Within the European Union itself there are also difficulties. While we must have the required political will to overcome these problems, we must also tackle some real difficulties between the European Union and other regions of the world.

I suggest a strategy with three main pillars. We need economic governance, scientific policy and development aid policy. While a constitution is important, economic governance is critical for the European Union to harmonise our social and fiscal contributions and to ensure that our assets and, in particular, training are valued. We require economic governance to maintain our authority in the world and ensure that our particular way of seeing things and our approach are in the lead. I remind the committee that 12 of our countries have a monetary authority. If one wishes a monetary authority to be important, it must have a dialogue with an economic authority.

We require a good scientific policy which relates to more than issues of capital and jobs. In many of our countries, including France, we must review seriously the way we manage science policies to give greater freedom to researchers while ensuring that they are not divided. Our poles of excellence must be supported to ensure that what synergy is in place is enhanced. We must concentrate on areas of activity in which we are strong and which enable us to lead in world terms. The European Union should provide support in a focused way. We cannot support everything across the board; we must make optimum choices to obtain the best benefit.

Finally, we need a development aid policy. There are other countries which are in a less advantageous situation than ourselves. We must not allow this to continue, but neither must we allow a situation in which they will one day turn around and be opposed to us. That is why we need a development policy - to make sure we do not have migration flows which are purely based on artificial criteria. Wherever one's roots, one must have the possibility of finding an identity, flourishing and thriving. Once we have established that, we will have made a great contribution.

**Lord Shutt of Greetland:** I have four brief points. In the papers I have regarding this meeting, I have a note that at the meeting of 1 March, Denis MacShane, MP, Minister for Europe, said that a likely priority for the UK Presidency in 2005 would be material Europe and how to drive the Lisbon Agenda forward. There are another two

Presidencies before we get to the UK Presidency and it is slightly worrying that this is to be the priority, because it does not appear to me that there is an expectation of speed.

The Internal Market in services can be seen to be incredibly important when one realises how vastly greater these markets are these days than manufacturing. We must acknowledge the size of the service economy and hope we can allow it to develop. If we can get this market right for Europe, it can be got right for the external markets, which are also very important.

I thank the Irish Presidency for placing this on the agenda and I am aware of the distinguished parliamentarians I am able to be with today. There is clearly a galaxy of talent in this room. I hope and trust that these people will be able to persuade their governments to push on with this agenda and to take their Ministers to account, particularly when they are not moving with speed.

**Mr. Algirdas Gričius:** I thank the Chairman and my esteemed colleagues. The Lisbon strategy speaks about competitiveness in the EU economy. As the British representative has just said, without competitiveness, a good chance for competition and good conditions within the EU we can hardly speak about the ability of the Union to achieve these objectives globally. Whatever the case, we know that in terms of GDP the EU is in the lead, ahead of the United States. Since we have 450 million citizens and fewer than 300 million live in the USA, in order to catch up with the USA we should increase our GDP to 1.5 times its current size.

I remember during Soviet times, about 40 years ago, Nikita Sergeyevich Khrushchev said that we would catch up and overtake the USA. Of course that was a joke, but I understand that the Lisbon strategy and the tasks the EU has set itself are huge and it will not be easy for us to implement them. Whatever we say, we have economic vehicles in the EU which are represented by the big states, we have smaller states and at the same time we have the old-timers and new members of the EU. The differences between those countries will remain, irrespective of our efforts. In attempting to resolve all these tasks, will we be successful if we decide to give more regulation into the hands of Brussels institutions which decide the rules of the game or if we encourage a free market and fair competition? We should allow states to compete among themselves and at the same time develop the economy of the EU.

We have already discussed the tax system at the Convention. The introduction of a uniform taxation system in the EU, when we have different levels of development among the members, would not be right for a number of states. Therefore, our major task is to adjust social and environmental policies and develop the economy taking account of information technology and other factors. Most of those issues should be tackled by national parliaments and governments. If we have fair competition we will be able to move forward.

**Ms Malgorzata Rohde:** I congratulate the Irish Presidency on making it clear that the Lisbon strategy is an opportunity. It is the way for us to achieve a high level of competitiveness - the highest in the world by 2010. However, the report of the European Commission to the effect that we will unfortunately not reach that objective must be accepted. This is the reality.

What we have heard from previous speakers shows that we are all concerned by this fact. I hope we will manage to inject a new vitality and dynamism into the process. I am glad to note that the Lisbon strategy will be a high priority for the UK Presidency in 2005 but I hope we will start to do something about it long before that.

We have to identify the problems in front of us and decide how to deal with them. Do we want a Europe that is more social, more unified, with more directives and more institutions, or do we want a more deregulated Europe, one that is freer? If we consider the ten new member states, we can see that there is a tremendous amount of positive thinking about freedom and about entrepreneurial approaches. The Lisbon strategy, the most significant socio-economic programme that the European Union is currently

implementing, must be dependent on our vision for Europe. Do we want a Europe that is competitive and free, where entrepreneurs can act freely, or do we want to descend into a socialised morass?

The high-level group that was constituted with a view to assessing the Lisbon strategy will be developing certain proposals for 2005 that will amend the Lisbon strategy. It is already well known that it must be changed. The ten new member states, however, after 50 years of a completely different system, find themselves under different circumstances. That is something we must take into consideration. To measure us by the same yardstick is too audacious and controversial. Under fully peaceful conditions, we are undergoing a tremendous transformation. If we want a Europe with solidarity and subsidiarity in the genuine sense, it should be taken into consideration in the EU budget for the next few years that the new ten member states are making greater efforts in many respects than the old 15.

As previous speakers said, the opening of markets is obvious. If we close our eyes and do not see those borders, they will remain in place because they will be within us. If this debate does not result in a new economy, not only will we not catch up with the United States we will also be overtaken by Asia. We will be sitting back and resting on our laurels and becoming poorer and less competitive.

These are new paradigms that we have to learn to approach. We have to move closer to them. The ten new member states have a vitality and dynamism that can help. We are bringing knowledge capital to the European Union which regards us as something new, an innovation. In a spirit of true partnership, we need this to be transformed into deeds, not only to remain at the level of words.

**Mr. Franz Timmermanns:** I wish to address the issue from a slightly different angle. It is clear what Europe needs. It is also clear what the Lisbon Agenda is. The prescription is clear to everyone in this room. The only problem is there is a lack of willingness on the part of the patients to swallow the medicine. The problem does not lie in an analysis on the European level, it lies, perhaps entirely, in implementation on a national level. What we need is not another analysis or structure on a European level, what we need, to give one example, is for Italy to reduce its public debt which presents a much bigger threat to the Lisbon Agenda than a lack of economic policy on a European level. I can give examples from my own country where we have a lack of national policy to implement the agenda. The priority for us is implementation, implementation, implementation; not making new plans but simply doing what is included in the Lisbon Agenda.

Why is Europe incapable of doing many of these things? For instance, public debt is too high. Therefore, we spend too much money on servicing it instead of investing in our young people, education system or research capacity. We are spending too much money on an outdated agricultural policy, money that should be spent on innovation and new policy. We are also spending too much money on Structural Funds, part of which is not going to those countries most in need but from rich countries to other rich countries. We should change the system in order that we have money to invest in new developments. Those are the problems we have in Europe that can only be tackled by national politicians, not by creating new structures at European level but by putting one's money where one's mouth is.

I have one final remark to make on the credibility of European policy on the eve of the European elections. Never before has Europe made such a wonderful economic policy as the Lisbon Agenda but people will not believe in agendas if they are not implemented. They will not believe in European plans if they never lead to measures on a national level. We should go home, get back to work and implement what we discuss at a European level.

**Mr. Sotirios Hatzigakis:** I, too, echo the thanks extended to the Chairman for the excellent organisation of this meeting and the choice of subjects on the agenda. National



parliaments ought to be part and parcel of all work at European level. When we talk about economic and social policy, national parliaments must be to the forefront. It is apparent that the European Union is facing perhaps the most important challenge since its creation. We are in a globalised world which has tangible effects on our economic policies and social cohesion. Are we faced by a need for change when it comes to the economic policy pursued by the European Union? Are we not here now to identify the need for transition, to make a quantum leap as it were, before moving on to the Lisbon Agenda?

The European economy is lagging behind the United States. After the partial application of the Lisbon Agenda objectives, here in Europe we are still rather weak when compared to the United States. We are talking about a recession and are falling behind the United States. What are the reasons for this?

Mr. Gonzales, the former Spanish Prime Minister, may have been right when he said the steps we are taking are not sufficiently bold. If we are trying to assert our competitiveness *vis-à-vis* the United States, we are still falling behind in terms of the proportion of GDP we allocate to certain areas. Perhaps we should consider reframing our economic policies. The economic policy of a country or continent will also determine its social policy. A hard-line economic policy may create unemployment and exclusion and a backlash from the citizens who feel the brunt of it, which may serve to hold up the development one is trying to introduce.

Today, European citizens are not prepared to sacrifice their social policy position. We may be called upon to re-examine our economic model in order to create an engine that will drive forward European policies. Speakers may say this is tantamount to a resurrection and that Keynes is dead and buried and cannot be brought back to life but I am more optimistic than my colleagues. If we follow the line taken by Engels, perhaps we should look at the European economy in terms of dialectic. Obviously, the principles of the welfare state are somewhat far removed from us. We are in the harsh climate of monetarism. We have moved away from the social preoccupations and concerns of these philosophers. What is the model? Obviously, there is no magic solution; there is no nostrum but we have to be realistic and demonstrate solidarity and base ourselves on a much more equitable set of policies.

**Chairman:** Mr. Hatzigakis has had over four minutes.

**Mr. Sotirios Hatzigakis** Can I make one more point?

**Chairman:** Quickly, please.

**Mr. Sotirios Hatzigakis** Economic and social development should be the hallmark of our policies. This must also apply to our external relations and policies. The adoption of a European constitution will confer legitimacy upon us when we act on the international stage. In our fight against terrorism we need to embrace a development policy that will provide for greater stability and allow us to meet our objectives, including the fighting of terrorism.

**Mrs. Christina Axelsson:** I, too, thank those who organised this debate. Having said that, it seems there is a dimension missing, namely, the work of women. If we want to increase growth within the European Union, women need to be able to contribute. When talking about women and employment, we do not want to talk only about brochures and leaflets in our party programmes and platforms. We do not just want slogans on our election campaign posters for the EU elections. That is not what the matter is about; it is about equality between women and men in the labour market. This needs to be mainstreamed and carried out in all member states. Therefore, when talking about the Lisbon strategy, it would be opportune to talk also about the right of citizens to good child care and care of the elderly. Furthermore, when children go to school, they

should be entitled to a school lunch. The issue of the unpaid employment of women in the home needs to be resolved.

If the Lisbon strategy is to be a success story, we need to involve women. If they are to be involved, we also need strong decisions to be taken in all member states. These decisions should create the right conditions such that women can effectively make the desired contribution.

**Mr. Göran Lennmarker:** I want to focus on one of the main problems associated with the implementation of the Lisbon strategy, namely, protectionist policies aimed at both the outside world and member states. On the outside world, the problem arises if we have a "fortress Europe" protecting itself from the outside world. We should realise that competition from other countries in other continents is good. It is a way of shaping the European economy. Therefore, when we form our trade policies, our goal should be to have zero tariffs. Today we provide for far too much protectionism in our trade policies. We even have export subsidies which are forbidden according to the WTO. We work against other countries, particularly developing countries. On the one hand, we have development aid and, on the other, counter-productive export subsidies.

It is time that the European Union took the lead in world trade discussions. Traditionally, the United States has done this. As we do not have a huge deficit, it is, therefore, easier for us. We should try to form a truly global free trade area. We have free trade agreements with different regions, be it the Mediterranean or Latin America. The latter is under discussion. However, a spaghetti bowl of free trade agreements could not replace a more global attitude. Ireland is testimony to the importance of openness to the outside world.

The European Union makes many agreements but not all countries fulfil them. We must do so. It is up to our national parliaments to ensure we stick to the agreements we make. We are far too protectionist against each other. We have national subsidies and monopolies and do not fulfil the agreements we make among ourselves. Mr. Timmermanns from the Netherlands pointed to the fact that in our national parliaments we must meet our obligations.

**Mr. Marc Laffineur:** I, too, thank the Chairman for his hospitality and the way in which he has organised this meeting. In recent months we have witnessed important growth in the United States, China and India. Europe is beginning to recover but growth is not as spectacular as in these countries. Over the past three decades European growth amounted to about half that of the United States. This factor underlies the objectives of the Lisbon Agenda. Two examples associated with it include the investments we have had to make in high speed networks and research. While Europe is catching up with regard to high-speed networks, it has lagged behind on research. The United States now devotes 3% of GDP to research while Europe devotes only 1.5%. The negotiations on the 2006-13 financial perspective provide the European Commission with a wonderful opportunity to bridge this gap.

We should have three priorities in this regard, the first of which is solidarity in respect of the new member states which need to catch up with the old 15 member states. Rigour is the second priority. The European Commission is asking all member states not to become too indebted or have too big a deficit. It should also set an example in its financial perspective. The third priority is that the Commission should be a driving force for research in Europe. This is the challenge we face and, increasingly, we need co-operation as we have an extremely expensive research programme. The jobs of tomorrow are at stake. All of the national parliaments should be able to ponder on this and move in the right direction with the new financial perspective.

**Mr. Rein Lang:** I, too, congratulate the Irish Presidency on the very good work it has done. I will try to be brief because our good friend from the Netherlands, Mr. Timmermanns, said what I wanted to say. I, too, do not believe we can complete the

Lisbon process without reviewing the CAP and a series of other decisions and policies that require so many EU resources.

We have sufficient political will at EU level but little political will at member states' level. This is evident from what they have done regarding the free movement of labour after enlargement.

I am very pleased to express my gratitude to the Swedish Parliament which, contrary to the suggestions of the Swedish Government, opened the Swedish labour market to the new member states. "Jobs, Jobs, Jobs: Creating More Employment in Europe", the report compiled by Wim Kok, should be the starting point for all member states in implementing their labour policies on the free movement of labour. I very much hope that in the near future they will dismantle barriers to the free movement of labour and refrain from building more.

**Dr. Hannes Bauer:** Like my colleagues, I am most appreciative of the excellent organisation of this meeting and the kind hospitality of the hosts.

Our in-depth discussion of the Lisbon strategy shows how it has been pursued to varying degrees in individual member states. Certainly, the breadth of the strategy must be properly encompassed. We often tend to focus too much on its economic aspects whereas social policy and full employment are clear priority areas. I hope we will be able to recognise the fact that social innovations are just as important for our future as economic and technical innovations.

It is a shame that we have failed to identify the areas of priority in which the economy and society will be driven forward. If we are to aspire to having the most important world economy in the 21st century, we require better attunement of economic policies across Europe which requires a faster decision-making process. While we can all agree that social policy, consumer protection and the co-ordination of economic and fiscal policies must be taken into account, we must also consider the extent to which national parliaments take these issues forward into legislation and regulation. As has been said, the pattern varies widely.

This is a Union in which over 90% of the services we produce are geared towards the internal market. We could be more generous towards the Third World. We live in a global context and, given our huge market, could allow ourselves to be generous. Monetary union, created with no small difficulty, is now one of the crowning features of the European Union. We should move toward fiscal harmonisation across Europe which would necessitate the demonstration of co-operation among nations. Much of what we see applies not only in the social field but also to fiscal policy. People are talking about the right levels of tax contribution. While the rate must be acceptable nationally, it must also be sensible internationally to ensure we do not abandon our social aspirations.

**Mr. António Almeida Henriques:** I join colleagues in thanking the Irish Presidency for organising this COSAC meeting. This is an historic moment. Following the recent enlargement, there are now 25 full member states. Europe has never been so strong, although it sometimes seems that it does not know what to do with its strength and 50 year legacy.

We all identify generally with the Lisbon Agenda. Above and beyond its diagnosis and application, there are aspects of the strategy which must be further emphasised. A study of young people in the United States of America showed that two thirds wished to establish their own companies and become entrepreneurs. In Europe the figure is 50%, a level we must improve if we wish to complete the Lisbon objectives. Within the European Union we are told we could make savings while the IMF states if we deregulate, we could improve GDP by 7%. These are points we should address.

The Lisbon strategy has never been so important and should be the priority of priorities. We must set clear objectives and find ways to create the momentum to implement it. If citizens do not understand its advantages, we will not succeed. We must set concrete objectives which we must make clear to the people and try to achieve

in a way citizens can understand. It is important for individual states to implement their own strategies and integrate them with the Lisbon strategy. We see this in Portugal in our economy which we believe is suffering the effects of globalisation. We must ensure we put the objectives into practice.

**Chairman:** I have time for only two more speakers. We must try to discipline ourselves in the next session.

**Ms Maria Santos:** The European Union must make a greater effort to improve employment levels and the environment, important priorities of the European political agenda. The Lisbon strategy requires the implementation of a sustainable development policy. The conclusions of the spring Council reiterated the European Union's dedication to the Kyoto Protocol on climate change. The Council emphasised the environmental aspects of the Lisbon strategy and outlined how the productivity of the European Union must be retargeted to ensure sustainability. Productivity cannot be the only measurement in determining the value of a product and the cost of its production. The European Union must use new indicators, including quality of life, use of non-renewable natural resources, food security and environmental safety.

We must tighten the links connecting the environment, employment and competitiveness while maintaining the original orientation of the Lisbon strategy. There are a number of common measures on competitiveness which are important, as our German colleague said. However, we must not undermine the social and environmental dimensions of the strategy. We cannot accept economic growth at any price and cannot forget Goteburg and the environmental pillar of the strategy. While I agree that it is necessary to review our criteria for the assessment of economic growth and productivity within the European Union, we also require sustainability indicators. Here the role of European companies is crucial. Moreover, European public opinion must be well informed and the citizens of Europe must participate in the development and scrutiny of the Lisbon objectives. Europeans need to understand the benefits of the strategic objectives set out in Lisbon and Goteburg with a view to the development of the European Union. What is at stake in the upcoming review in 2005 will be the need to renew production and competitiveness policies in Europe and focus on innovation and modern productivity. This must be done in a spirit of solidarity.

We must, from a political standpoint, reaffirm our commitment to the European social model. As parliamentarians, we have special responsibilities. I agree that there is a need to establish a political interface among the national parliaments and the European Parliament in order to support the Lisbon strategy. I also agree with the point made by another speaker that we need to clarify the financial basis for implementation of the strategy. We need to reduce the disparity between political objectives and realities. We also need to stimulate innovation and strengthen the open co-ordination method. We must have greater active participation by national parliaments in European policy development. Greater discussion among the environmental, economic and the social dimensions also needs to be promoted. We must have a competitiveness policy which sets out clear and feasible objectives. We must also be persistent and tenacious in implementing these policies.

**Chairman:** We have run out of time but there are three speakers left. I ask contributors to take two minutes each in order that we may fit everybody in.

**Dr. Werner Fasslabend:** I shall be very brief. I draw the attention of the meeting to one matter in particular because it seems that in the discussion so far it has not emerged. I am talking about the issue of demographics. If we fail to take this factor into account, we will simply not meet long-term growth targets in Europe. We are told that we will lose one million people per annum from the labour force between 2010 and 2030. That is a problem in terms of immigration and the labour market and if we cannot compensate for

this loss, we will have a problem on our hands. We must tackle this matter now. There are only two countries in Europe - France and Ireland - which come close to an appropriate fertility rate that will allow us to maintain current levels. All other countries fall well below this rate. This is a matter with which we must deal.

**Mr. Yasar Yakis:** I intended to dwell on the aspect of demographics because it had not yet been mentioned but now that it has I intend to develop the point further. World Bank statistics indicate that those aged up to 14 years constitute 17% to 18% of the population in the old 15 EU member states. According to the report distributed to us by the COSAC secretariat, the population structure of the ten new central and eastern European countries is less favourable than in western Europe. We may presume, therefore, that the new average of the same age group may go down to 16% or 17% of the entire population.

According to World Bank statistics, the figure is 36% in Turkey. That is to say, those aged 14 years and under constitute 36% of the population in Turkey compared to 16% in the 25 EU countries. According to the World Bank assessment, this gap may grow drastically in 2025 in which year those at present aged 14 years or under will be between 20 and 34 years. This is another factor that the EU countries may wish to take into consideration when they consider the accession of Turkey to the European Union.

**Mr. Aydin Dumanoglu:** Our objective is to bring our country closer to the European Union. We are aiming to meet the Maastricht criteria in the economic sphere. As part of the aim of sustainable innovation, we are trying to reach the Lisbon targets in an appropriate timespan. To this end, we have been elaborating on a strategy for innovation and growth to catch up with the European standard, bearing in mind the special conditions prevailing in our country.

As confirmed by international economic circles, the economy of Turkey has enormous dynamism. Despite several recent financial crises, the Turkish economy has proved to be strong enough to overcome all problems. When the current reforms are completed and the problems solved, it will be a source of dynamism for the European economy, helping to achieve the Lisbon goals. Should Turkey be accepted into the European Union, it will not be a burden on the European economy. To this end, an e-transformation project has been implemented in Turkey, in which we focus our efforts on strengthening information and communication technology.

**Chairman:** I thank my colleagues for their co-operation in bringing this section of the discussion to a close.

### **Implementation of EU Budget: Parliamentary Scrutiny and the Role of the European Court of Auditors.**

**Chairman:** This item arises from a proposal from the Presidency raised by the Irish delegation during the meeting of Chairpersons in February. The Chairpersons agreed to discuss the role of the European Court of Auditors in the context of implementation of the EU budget. The Presidency has circulated its original report on the court. I have also received a letter from David Martin, MEP, dated 13 May, outlining concerns that there is inadequate co-operation between the European Parliament and national parliaments concerning scrutiny of the implemented budget. He proposes to include the following text in the final contribution of the COSAC meeting:

Calls for a closer co-ordination between the parliaments concerning scrutiny of the general budget of the European Union; wishes that the competent Committees of the National Parliaments and of the European Parliament establish a network in the area of implementation and control of the European budget and proposes to hold an annual meeting within the network in order to discuss the findings of the European

Court of Auditors and exchange views on parliamentary scrutiny of the budget in general.

I thank Mr. Martin for this contribution. I have included the text in the draft final contribution circulated to members which will be discussed by Chairpersons at a meeting at 5.15 p.m. Copies of the contributions have been placed on the document table outside. I ask the chairman of the advisory group which prepared the draft report on our behalf, Professor Patricia Barker, to make a brief presentation to facilitate our debate.

**Professor Patricia Barker:** I hope everybody can hear me at the back. I am always slightly reluctant to ask that question because of the response I once received during a lecture on some boring accounting topic to a large group of students in a substantial theatre. A voice was heard, "Yes, but I am willing to swap with anyone who cannot."

I am grateful for the opportunity to speak this afternoon about the work carried out in response to the desire of delegates to consider the changes it might be appropriate to make to the European Court of Auditors to develop it for the future in rapidly changing times. This meeting is extraordinarily wise to consider the need to put in place structures for the future at this time.

It is particularly opportune for a number of reasons, of which I will briefly highlight five. First, the worldwide environment in financial accounting, treasury management, and control and accounting in general, including accountability, is becoming increasingly complex and sophisticated. Second, the weaknesses of individual accounting systems have been highlighted by very high profile accounting collapses in the private sector. We do not need to mention Enron and Parmalat to underline the point. In the public sector the European Commission has, once again, had a qualified audit report on its accounts. Third, accounting is moving very rapidly towards an international standard. Financial reporting in the private sector will move in this direction next year. As delegates will know, the Commission has approved international accounting standards from 2005. The public sector is also moving in the direction of international standards. Fourth, auditing is moving rapidly towards internationalisation of its standards. We are aware that in the private sector the eighth directive on company law has been published for consultation while last week a suite of 29 rigorous standards of auditing were announced for adoption. Again, the public sector is headed in exactly the same direction to introduce a rigorous body of international accounting standards. Fifth, the recent enlargement of the European Union and the potential for future enlargement in the not too distant future will mean the European Court of Auditors will be managed by an executive of at least 25 people. There will be 25 chief executives.

In the context of these five critical change models, it is important for COSAC to consider the European Court of Auditors of tomorrow. Given the increasing sophistication of financial reporting systems, financial management, auditing, accountability and the move to establish an international body of very rigorous standards, it is imperative that the European Court of Auditors is structured to allow it to respond efficiently and effectively to the highest technical standards. While the current structure has served us very well, it is imperative that we recognise the fact that the past is a different place. We are making decisions for the future. We require a different structure which is competency rather than constituency based and sufficiently lean and muscular to work in a fast changing environment which will demand very high levels of corporate governance and accountability.

**Chairman:** I thank Professor Barker for those excellent opening words. I now open the debate to general discussion.

**Ms Diemut Theato:** I am grateful for the proposal which has come from the Irish Presidency. I wish to consider budget control, or parliamentary scrutiny, and the current and future composition of the European Court of Auditors given current misgivings. I have had the privilege of chairing the committee on budgetary control of the European

Parliament for some ten years and have been able to build up a body of experience in this area. We are responsible for looking at how European budgetary moneys are spent, whether policy priorities have been met and whether we have achieved acceptable value for money. The committee considers whether it is possible to change arrangements to achieve better value for money and whether it is possible to cut back, if not stamp out, irregularities and fraud. We are also responsible for granting discharge to the European Commission.

The committee on budgetary control prepares the discharge for the decision of the European Parliament. This is not simply a matter of presentation and approval of the accounts; it is a highly political process in which we examine the manner in which the draft budget is implemented. There are certain shortcomings. I remind delegates of the previous European Commission's forced resignation and the current status of the EUROSTAT case. The committee does not have an audit function as such. That task is performed by the European Court of Auditors which provides us with the basic material. On that basis, we consider whether it is appropriate to grant or withhold discharge. This is a political activity.

The committee considers that 25 members is a rather large number of executives for the European Court of Auditors. While it has the advantage of allowing each member state to have a member of the court, further enlargement will cause the number to swell, which may give rise to ineffectiveness. Hence, the current Convention proposal. While no mention has been made of reducing numbers, the court has begun to examine its internal structure to ensure it can accommodate the 25 members. Whether this will last in the longer term is something on which we will keep a very close eye in the European Parliament. The next budgetary control committee will have an opinion on the matter.

The appointment of members to the European Court of Auditors is another issue. We have been examining ten such appointments of persons whose term of office will be six years. This establishes discontinuity as there will no longer be overlapping terms of reference. Bringing in ten members for six years fails to do a service to the work of the court. Furthermore, we are considering the current draft constitution in which the court is not listed as one of the institutions of the European Union. It is appropriate to provide it with its own budget to ensure autonomy and its independence.

In the case of future appointments to the European Court of Auditors, the European Parliament will wish to be asked to give its assent rather than merely consulted. There are certain words in tomorrow's resolution I suggested that we do not produce a "network" but that we refer to persons in the national parliament who will liaise in these matters and meet once a year.

**Chairman:** If everybody observes his or her time limit, everybody will speak. If people at the end do not get a fair chance to speak, that will reflect on the Chairman. Therefore, I will be absolutely ruthless. Each speaker must keep to the four minute limit.

**Mr. Antonio Girelli:** At the Troika meeting in February it was appropriate that the item on the agenda which we are now discussing was reformulated in order that we could have a wide-ranging debate on the entire budgetary procedures of the European Union, not only on the role played by the European Court of Auditors. This broadened outlook enables us to make a more appropriate evaluation of the recommendations in the Barker report which the Irish Presidency made available in February when we had a preliminary debate on it. At that time we expressed appreciation for the work carried out by the group but a clear majority of delegations expressed strong criticism of the proposals, in both method and substance. There is no point in repeating those criticisms here but I would like to recall how the question of the reform of the European Court of Auditors also makes some points analogous to the Barker report which were raised by the United Kingdom at the Convention, although a consensus was not reached. If we propose this once again when the IGC is completing its work, it could be simply a theoretical exercise.

On the points of substance, we must recall that the advisory group referred to the role and powers of the national parliaments which would mark a significant change in the institutional balance of the European architecture. The main task of the European Court of Auditors is to provide the two budget authorities with assistance, that is, the European Parliament and the Council as they carry out their functions of budgetary control and implementation of the budget. This task is carried out mainly in the discharge procedure providing for the institutions a statement of proper management. In the meantime, minimal proposals intended to improve audit procedures by the European Court of Auditors could be usefully discussed.

The most radical proposal for reform put forward by the advisory group would create an imbalance compared with what we have seen provided for at the Convention. The national parliaments have focused on this. That is their new role in the European Union of 25 members. They should be more closely associated with the budgetary procedures. Budgetary policies are implemented on the basis of partnership between the European Commission and the member states and it would be appropriate for the European Parliament and the national parliaments to collaborate more closely in order to strengthen democratic scrutiny and the more transparent use of budgetary resources as well as the fight against fraud and practices harmful to the financial interests of the European Community.

If implementation of the budget becomes increasingly decentralised and closer to the citizens of Europe, an analogous process should also apply to co-operation procedures between the European Commission and the European Parliament's budget committee and the relevant committees in our national parliaments also. In this respect I support the proposals put forward by the delegation of the European Parliament and hope they will be taken into account in the contribution that we will adopt at the end of the COSAC meeting.

**Mr. Antonino Strano:** I support the proposed changes contained in the draft of the constitutional treaty when it refers to strengthening the decision-making powers of the European Parliament and when it comes to eliminating the distinction between compulsory and non-compulsory expenditure under European law to create a simplified co-decision procedure, among others.

I come from a region in the south of Italy and would like to take up the subject of Structural Funds about which we heard this morning. Removing certain mandates at certain levels is not the way to reform the European Court of Auditors. We are net contributor countries. I can reassure my Dutch friends that Italy is working on pension reform, as requested by the European Union, which will alleviate the public sector deficit but we must ensure proper scrutiny and controls are brought forward. There has been cause for concern about continuing up to 2006 in certain areas where the European Court of Auditors has expressed dissatisfaction and different practices have been deployed which leave room for improvement in terms of proper administrative procedures.

Checks and balances, however, are needed in respect of the Structural Funds. We want high speed in certain areas. We are anxious to build the bridge infrastructure locally. The checks and balances must be offset against one another but we must speed things up. We want to see much leaner supervisory panels and boards at all levels - regional, local, national and European. We need a better overview of the monitoring procedures because they provide the guarantees for everyone in Sicily. We were very relieved to see the European Union expanding because while it is true that one's slice of the cake is shrinking, the size of the cake is growing.

Today we hear a great deal about currency, banks, controls and the European Court of Auditors but we also need to stimulate developments in Europe, technological advances among other matters. COSAC would do well to schedule issues of culture and identity on its agenda for a future meeting. Often we overlook the cultural specificities of Europe. We should not forget that our differing cultural identities might give us the



edge over the United States. We may be lagging behind the US economy but there is no cultural lag.

**Ms Outi Ojala:** We thank Dr. Barker for her excellent report. In Finland we were very pleased to note that the Presidency had raised this topic for discussion. The implementation of the EU budget has been of great importance to all of us and our citizens. The report of the Oireachtas advisory group is interesting.

In Finland we organised a debate between the members of our grant committee, the finance committee and the national audit office. The main issues are: the size of the European Court of Auditors, the content of its work, implementation of its annual reports and co-ordination between the court and the national audit offices. We also consider that the name should be changed to the European Audit Office, as the advisory group suggests. Enlargement brought up the important issue of whether there was enough meaningful work for 25 highly qualified members, plus staff. The recommendations of the advisory group suggest a number of just five auditor generals. This is interesting but it would require a treaty change. It is a little late, however, to bring the matter up at the IGC.

The work of the European Court of Auditors would be made more efficient by establishing the internal channels made possible by the Treaty of Nice. When nominating members and other staff, one should pay more attention to their professional qualifications and experience. We can make a difference by ensuring the future reports and recommendations of the European Court of Auditors will be implemented at EU level by the European Commission but also by governments at national level. We cannot afford to continue with unreliable accounting systems which would damage the EU budget. We must work together to achieve more transparency and more effective expenditure of the EU budget, with the co-operation of the national audit authorities and the European Court of Auditors. Each member state must take responsibility to ensure the quality of auditing at national level. The quality of ECA auditing must be more than the sum of its national partners. The European Court of Auditors should concentrate in the future on value for money auditing which should not be transferred to an internal audit service.

**Mr. Agis Agapiou:** I, too, thank the Chairman for his hospitality and extend my best wishes for the work of COSAC which I hope will be successful. COSAC should consolidate its role in this new unified Europe with the inclusion of ten new member states. I hope we will be able to contribute to the work which will be done leading up to a European constitution.

When talking about budgetary control and the competent authorities, I wish to make a very important point. It is an expression of the will of our peoples. I, therefore, believe the European Parliament should increase its weight in the budgetary control process, including in the drawing up of the budget. Its role should be consolidated at all stages of the procedure. Members of the Parliament are elected directly by the voters of Europe. It appears they are very competent and will be able to follow closely the way in which EU money is spent.

A very big part of the European budget is currently earmarked for the Common Agricultural Policy and the Structural Funds. In the light of this, there is a need for genuine budgetary control at domestic level. In other words, national parliaments must play their role in the budgetary control process. They should do so in a way that complements the work of the European Parliament. This would strengthen democratic legitimacy in a unified Europe. There is co-operation between the European Parliament and national parliaments but this co-operation should be stepped up. More specifically, we argue that co-operation between the budgetary control committee, on the one hand, and the competent committees of our national parliaments, on the other, must be stepped up. We should have a better exchange of information between the two sides. This should

happen throughout the budgetary process. This would mean better budgetary control in the implementation or execution of the European budget.

The role of the European Court of Auditors should also be strengthened. Its role is already of paramount importance. We spoke about the budgetary conscience of Europe when we spoke about the court. It should be known that 80% of the European Union's budget has gone through these checks and balances. The Treaty of Nice emphasised the importance of this body and pointed out that there was a need to improve co-operation between the European and national levels when we talk about auditing or budgetary control. If there could be co-operation between the different tiers, the court could be more relevant and perhaps would be taken more seriously by the relevant bodies, competent authorities and national parliaments. Perhaps there should be a more significant exchange of views between the different sides.

The role of national parliaments is emphasised in the draft constitution. We should add to this the importance of greater co-operation with the European Parliament. This co-operation should be mentioned more specifically, as should co-operation between the European Court of Auditors and the relevant national bodies.

**Mrs. Sharon Dijksma:** I would like to discuss three matters, first, the suggestion by our colleague, David Martin, who spoke about a new network on the EU budget and the role of parliamentarians in this matter. I agree it is a good idea to have more substantial discussions and parliamentary scrutiny of the use of taxpayer's money, not just because we want to ensure the funds are spent in an efficient manner and in accordance with the priorities set by democratic and legitimate bodies but also because this is an important instrument in gaining the confidence of European citizens. However, what we do not want is a new bureaucratic travel agency. What will be the status of this network?

In future we would like to see COSAC discuss political matters, not itself. Therefore, it would be a pity if the new network did not directly report to the COSAC plenary session. If a network is set up, it should be informal and report once a year to the COSAC plenary session. It should also be possible to invite the President of the European Court of Auditors to tell us what is the current situation. We do not want a new network with new people who do not work with COSAC. That would be a bad idea.

I have two more recommendations. In future it would be wise to have more co-operation between the existing courts of auditors in several national member states. We in COSAC should encourage this co-operation and search for specific instruments to strengthen their role and our own parliamentary scrutiny. I agree fully with Professor Barker that to have 25 chief executives of the European Court of Auditors would not be wise. We should search for a structure which could help in the future, not a structure for the past. We cannot win the next war with the old generals.

We seek attention for our role as national parliamentarians to control the EU budget that is spent by our own national governments. Perhaps this could also be a subject for the informal network to discuss at COSAC.

**Mr. Vytenis Povilas Andriukaitis:** The report of the European affairs committee of the Irish Parliament is very good and useful. The presentation by Professor Barker was also good and important. It told us why the issue of budgetary supervision should be discussed and that enlargement was another factor that emphasised the need to duly administer and control EU budgetary funds. Most of the recommendations presented in the report should be smatter for further discussion and consideration because some are politically sensitive. We cannot expect, therefore, that they will be implemented shortly.

We have familiarised ourselves with the report of the Joint Committee on European Affairs of the Irish Parliament and could support the proposal to introduce a system in the future whereby we would have a professional group of five auditors general, which would be aided by 25 people who would act as supervisors. We should try to support this idea in the future.

We also support the proposal to change the name of the European Court of Auditors to the European Audit Office. Co-operation between national audit offices is very important and those proposals are acceptable.

I refer to the next issue. As a co-operation network will be created among national parliaments, I do not think we should create other new networks. This network should be sufficient.

The constitutional treaty has good provisions about the reinforcement of supervisory functions of national parliaments. We have to be very clear about this and support this position once again.

**Lord Grenfell:** I congratulate Professor Barker on her report and presentation. The European Committee of the House of Lords conducted an inquiry into the functioning of the European Court of Auditors just three years ago. Many of the recommendations in Professor Barker's report are quite similar but I do not have time to go into them.

I would like to take up three points, the first of which concerns the structure. We came to the conclusion, as many have done, that a court of more than 20 full-time executive members would be unwieldy, sluggish and ineffective. However, the chamber system incorporated in the Nice treaty appears to be merely a mechanism to absorb members without improving efficiency and is not radical enough to solve the problem. We accept the need for national representation to ensure the confidence of member states in the court. However, this would be better served by the impartial appointment of a highly qualified chief executive supported by a large team of audit staff reporting to a part-time non-executive board of representatives from each member state. This would maintain the representation of member states and considerably increase confidence in the court.

Second, the length of the discharge procedure is excessive. It deals with a report which is so far away from real time and so often leaked to the press in advance that it is like trying to digest a very old meal. However, a dialogue between the auditor and the body responsible is important and an element of negotiation is essential but too protracted a process alienates the Parliament and risks inviting a public perception, exaggerated though it may be, of inter-institutional conflict resolved by fudging the audit. Neither sheds credit on the institutions involved.

Third, the fact that 80% of the budget is administered by member states in no way absolves the European Commission from its responsibility for implementation of the budget. We remain deeply unhappy with the seeming indifference displayed by the Council's highest level to the auditing functions and findings of the court. Given the poor public perception of the management of the European Union's funds, the Council should be more concerned with the criticisms made by the court. While the internal audit reforms in the Commission are bringing about substantial improvements, a more rigorous follow-up to the court's observations, both in regard to the other institutions and member states, remains a pressing priority. We urge the Council at ministerial level to focus on the court's annual report - maybe some of them could even read it - as part of the process leading to their recommendation in the discharge procedure.

**Mr. Jacek Protasiewicz:** I thank the Chairman for his heroic attempt to pronounce my name in a language that is so new to the European Union. He did rather well considering.

I will make a few comments, which are the result of a debate we have had at our parliamentary committee on these affairs on the basis of the excellent report we received from the Irish Presidency for which I thank it very much.

We came to the conclusion that the present structure, as the professor and the Presidency found, was not efficient and effective and that would be even more so the case in future. Changes are needed, therefore, but there were some voices heard to the effect that drastic changes that would limit the possibility for all member states to have some representation on the European Court of Auditors would be difficult to accept for political reasons and that of the six models analysed in the report, the sixth model - this is true of the report's authors also - would be the most appropriate.

We believe it would be appropriate to select through a competition five professional European auditors but the 25 members of the supervisory board should be recommended by national parliaments and could perhaps be the presidents of the national courts of auditors. We have a national court of auditors presided over by an individual selected by our Parliament. Perhaps that is the case in other countries also.

If presidents of national courts of auditors were members of this board at the European Court of Auditors, that could achieve two objectives, the first of which is to improve co-operation between the European and national courts of auditors. A number of speakers have called for this. We believed it would be necessary if only with a view to avoiding duplication of audits carried out by the European and national courts of auditors.

The role of the European Parliament is extremely important in this regard. It was suggested by the chairperson of the audit committee that the Parliament should have a say in the selection of members of the board and other professional auditors, and that it should be a decisive voice. The change in name would be appropriate. Why should it be called a court? The word "office" would be a more appropriate appellation considering the work it does.

The members of our parliamentary committee drew attention to a number of other points. It seems to us that the status of the European Court of Auditors as set out in the draft constitutional treaty is somewhat dubious. We are concerned by its exclusion from the group of European institutions in the strictest sense. It is not included in Article 18 but set out in some subsidiary organ. We are also worried by what is set out in Articles 2.19 and 3.10.

**Mr. Börje Westlund:** Sweden has just gone through its own process to review the way in which the Court of Auditors works in our country. This has been advantageous for us. When we talk about the European Court of Auditors, we must look at it not simply from a domestic point of view but from an EU point of view. It is important that we discuss national, domestic and European audits. The latter must not be seen as completely separate. We must remember that many of the appropriations are managed by the member states but at the same time the money is coming from the European Union. That is why we support the conclusions tabled by the EU Presidency on these points.

If we are to have good control and auditing, we need good legislation in each member state. According to that legislation, one should be prohibited from abusing or misusing EU funds. That is very important. One should simply not have an EU system entirely separate, with national domestic issues in a different basket, so to speak. On the contrary, we should co-operate and find a system which will allow us to weave the two areas together, or allow exchanges between the two. We do not want to have one parliament responsible for one aspect and the other responsible for a completely different one. That is another reason we support the EU Presidency's conclusions.

**Mr. Carlos Rodrigues:** I congratulate the working group on the report it has presented. It is all the more praiseworthy because the work was done with very limited resources.

We are discussing structural changes in the European Court of Auditors but should first consider investment in streamlining and improving the effectiveness and efficiency of the institutions of the European Union. When we come to a conclusion, it is frustrating that we could go further but do not have the resources to do so.

Regarding the report, the arguments against maintaining the current system prevail over the opposing ones. The European Court of Auditors is a more technical and less poetic institution, as it should be. Its independence must be guaranteed with its expertise and operations. Of the various models proposed, we favour models four and six. The operational part could be left to the technical people and we could have supervision guaranteed by the member states. The best solution would be to transform this body into an independent one free of national pressure. We should, therefore, carry out further

work to harmonise national systems in terms of structure and accounting standards. Special concentration should be made on ethics, transparency and good governance.

The evolution of this body needs to be more efficient and effective, and it must obtain more conclusive results. Reaching all of these objectives will help the European Union to evolve positively. I emphasise the need for prudence and a well-structured approach. It is necessary to increase specialisation, benefit from experiences around the world, and make the necessary legislative changes. If we simply stick to the *status quo* and add more staff without changing anything else, that is not a real solution and there will be serious consequences for an institution which requires greater flexibility and a greater capacity to intervene.

**Chairman:** Thank you all. This item concludes the business of the first day of the plenary session. Chairpersons should remain to consider the draft constitution contributions.

### **Draft Constitution Contributions.**

**Chairman:** I am going to go down through the items as listed in the draft contribution. Item No. 1 reads: new members: COSAC welcomes each of the ten new member states of the European Union. Is there any problem with this? The Netherlands has a difficulty.

**Mr. René van der Linden:** I would like the following to be added: "This is a challenge for the European Union as a whole". Too many of the old member states see it as a potential problem. We have to see it as a challenge, or an opportunity.

**Chairman:** They are just words of welcome. We may leave it as it is. Are there any strong feelings about this? People are nodding in agreement. Is that agreed? Agreed.

Item No. 2 reads: Intergovernmental Conference: COSAC takes note of the information from the President in office on progress in negotiating a new constitutional treaty for the European Union. It calls on all parties concerned to conclude the Intergovernmental Conference by the next European Council in June. Are there any comments? Yes, from Finland.

**Mr. Kimmo Kiljunen:** I do not particularly like the euphemism used, "constitutional treaty". I would prefer the term used by the Convention, "treaty establishing a Constitution". I propose that we change the first sentence to read: "COSAC takes note of the information from the President in office on progress in negotiating a treaty on a constitution for the European Union". That is the correct formula to which we are accustomed instead of this euphemism. Is anyone opposed to this? Is it agreed? Agreed.

**Mr. Christian Philip:** As I said this morning, I am sure we can all agree on the wish to agree to the adoption of the constitution. However, we have to know the constitution at which we will finally be looking. It seems we should go beyond what is proposed. I would like to add something along the lines of the following: "The agreement shall not revisit the main principles and balance emerging from the Convention".

**Chairman:** What is the German view?

**Mr. Kurt Bodewig:** I explicitly support and endorse that view. It seems the Convention achieved a result which probably would not have come about through the Council of Ministers. I do not believe it would have ever achieved it. That is why we should refer to the excellent work done by the members of the Convention. I fully endorse the proposal made by the representative from France.

**Chairman:** Just before I call the representative from Italy, could that be given in writing, please?

**Mr. Giacomo Stucchi:** We should also emphasise the question of quality, in other words, the content of the draft treaty. I do not think we can accept just any content. We accepted and supported a set of articles which we believed were appropriate. We should reiterate today that this is the avenue we wish to pursue and that the work of the Convention cannot be overturned. On the contrary, it should be confirmed in the form of the treaty.

**Chairman:** I call Mr. Jensen from Denmark.

**Mr. Claus Larsen-Jensen:** We should keep the text as it stands because if we start interpretation, it will be a question of what we had actually put. The Convention may have done a good piece of work which forms a core. It is not as if all national parliaments carry a mandate from home. Therefore, the Intergovernmental Conference will be the second part of the democratic process where the national parliaments will participate. Therefore, I cannot support this additional proposal.

**Chairman:** What is the view of the representative from Poland?

**Mr. Jerzy Czepulkowski:** I support the opinion expressed that it would be better to leave the text as it stands because the discussion of the interpretation of what were the main achievements or the balances struck in the text as drafted by the Convention could take two days here. The change of name is acceptable but I say no to the other additions.

**Mr. Tommy Waidelich:** I, too, wish to emphasise what the two previous speakers said. It would be erroneous to start making lots of additions to this text. Instead, let us keep the proposal as it is. The most important point is that we want the Council of Ministers to come to a conclusion and finalise business. If we start adding left, right and centre, we run the risk of opening a Pandora's box.

**Mr. René van der Linden:** The best solution is that we refer to the resolution adopted at the previous COSAC meeting. There is a positive affirmation of the outcome of the Convention. If we make reference in this paragraph to that resolution, I believe of 17 October 2003, it would be a good compromise.

**Mr. Vytenis Povilas Andriukaitis:** Lithuania supports the proposals made by France and Germany. The text prepared by the Convention bears the signatures of the representatives of national parliaments as well as representatives of government and the European Commission. We have discussed this many times at the national parliament. Otherwise I propose to make a reference to the previous resolution of COSAC because one way or another we have to say we need a strong constitution.

**Mr. David Martin:** The European Parliament would like to agree with the Dutch that we should make some reference to the work of the Convention. One of the simplest formulations might be to add the words, "on the basis of the text adopted by the Convention", to the end of the paragraph, the formula with which we have always gone along. The Dutch have mentioned that this is what we said last October. It does not make any qualitative or quantitative assessment of what should be taken from the Convention, it simply states that should be the basis for the agreement.

**Mr. Guntars Krasts:** In our previous proposals COSAC expressed support for the document produced by the Convention. Given that the Intergovernmental Conference has worked for quite a long time, we have created essential compromises in many areas. Mentioning the Convention product would interfere with reaching a successful result in June. Therefore, I support the proposals of my colleagues from Denmark and approve the text in the form it is in today.

**Chairman:** We have three proposals: first, the proposal in writing from the Presidency; second, the suggestion from the French that we should add the words, "This agreement should not call into question the principles and balance of the text of the Convention"; and, third, the wording from Mr. David Martin that we should add the words, "on the basis of the text adopted by the Convention". If one uses the wording, "on the basis of the text adopted...", it does not mean exactly what is stated in the text, it only confirms that matters are being discussed on the basis of the text. It would be a good halfway house. There seems to be agreement on the amendment proposed by Mr. Martin. Is it agreed that we add those words? Agreed.

On the counter-terrorism co-ordinator: COSAC welcomes the appointment of a counter-terrorism co-ordinator to co-ordinate the work of the Council in combating terrorism and to maintain an overview of the instruments at the European Union's disposal. It notes the progress reported by the co-ordinator and welcomes being kept informed of future developments.

**Mr. Denis Badré:** With a view to efficacy and precision, our objective is that the co-ordinator should come along and report on progress. We suggest the following wording: "COSAC takes note of progress and wishes to be kept informed of future developments by the co-ordinator at its upcoming meeting", or at its next meeting, to be quite precise.

**Lord Grenfell:** I am a little worried. The co-ordinator will be an extremely busy man. I think we ought to leave it open to him to keep us informed by whatever means he believes is most appropriate, whether it be written reports or orally if he is able to come. I would be reluctant to pin him down to frequent appearances before COSAC.

**Mr. Kimmo Kiljunen:** In paragraph No. 2, it was agreed, as nobody opposed it, to use the correct name.

**Chairman:** We accepted that.

**Mr. Kimmo Kiljunen:** In regard to the last sentence in paragraph 3, I would like the major issue for parliamentarians to be put very clearly. It would read as follows: "It notes the progress reported by the co-ordinator and welcomes being kept informed of future developments in order to improve parliamentary co-operation and scrutiny of the decisions which often affect the citizen's rights".

**Chairman:** Is that agreed?

**Mr. Sotirios Hatzigakis:** We agree with the content of the amendment and believe it would serve a good purpose but would like to add to it because we believe it is impossible to fight terrorism using the means mentioned only. We also need preventive measures and ought to add words to that effect as we know what the causes of terrorism are - poverty, unemployment and so on. I will read out our proposal: "COSAC calls for better co-ordination of EU measures consisting of preventive measures aimed at the elimination of poverty and unemployment and social injustice."

**Mr. Vytenis Povilas Andriukaitis:** I support the French proposal as far as paragraph 3 is concerned but perhaps we should say we should receive this information in writing. On the other hand, maybe we could also mention that we should exchange information on what is happening in national parliaments

**Mrs. Sharon Dijksma:** I propose that we leave it as it is. First, it is not up to COSAC to dictate the agenda of the new co-ordinator and, second, it needs more discussion on the content of the work of the co-ordinator in order to draw conclusions. I think the proposals from the Finns and the Greeks come too early.

**Mr. Carl B. Hamilton:** I support the United Kingdom's suggestion that the co-ordinator should not necessarily have to come to COSAC meetings to inform but to inform in a suitable way.

**Chairman:** We have a number of proposals and I suggest that we deal with them in the following way. The last sentence reads: "It notes the progress reported by the co-ordinator and...", to which we should add the words, "wishes to be informed of progress by the co-ordinator at future meetings". We are expressing a wish but not committing to the next meeting, nor are we saying it should be in writing or in person. We are just expressing a wish that we wish to be informed at future meetings. That sounds like a reasonable compromise on what we have heard thus far. Are we agreed? Agreed.

Item No. 4 deals with the European Court of Auditors: COSAC calls for closer co-ordination between the parliaments concerning scrutiny of the general budget of the European Union, wishes that the competence committees of the national parliaments and of the European Parliament establish a network in the area of implementation of the EU budget, and proposes to hold an annual meeting within the network in order to discuss the findings of the European Court of Auditors and exchange views on parliamentary scrutiny. COSAC takes note of the report tabled by the Presidency on the role of the European Court of Auditors and complements its authors on this work. The report is a valuable source of information on ideas, the organisation and work of the court and has provided the basis for a stimulating debate on the subject at today's plenary meeting of COSAC. COSAC notes that some of the recommendations in the report fall within the competence of the Intergovernmental Conference. It also notes that this body has recently considered the court in its work on the drafting of a European constitution. COSAC will forward a copy of the report to the Council of Ministers, the European Parliament and the European Court of Auditors for their consideration. COSAC notes that some of the recommendations in the report fall within the competence of the Intergovernmental Conference. Is this agreed to? Agreed.

**Mrs. Sharon Dijksma:** I propose that the first paragraph be skipped and will not repeat my arguments about bureaucracy, travel and so on. I have not seen a new text but maybe others have suggestions. We do not like the text as it stands.

**Mr. Claus Larsen-Jensen:** I agree with my Dutch colleague. What is important is that having created COSAC, we should not have to establish new networks. Therefore, we could underline the fact that COSAC is intensifying its work. That is the same message proposed by our Belgian colleagues. If we need to create a new network every time we have a problem, why does COSAC exist? We must try to focus on what is important for the national parliaments in the co-ordinating body for them, that is, COSAC.

**Mr. Kurt Bodewig:** It seems there is a little disproportionality between the different parts of the text. We have one sentence welcoming the new members in the Intergovernmental Conference and four paragraphs on this issue which perhaps is not quite as important. That does not seem proportionate to me. I suggest that we just take



the first paragraph of item No. 4 which we could perhaps amend and delete the other paragraphs. In the general European context, this is not that important or weighty.

In the first paragraph. I would like to make an amendment. Rather than establish a network, we should establish a list of contact persons. In all of our parliaments we have committees for budgetary control, or committees in charge of auditing and so on. These committees have responsible people who could meet once a year at a European level. This would not be problematic or too costly and it would allow us to have a good exchange of information and experience. It would be simple and effective.

I would add to the sentence on interparliamentary scrutiny. I would add the words, "on the EU budget in general". This would make it clear that we were talking about budgetary matters. It is budgetary issues that are subject to scrutiny here. We could focus on this topic by adding those few words. This would be a good approach, would be in line with Irish concerns and would conform with the debate we are having today. I will submit this in writing to the Chairman.

**Mr. Vytenis Povilas Andriukaitis:** I support my colleagues when they speak about attempts to establish a new network. The speakers' conference of the Athens group of eight yesterday approved the guidelines for an interparliamentary information exchange, or IPEX. Maybe we could exchange information through IPEX without having to set up a new network, and we would have the same result. In principle, I support the idea that we should have an exchange of opinions through IPEX.

**Mr. Giacomo Stucchi:** What has been said by colleagues gives us food for thought. We have to find the best possible solution concerning the final content of this segment. It might be timely to reiterate that it is right to have co-operation but talk of a network might be overdoing it. Perhaps we could accept a few concepts but not all. I do not think establishing a network is appropriate at this time.

**Mr. Jerzy Czepulkowski:** We would like comment on what has been said by our colleagues from the Netherlands and Denmark. The first paragraph should be deleted. As the Belgian delegation mentioned, the network should be under the aegis of COSAC.

**Chairman:** We have a proposed wording from our German colleague which states the title should be replaced as follows: "Parliamentary control on EU budget implementation". It also states the first paragraph should be replaced as follows: "COSAC would welcome closer co-ordination between the parliaments concerning scrutiny of the general budget of the European Union, wishes that the competence committees of the national parliaments and of the European Parliament establish a list of contact persons in the area of implementation and control of the EU budget and, in this context, would welcome an annual meeting in order to discuss the findings of the European Court of Auditors and exchange views on parliamentary scrutiny of the EU budget in general."

**Mrs. Sharon Dijksma:** I do not want to spoil this meeting but my question is: what is the difference between a list of participants and a network? They are more or less the same. What we do not want is all of these new organisations, whether they are called networks, informal networks or whatever. It is a matter of principle. The European Union is concerned about its budget. That is the task of the European Parliament. National parliaments should also do their job and co-operate. I suggest we make a new proposal, that we only take the first sentence of the first paragraph: "COSAC calls for closer co-ordination between the parliaments concerning scrutiny of the general budget of the European Union".

**Mr. David Martin:** We thank the Presidency for putting this issue on the agenda and being prepared to take our suggestions. We have listened very carefully to the debate

and want to make it clear that the European Parliament did not want to create a new bureaucracy or network. We were very happy with the Italian-German proposal but, having listened to our Dutch colleague, I do not have a problem with that suggestion either. The main point is that the EU budget often escapes proper scrutiny and it is the job of both the European Parliament and national parliaments to provide for that scrutiny. In essence, this is taken up in the first sentence. We would be happy to live with that compromise.

**Chairman:** Are we happy to conclude at the end of the fifth sentence? Agreed.

We have a power of referral to the other institutions which we have never used but it is time we did. It is very much shrouded in the words: COSAC notes that some of the recommendations in the report would fall within the competence of the Intergovernmental Conference. COSAC will forward a copy of the report to the Council of Ministers, the European Parliament and the European Court of Auditors for their consideration. We are not pre-empting what anybody will do but ask them to consider our deliberations in the sense that these are our ideas and that we would like them to consider them. Is that agreed? Agreed.

On item No. 5 - scrutiny of EU business in accordance with the protocol in the Amsterdam treaty on the role of national parliaments in the European Union, I will not read out the five points as members have a copy of the note before them.

**Mr. Giacomo Stucchi:** On paragraph 2, we have presented an amendment. The idea was to delete the reference to a burdening of the conference of the COSAC secretariat but this would conflict with the decision taken concerning the secretariat in Rome. We believe this would require an amendment of that document. Moreover, another important point that needs to be emphasised is the assessment of the work of the IGC and the proposed monitoring. This has political ramifications which we cannot accept because it is not consistent with the administrative nature of the secretariat.

**Chairman:** Does Mr. Stucchi have a written amendment?

**Mr. Giacomo Stucchi:** Yes, we have submitted two proposals for amendments. I wish to make a second point concerning paragraph 5. We should delete it because it is not appropriate at this stage to launch an initiative concerning the early warning mechanism prior to adopting the constitution.

**Chairman:** What is the view of the representative from Finland?

**Mr. Kimmo Kiljunen:** It is important that we welcome the biannual report on the scrutiny system. It is a very important document and we can praise the secretary. On paragraph 2, I suggest that we add one further point. We are saying the secretariat should evaluate the outcome of the Intergovernmental Conference and monitor the procedures followed by the European institutions etc. We need one more point as follows: "evaluate the progress made in improving parliamentary scrutiny under the European legislative process".

On paragraph 5, if it is to be preserved, the Italian proposal will have to be deleted. If we keep it and establish a small working group, we would be assessing the implications for the national parliaments and, particularly, co-operation among them. I would like to add two words: "COSAC proposes that a working group, composed of chairpersons, be established to assess the implications for national parliaments and for their co-operation in implementing the early warning provision". Those are my two proposals.

**Chairman:** What is the view of the representative from the Netherlands?

**Mr. René van der Linden:** I support the proposal of the Italian delegation concerning the deletion of paragraph 2. We do not need to await the outcome of the Intergovernmental Conference as it affects the role of national parliaments, about which there is no discussion. It will be taken over as provided for in the draft constitution on the table.

I support the deletion of paragraph 5. The Dutch delegation intends to come up with a document which is being worked on by the Dutch Assembly and the Dutch Parliament in order that we can work on the basis of best practice in the future. We should scrutinise the legislative process in the European Union in the future on the basis of best practice.

**Chairman:** What is the view of the representative from Denmark?

**Mr. Claus Larsen-Jensen:** I support my Finnish colleague in seeking a new text and on the remark, through the intervention of Italy and Holland, that it should not be important to look at the subsidiarity principle. I disagree completely because with other national parliaments we are looking at how we can evaluate this principle and create the mechanism. Knowing that in the future we will have to co-ordinate with other national parliaments, it would be crazy not to try to find a mechanism in the next six weeks. The fact that parliaments are dealing with this issue should lead to a common proposal in solving joint problems. It will be necessary to meet before the next COSAC meeting to start on this work in the working group in order that we will be well prepared.

**Chairman:** What is the Belgian view?

**Mr. Jacques Gerveaux:** I am chairman of the Belgian Senate. We wanted to put a text before the committee, which we issued outside the meeting. I do not want to repeat the discussion of this morning but to restrict myself to the proposal, the brief text, that perhaps could be added as an extra point to paragraph 5. The text is before the committee for members to read.

**Mr. Kurt Bodewig:** The German delegation supports the Italian proposal, in other words, that paragraph 2 be deleted. I do not believe we can make a political evaluation through a technical bureau or office. At most that would be the task of a Troika. We agree to the deletion of paragraph 2. However, we could support paragraph 3.

The German delegation is in favour of the deletion of paragraph 5 for two reasons, the first of which is the fact that the item will still be before us in the future. We also have two chambers of parliament with different compositions in part. I suggest that we delete paragraph 5 but, at the same time, the subject should be a core issue on the next COSAC agenda. With due respect to Denmark, those countries which have to operate on a bicameral basis would have to work into this. We could work on the best pattern of organising work on subsidiarity. We should not include it in our conclusions but put it on the next agenda.

**Chairman:** I will allow one minute each for the remaining four speakers. The Presidency will try to come up with a new draft on this point for discussion tomorrow morning.

**Mr. René van der Linden:** I have the same proposal as my German colleague. We have a two chamber system and are currently making a proposal for our own Parliament. We want to pick up on this proposal as an example during our Presidency and have it as a discussion point at the COSAC meeting in November.

**Mr. Nicos Cleanthous:** I hope I will not complicate the task even further. I took the floor earlier during the general discussion to discuss paragraph 5 and we said that in paragraph 3, 4 or 5 we could add our proposal concerning documents. We would like these documents to be sent directly to the national parliaments for practical reasons,

particularly for the benefit of the new member states. The information takes a long time to reach us because the mechanisms are not yet operating adequately.

**Lord Grenfell:** We are in favour of the deletion of paragraph 2, largely on the grounds that the secretariat's function is to be descriptive, not necessarily analytical, and certainly not to provide solutions. If it is purely descriptive, it is, therefore, well within the existing terms of reference.

We are also in favour of the deletion of paragraph 5. We believe this is a matter of local subsidiarity, best left to each parliament to decide how it wants to proceed. We cannot co-ordinate but can exchange best practice.

**Mr. Tommy Waidelich:** As far as the Swedish delegation is concerned, we support the Danish and Finnish proposals with regard to paragraph 5. It is good to get started and this work off the ground. If we were to wait until the next COSAC meeting, we would be losing time and behind schedule. We should, therefore, maintain this idea, with a direct reference, as indicated by our Finnish colleagues, to establishing such a group.

**Chairman:** I propose to return to item No. 5 in the morning with a new draft. We have dealt with items Nos. 1 to 4, inclusive. We are left with items Nos. 5 and 6. Item No. 6 is fairly innocuous. We will circulate new wording for item No. 5 tomorrow morning. That concludes business.

The joint committee adjourned at 5.45 p.m. until 9 a.m. on Thursday, 20 May 2004.

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Mr. Gerhard Koller	Head of European Affairs Division
Mr. Eduard Mainoni	Member of Parliament
Mr. Hermann Schultes	Member of Parliament
Dr. Hannes Bauer	Member of Parliament

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Mr. Hugo D'Hollander	Adviser European Affairs (House of Representatives)

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Ms Tiit Mae	Member of EU Affairs Committee
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Mr. Philippe Godts	Commission Européenne Official
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