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Verslag van het gesprek van de commissie voor Europese samenwerkingsorganisaties van de Eerste Kamer der Staten-Generaal en de vaste commissie voor Europese Zaken van de Tweede Kamer der Staten-Generaal op dinsdag 16 november 2010 in het gebouw van de Tweede Kamer der Staten-Generaal te Den Haag **met Eurocommissaris Šefčovič (interinstitutionele betrekkingen)**.

De voorzitter van de commissie voor de Europese samenwerkingsorganisaties,
Strik

De voorzitter van de vaste commissie voor Europese Zaken,
Verburg

De griffier van de commissie voor de Europese samenwerkingsorganisaties,
Petter

De griffier van de vaste commissie voor Europese Zaken,
Nijssen

Aanvang: 15.30 uur

The **Chairperson (Ms Strik)**: Ladies and gentlemen, let us start our meeting. As you can see, we are not complete yet, but it would cost us too much time to wait any longer, given that the voting in progress in the House of Representatives will take another ten minutes at least.

Mr Šefčovič, let me first say that I am honoured to welcome you to the States-General of the Netherlands. Your presence here is a testimony to an open and fruitful relationship between the Dutch parliament and the European Commission. A warm welcome to you once more.

As chair of the Standing Committee on European Cooperation Organisations of the Dutch Senate, I welcome your personal commitment to the deepening of the Commission's relations with the national parliaments and we are very pleased that you could visit the Dutch parliament in such an interesting period in EU institutional relations, and right after the presentation of your new working programme. We are, of course, first of all highly interested in hearing your thoughts from the Commissions' viewpoint on the new working programme, as well as on the interinstitutional relations that you see as an ideal relationship between the Commission and the national parliaments in particular. We all know that these are very exciting times, due to the budget discussions going on in Brussels right now. I am sure there will be questions about this topic. I would ask you to start your presentation as soon as everyone has arrived here, including the members of the House of Representatives. Following your talk, I am sure that members of the committees of both chambers would like to address a few questions to you.

Awaiting the arrival of our colleagues from the House of Representatives, I suggest that we start with an informal debate, in which the senators now present here can ask you a few questions.

Mr **Šefčovič**: Thank you very much. We can indeed start now informally and I will wait with my presentation until your colleagues arrive. I welcome the opportunity to come here, to meet you all and to present to you the Commission's working programme. Actually you are the first parliament to which we present the program, you even get to see it before the European Parliament and before the Council does. I will repeat this in my presentation. Tomorrow I will be speaking to the incoming Hungarian presidency. So you are the first ones to get to see the programme. I do welcome this opportunity and I hope that more of my colleagues will come to visit you, because I think it is very important to be in close touch and to have good contacts with the national parliaments. After all, we would like to get your support for our projects, for Europe. We want to explain to you better what we do in Brussels, in Strasbourg and in Luxembourg. We also want to make it clear to you that we are very much aware of the value of money and that we are trying to organize European projects with an added value for Europe and for the European citizens. For that, of course, we need very solid friendly relations and we need good communication channels. That is why I came here. I think that this visit could help us to establish that communication.

Now that I am speaking to the members of the Senate, I start by thanking you for your active participation in our political dialogue between the Commission and the Senate. We read with very much interest and care your contributions in the framework of the subsidiarity mechanism. Communication is a part of political dialogue, because it is very important to know what you think and how you feel about the proposals that are made by the Commission. After all, your opinion is a very strong indicator for us. Did we or did we not get things right? How should we change them or adjust them? We are absolutely aware that we merely prepare the proposals, which then have to be approved by the member states and by the European Parliament, because they are made for the citizens of

Europe. So for us, your feedback is very important and maybe later on, when we have a discussion, I can share with you some of the ideas we have on how we could cooperate even better and how I believe the national parliaments – the Senate and the House of Representatives – can be involved even more in the pre-legislative phase of preparing European legislative proposals.

The **chairperson**: Thank you very much. That sounds like music to our ears.

I would now like to give the members of the Senate the opportunity to ask a few questions. To whom can I give the floor first?

Mr **Kuiper** (ChristenUnie): Shall I start? Mr. Šefčovič, thank you for being here and for this conversation. As part of this parliament, we are still trying to figure out the best way to cooperate with the Commission. I have read the speech you addressed to the Quartet in Spain. You were very open and you said that the Commission would help or facilitate national parliaments by offering information to them and by doing its best to establish good relationships. Can you give us more insight into how this looks from your perspective? What is your evaluation of the current relations between the national parliaments and the Commission, after we accepted the Treaty of Lisbon? What is your part of the story of inventing this relationship between national parliaments and the European Commission? What does «facilitator» mean, in practice?

The **chairperson**: Should we collect a number of questions?

Mr. **Šefčovič**: Whatever you prefer.

The **chairperson**: Okay, we will do that. Who has the next question?

Mr **Peters** (SP): I have two questions in fact. Our mandate is of course related to the national authority, meaning the government. Indirectly, we might have, also through the Treaty of Lisbon, a responsibility to the European Parliament and to the Commission. Sometimes it is not very clear to our committee how we should address certain critical remarks or fundamental differences with respect to proposals of the European Commission towards that Commission. I think that there is not yet a clear-cut method of directing those messages or remarks. In your opinion, what is the best way? Personally I think that all three bodies need to be informed, the European Parliament, the European Commission and of course our own government and ministry.

My second point regards proposals and the schedule of those proposals. Having worked for the Commission myself, I know the procedures. An initiative is taken by the Commission and then at some point, there is an inter-service consultation about what will be happening next and about what the views are of the different Commissioners or of part of the Commission. Is it possible to introduce a moment early on in the procedure of all initiatives or proposals, in which the national parliaments can be involved in, or at least informed of, what is happening? And by that I mean in more detail than just the title alone.

Mr **Eigeman** (PvdA): Thank you very much. I have a question about another aspect of the work of the Commission, not specially about the working programme. You have a difficult task, I think, in interinstitutional relations. Europe is too much an institutional project now. How do you think it will be possible to evoke more commitment from the European citizens? I ask you to answer this question from an interinstitutional way of looking at things. I think it is very important that every Commissioner, especially a Commissioner with your important task, should pay attention

to this aspect of building a new Europe. If we do not succeed in getting commitment from our own citizens, then we have a long and very difficult struggle ahead of us for the future.

The **Chairperson (Ms Strik)**: As a co-chair of this meeting, I would now like to welcome Ms Verburg, my co-chair from the standing committee on European Affairs of the House of Representatives. Now that the colleagues from the House of Representatives are here as well, we can start with the formal part of the meeting.

The **Chairperson (Ms Verburg)**: Thank you very much. It is a great pleasure to be welcomed to your own house, so to speak. I appreciate it very much that you took the opportunity to start already. I hope that it was explained to you, Mr. Šefčovič and your staff, that we had to vote in the House of Representatives, and voting in that chamber is considered a holy duty so that as an MP, you must be present. My colleagues Ms Ferrier and Mr Ormel join us too and we are very glad that my co-chair and you decided that you would not start with your introductory words until we, members of the House of Representatives, were able to join this meeting as well. Thank you once more and welcome to the Netherlands. This is the first time we have the pleasure to meet you and we are looking forward to your introduction. You have the floor.

Mr **Šefčovič**: Thank you, madam chairperson. Did I understand it correctly that I should first answer the questions put before me and then give my introduction? In that way, the senators will not feel unanswered. Feeling unanswered is not good in any parliament. So I will try to be very quick.

The **Chairperson (Ms Verburg)**: Please do.

Mr **Šefčovič**: How can the Commission be a better facilitator of communication? There are two very important new elements in the architecture of communication between the national parliaments and the European Union. Already before the Lisbon Treaty entered into force, the Commission Barroso I established a local political dialogue, in which we tried to send to parliaments all proposals for future legislation. We have been encouraging the national parliaments – and I mean both chambers in bicameral systems – to comment on what we do. Do you like our proposals or not? Do you have problems with them? Do you have comments on them? I can tell you that so far we have several hundreds of opinions coming from all the parliaments in this political dialogue. I give you the exact figures, so that you can see that this is picking up. We received 850 opinions so far from the national parliaments on what we do in the EU.

The Lisbon Treaty brought innovation. It brought in the subsidiarity-check mechanism and we are behaving in a very disciplined and legalistic manner. If a legislative proposal is prepared, we send it simultaneously to the national parliaments, to the Council and to the European Parliament. We send it in all the available language versions. Should delays occur, by any chance, in one of the language versions, then we start to calculate this eight-week delay from the date where the last linguistic version was sent to the last national parliament. Then we wait for your comments and I am very glad to say that these comments are coming in. You do it in a good Dutch way: if you are not happy with our answers, you send us your comments again, so then we know that we need either to be more precise or to argue in a better way. We very much respect and value the fact that you do it in such a way, because it helps us in the Commission to learn about what we can expect from the member states, where we can expect complications, what we need to adjust so that our proposals will be better

received in the future. If you ask me how the Commission intends to become a better facilitator: we want to be your primary source of information and we want to be the primary recipient of your feedback. When we receive your opinions, I assure you that the answer you get from the Commission will be signed by me personally. In that way you will know that I saw it, that I read it and that I am sending a response to you with my signature on it. If you have additional comments or reservations, I will be very glad to see them and to have the opportunity to open a discussion with you.

Mr Peters asked how you can be better involved in the communication with the European Parliament, the Commission and the Council and how you could be involved in the legislative process at all stages. At times, the national parliaments do not make full use of the possibility they have to be very active in what I would call the pre-legislative phase, and by that I mean our presenting the possibilities of a legislative proposal or when we issue green books, white books, when we ask for public consultations. For example for the file for which I am responsible, the European citizens» initiative, we received quite a few opinions coming also from the parliaments and stating what the parliaments would like to see in the European citizens» initiative, how it should be organized, how it should be framed. That was very helpful for us and we have been working with these comments very closely. So this is a very important phase.

Next comes the stage of the impact assessment. As you know, we have an obligation, according to the concept of smart legislation, to conduct quite extensive impact assessments. That means that any legislative proposal we make is assessed. What kind of administrative burden will it bring? What will be the burden for national administrations, for the citizens? What will be the social consequences? What could be the environmental consequences? We are very much pressed to assess also regional consequences of the legislation proposed and that is what we do. In the phase of doing the impact assessments, we always attach such assessments to our legislative proposals, so if you get legislative proposals from us, you will find the impact assessment from the Commission attached as well.

Of course you also have a legislative process in which you have enormous powers to influence your ministers, your people in Coreper. Ms Verburg knows that very well, because she came to Brussels to see the experts in the working groups and I can tell you that the Netherlands have very good diplomats and very influential ones. We know that if there is a particular issue, it is extremely difficult for the Netherlands that usually the structures, the institutions are looking for solutions that are good and acceptable to your country as well. So this is how we can communicate with the Council, with the Commission and in the European Parliament. You have your liaison officers and that is very much appreciated, because they inform the colleagues in the European Parliament of what is going on in the Dutch parliament and they can give you feedback on how a particular issue is being discussed in the European Parliament. There are several ways in which we can do it and there are special procedures which I believe your experts know. They know how to send your opinion to us. We have a centralized mailbox, but you can always send comments to me. Our staff services will make sure that your input is studied and that a reply is being prepared, so that you know your comment was not lost, but we studied it and would like to respond to it, too.

The last question asked was how to improve the commitment of European citizens to Europe, because times are tough, I agree with you on that. It is not easy, especially not if you work for the European Commission. On top of that, I think we are at a quite difficult stage now. I come from one of the new member states and to me – I said it several times today, especially to the young people at the university – it still is a miracle that I can sit here with you as a commissioner from a democratic

new member state of the EU and represent that EU, because 21 years ago, I was looking at Austria through barbed wire, there was an iron curtain there. That was very difficult for all of us and to see that today, we are travelling with id-cards, we are paying with the same money, I meet Slovak students at your universities and we have freedom of speech, freedom of religion: for me, that still is a miracle.

At the same time I know that for the young people and for a large part of the population in the old member states, it is a different story. Europe is here and it is very much taken for granted. We need to get the citizens on board by explaining what Europe can do for them, how positive it can be, what we can do on a European level which cannot be done on a national level. We have to explain that money spent on a European level has a higher added value and brings much more positive results than money spent on a national level. Of course it is not an easy job, but we have very clear facts to demonstrate. Look at the improvement of the single market, the tearing down of additional barriers on the single market. You all know how hugely the Netherlands benefitted from being a member of the single market and now plays a much more significant role at a global level. We would never achieve such solid results in trade negotiations if we had to negotiate as France, as the UK, as the Netherlands, not to speak of Slovakia. As the European Union, on the contrary, we have a very strong voice. Be it in international diplomacy, in the creation of conducive conditions for new reform processes, which must take place in all our member states, because if we do not do it, we will have a big problem to stay competitive, to be on the competitive edge, which can guarantee us the social conditions we know today.

I am sure we can discuss this a little bit further on in the meeting. I do not want to monopolize my first possibility to answer your questions. Madam chairperson was telling me to proceed otherwise.

Chairperson **Verburg**: Thank you for answering the questions from our colleagues from the Senate. Let us now turn to your introduction. As far as I understood, your talk will take about 15 minutes.

Mr **Šefčovič**: I will keep an eye on my watch.

Chairperson **Verburg**: Thank you, Sir. Meanwhile, we will not interrupt you. Everyone is asked to save their questions for afterwards, so that we do not have to interrupt the introduction. Sir, you have the floor.

Mr **Šefčovič**: Yes. I will use the microphone and I will test my Dutch. Dank u wel voor de vriendelijke uitnodiging. Het is een eer dat ik hier het werkprogramma van de Europese Commissie voor 2011 mag komen presenteren. Dit is het eerste parlement waar wij dit doen, zelfs nog eerder dan in het Europese Parlement en de Raad. Wij zullen ons werkprogramma daar volgende week bespreken.

This is as much as I could learn from my daughters, who attended a Belgian school where they had Nederlands as a second language. I hope that you understood some of it. On top of that, I put on my orange tie, because I knew that we could have a very lively debate this afternoon. Thank you very much for your invitation and for the possibility to address members from both chambers of the Dutch parliament to inform you of our working programme. As I said, this is the very first presentation of the Commission's working programme. Tomorrow, we are going to present it to the incoming Hungarian presidency and on Sunday or Monday we will present it to the Council and then to the European Parliament. I think that it is very good for us to have the opportunity to briefly present the programme now. As members of the Commission, we very much appreciate and highlight the role of the national parliaments in all this process.

In the answer I gave earlier, I said that in my opinion, the national parliaments could be more involved in the programming and controlling of how the legislative process in Brussels is taking place. As for the Commission's working programme, you will probably notice that we slightly changed the way in which we are preparing our work programme. We now start with the State of the Union, the address of the president of the Commission in September. Then we have a structured dialogue with the committees in the European Parliament, while at the same time, a lot of the issues in question are discussed in the sectoral councils. After two months, the Commission adopts the working programme. What is very important to say is that the major innovation is that we adopted the concept of a rolling-over programme. That means that it is not only a programme for one year. In the programme we just adopted, you will also see what we would like to achieve in the entire period of the present Commission. Of course, the programme is more precise for the first year, but you can still see what our intentions are for the second and the third year. That makes things much more predictable than they used to be. You can see what the priorities are and you can already see whether there is something you like very much and want to be supported and done faster, or if there is something you have a reservation against and think you would need more information so that together with your experts and your diplomats, your government can scrutinize the proposal in question much closer. We wanted to ensure much closer predictability and visibility of what is the future planning of the Commission.

As I said already, I very much appreciate the quality of the dialogue between the Dutch parliament and the Commission. We see that there is an increasing number of opinions and comments coming in from both chambers of your parliament. You are using more and more the instrument of the subsidiarity-check mechanism and I also appreciate how active your delegation is in the COSAC, because I am sure that this will be one of the international or European bodies where this concentration of an exchange of views or coordination of the positions of the national parliaments vis a vis the European legislation can take place.

What would be our major priorities for the next year? We are now in a post-crisis situation, but we are still witnessing a very difficult situation on the financial markets. Therefore we need to continue as much as possible with the comprehensive reform of our financial systems. We would like to demonstrate stronger post-economic governance and of course we will be continuing to present you the concrete proposals under our flagship-initiative, the Europe 2020 strategy.

Mr Šefčovič: It is important for the Netherlands that Michel Barnier is working very hard on finalizing the complete package of proposals for improving and modernizing the European single market, to get rid of the barriers which unfortunately still exist on the single market. Our main priorities are the economic crisis, governance, sustaining the European social market economy, restoring growth and jobs through the EU 2020 Strategy, pursuing the Citizens' Agenda by building an area of freedom, justice and security, and, of course, making the most of EU-policies, inter alia by launching the negotiations on the modern EU Multi-annual Financial Framework. Finally, we need to use the momentum we have now. We just completed negotiations on the establishment of the European External Action Service. We need to use the momentum to make the European voice heard in the international scene in a much better, much stronger, and much more coherent and coordinated way, so that the EU is much more influential on the global stage.

I know the financial issue is very important for the Netherlands. There are two important areas to cover. First, we need to introduce a much better, much stronger fiscal discipline. We have been working closely with the taskforce of president Van Rompuy to present a comprehensive package

on how to improve microeconomic governance. One of the goals is to achieve a much stronger budget discipline through a so-called European semester. We also want to give national parliaments the opportunity to see how the Commission and the EU member states see the parameters of national budgets. Are they sustainable in the eyes of the other member states and the Commission or not? We do not want to create the impression that we want to meddle in their budget-making process. It is very important in the European context to have the budget parameters presented to the peers in the European Union and the Commission, so that we can comment on them if we think they are unsustainable or incompatible with macroeconomic goals. It is up to the national parliaments to decide on the budget and the priorities. Your cooperation in this matter, and, of course, your good questions to your government about fiscal consolidation and fiscal prudence are very welcome. I am sure it will be to the benefit of the Netherlands, as it will be to the benefit of any other country where such a procedure takes place.

Of course, we need to reform the way in which financial markets are regulated and managed. Here again, we rolled out a lot of proposals. Much will depend on how the proposals will be supported by member states and the European Parliament, on how ambitious they are, and on how the new supervisory structures of the new authorities, which start their work on 1 January, will take hold of this new, very important area. We need to be absolutely clear that we will be able to avoid a banking crisis like the one we had in Europe just a few months ago.

I want to say a few things about the EU 2020 Strategy. Here you all know very well that what we are looking for is sustainable growth for the future, which we would like to build on three pillars. The Commission cannot achieve this result on its own. I was particularly pleased to see that your parliament supports the EU 2020 Strategy, because you see it as a way to modernize the European economy and to start the new national reform processes in the member states. For that it is very important that the ownership of the EU 2020 Strategy is not in Brussels alone, but that it is felt on a national level too, by the governments and the parliaments. Ideally, it is regional, local, and hopefully supported by the citizens as well. After all, one of the lessons of the former Lisbon Strategy was that there were too many priorities, that it was seen as an effort driven by Brussels, and that there was not enough inclusion into the process of national and local politicians. We need to avoid that this time. If you can help us with advice, it will be hugely appreciated, because this is very important for the whole of Europe.

We started the process of drafting a national reform programme. The Commission completed bilateral talks with the governments of the member states. Now we are working on our comments and the comments of the member states. Hopefully we will adopt them together in early spring next year. They should be ready by the time we will discuss the European semester. This time we want to avoid a double approach where in March we criticise member states because they are not fiscally prudent, and in the autumn we criticise them because they do not invest enough in research and development. This must be done in a complex manner and in one go. We need to have a complex picture of the economic development.

A very important question is how to guarantee our citizens good opportunities. Of course, it is not only a matter of investing or of modernizing the economy, but also of preparing our labour force. I served for a while as educational commissioner. I know this is not the case in the Netherlands, but in Europe 30% of the workforce of around 80 million people has only basic skills. According to statistics there will be at least 12 million jobs less for basic-skilled people in 2010. We need to adjust our policies. How to train these people better? How to change the approach to lifelong learning? And also: how to improve the education of young

people? It was a big surprise in many member states that when the crisis struck, the first people not to get a job were young people, and very often young people with a university education. When you investigate the reasons, very often you get the answer from businesses that universities are a bit detached from the business environment, that young people do not have the appropriate skills, and that you need to invest a lot in training when you hire young people. Therefore, we introduced the initiative New Skills for New Jobs. We want to force universities to talk more with businesses, to adjust their programmes, and to modernize, so that our young people, when they leave university, are much better prepared for jobs than they are now. I know this is not a problem in the Netherlands, but in the European Union we have a very high drop-out rate. In many EU countries this is such a big problem that we simply need to find policies to improve this.

I spoke about the single market and our aim to achieve its full potential. I spoke about financial services. We need to chart the new map of how services will be offered. I also spoke about the importance of budgetary surveillance. I want to speak about a very important issue which I am sure will be discussed very soon: the potential of treaty change.

I know how sensitive this issue is in the Netherlands, but I can assure you: it is not only sensitive in this country. We had quite a serious debate on this issue in the General Affairs Council just a month ago. Then it was taken up by government leaders in the formation of the European Council. Council president Herman van Rompuy got a mandate to explore the possibilities and to inform the leaders in the December meeting of the Council on how to proceed. In the meantime the Commission is drawing up the possible permanent mechanism as a tool to prevent a crisis like we have seen at the beginning of this year. Again, I think this needs very careful management, because these issues are very sensitive. The Commission is ready to go for any kind of legal analysis and any exploration of possible legal avenues to find a way, if we cannot find the proper accommodation within the treaty, within the European legislation. It seems that the leaders want very limited treaty change. This creates the impression that we are discussing the transfer of powers to Brussels. The aim is to use the simplified procedure: the unified unanimous decision by the European Council and, of course, ratification by national parliaments. We will see how the debate will evolve. The president of the European Council is having bilateral meetings. In December we will get more precise information.

I want to conclude with yesterday's vote on the 2011 budget, which as you know failed. We regret this, because it will complicate our life significantly in the coming weeks and months. We want to have a very open dialogue with the Council and the Parliament. The Commission will start its work on the new draft budget proposal immediately. We are aware that we are in new territory, because we used the new procedure for the first time. We need to find a solution, hopefully in the early spring of next year. We are still analyzing the legal, budgetary, and financial consequences of not having the budget ready on time. But we do our utmost to assure that after 1 January the policies will be executed under the budgetary rules as much as possible.

Chairman, I do not want to prolong my talk any more. I know that usually the most interesting part for the members is the discussion, the questions and the answers. Thank you all very much for your attention. I will try to answer your questions.

The **Chairperson (Ms Verburg)**: Thank you, Mr Šešćovič, for your comprehensive overview of the priorities of the European Commission and your tasks. You addressed the importance of the European Union for its citizens. We represent these citizens. I am sure we want to exchange thoughts on behalf of them with you. I give all members who did not yet

put a question to you the opportunity to do so now. We start with Mr Franken.

Mr **Franken** (CDA): First I want to apologize for being late, but there was a Senate meeting I had to attend. I want to ask Mr Šefčovič a question about the relationship between the EU and the Council of Europe. I think there is a growing irritation in several national parliaments about the fact that the EU takes up activities which have been the domain of the Council of Europe for a long time. These activities are fulfilled by the Council in an excellent way. The Council has a long track record with positive results, including the conventions on the trafficking of human beings and on money-laundering, and a treaty about cybercrime. I also point out the monitoring reports on Eastern European countries. However, the EU has been handling legislation on the same subjects more and more recently, and more and more it organizes election observations in countries where Council representatives are preparing their monitoring reports. We regret that there is more competition than cooperation between the EU and the Council of Europe. Is it possible to change this approach in the EU?

The **Chairperson (Ms Verburg)**: I allow two other members to ask their questions. But I request them to be more brief, otherwise we will not have enough time for the Commissioner to answer. First Mr Ormel.

Mr **Ormel** (CDA): As I am not a senator, I can be very brief. Thank you, Mr Šefčovič. We are very honoured by your visit. You are not the first Commissioner to visit the Dutch parliament. It is good that we have such good relations. It is not only that we are near Brussels geographically speaking, but we can see that for the Commission the national parliaments are also near to them. I do have a critical question. At the end of your analysis you said that you regret the failing of the budget talks. That is put rather mildly compared to what the chairman of the Commission, Mr Barroso, said. He said the Netherlands are responsible for the failed budget talks. He said that Netherlands are not behaving according to the European spirit; we, one of the founding fathers of the Union. Our national parliament was very critical on the spending in Europe during the financial crisis. Does the Commission understand that there is a financial crisis in the European Union?

The **Chairperson (Ms Verburg)**: Thank you for this much briefer question than that of Mr Franken! It is Ms Ferrier's turn.

Ms **Ferrier** (CDA): Mr Šefčovič, thank you for your introduction, and for coming to our house of democracy. You are the Commissioner for Inter-institutional relations and administration. As we all know, there are many challenges we need to tackle at a global level. But for us it starts at the European level. You were talking about the financial crisis. There is also a food crisis and an energy crisis. We have to work on sustainable growth. You are responsible for the context between institutions, at the European level, but also on the national level. What would you call the biggest challenges to make concrete steps forward? If we fail, will Europe lose its interest in the rest of the world?

The **Chairperson (Ms Verburg)**: Thank you. Mr Šefčovič, you have the floor.

Mr **Šefčovič**: Thank you.

Thank you for the question about the Council of Europe. It very much reflects the spirit of the discussion I had with Mr Van der Linden. I fully agree that the Council of Europe has done a marvellous job. It has a long established track record in fighting for human rights. It has the ability to get the judgements of the European Court of Human Rights respected even by countries where sometimes the human rights are not fully respected. That is remarkable and very good.

Mr Franken talked about a competition. The Commission definitely would not like to see it as a competition. We like to see it as complimentary, as helping each other. I absolutely agree that we should not compete on who is monitoring what and where. We need to communicate and to use our resources carefully. We must distribute the task in such a way that we can cover as much of the international human rights aspects as possible.

In the midst of the discussion on the Lisbon Treaty – Mr Van der Linden was part of the convention – it was clear that for some member states the Lisbon Treaty should bring to the citizens additional guarantees in respect of human rights. These human rights would also be better enforced on the European level. The European institutions must respect human rights. Therefore the Charter of Fundamental Rights was attached to the Lisbon Treaty. You all remember very well how difficult this question was for several member states, concerning the explanatory note for the UK, Poland, the Czech Republic et cetera. But the overwhelming feeling in the Commission was that the majority of the member states wants the European Union to bring additional guarantees to the degree to which human rights are observed and enforced, and to what could be the consequences if human rights are breached, especially by European institutions. It was also the decision of the member states, because we cannot get a negotiating mandate without the approval of the Council to enter the convention on human rights with the EU. We respect the will of the member states. I know that the negotiations to join the Commission of Human Rights with the EU will not be easy.

Very important is what Mr Franken pointed out. How can we coordinate better? How can we avoid possible competition? How do we get our courts in Luxemburg and Strasburg to talk to each other in a way that is not competitive but complementary? And how to use the Council of Europe to the best benefit this very important organisation can bring to us? I am thankful Mr Franken brought it up. I will ask my colleagues in the Commission if they are aware of the tension this issue creates in the Netherlands. Of course, we will come back to you on this particular issue. Mr Ormel asked me a frank question about the 2011 budget. I know that in the Dutch parliament and in the Netherlands it is tradition to speak frankly, so allow me to do the same. I was participating as a member of the Council in the previous debate on the financial perspective. The proportion and the size of the European budget represents 1% of the European GNI. Looking at the amount of time we needed for the previous Multi-annual Financial Perspective – the number of summits, the enormity of the negotiations on the highest possible level among leaders, presidents, chancellors and prime-ministers – I think the difficult atmosphere which was created by this debate over 1% of the GDP was a bit exaggerated. I quote the ex-chancellor of Austria, Mr Schüssel: this was such a difficult process that we should not repeat it, and most probably we will. I understand that the fiscal situation and the atmosphere in Europe is such that the debate will be very difficult.

Mr Ormel asked me if we are aware that there is a crisis in Europe. We are. Even though I know you would not agree with me, please let me explain the logic behind our initial proposals. Especially because of the crisis we came up with an increased budget. Why? There are two major reasons.

The first is that we received much more requests for the financing of different kinds of retraining schemes from the European Social Fund,

because there are more unemployed people in Europe. The second is that the first years of the financial perspective have been used to prepare the necessary infrastructure for absorbing, for executing the Structural Funds payments and Cohesion Fund payments in a responsible way. So the structure is there. The absorption of the Cohesion Fund or Structural Funds in the first two years has been 1% or 2%. It got higher, because the infrastructure is prepared and due to the fact that because of the crisis, there was a stronger demand to use the Structural Funds and Cohesion Fund as some kind of medicine to fight the crisis, to get out of the crisis faster. These were the reasons why we came up with the increased budget.

You all know very well the structure of the European budget. So let me just repeat that this is not money for Brussels. The administrative budget represents only 5.7%. This is not for salaries only. We manage the European databases, the Schengen database, and through this database the collection of excise duties for the whole European Union. We have to manage the staff in 150 states. We have to guarantee the linguistic rights in 23 languages. There are many other things we do for the 5.7% of the 1% of the European GNI. The rest of the money goes back to the member states value-added. It serves as a catalyst for better European programmes, for value-added European spending. I understand that we probably did not do enough in the Commission to convince you. We are ready to do so. We need to discuss it more. We need to provide you with better information in order to convince you. I can assure you that getting Europe out of the crisis is a top priority for the European Commission. We are doing our utmost. Mr Ormel expressed his conviction on this matter. This is the logic with which the European Commission started the preparation of the budget proposal.

We are fully aware of political reality. So we have to come up with a new budget proposal. We will try to do it as quickly as possible. Hopefully, by the end of February or March we will have the European budget for 2011, which will allow us to continue the programmes which have already been agreed, pre-allocated in the current Multi-annual Financial Framework.

Mr **Ormel** (CDA): Thank you for your answer. You say the administrative budget is not rising. But according to what we see, it is rising by 4.1%.

Mr **Šefčovič**: Yes, I understand your point. You referred to the budget of all the institutions together, whereas I talked about the budget of the Commission. From 2007 onwards, we have been following a policy of zero growth. We are not hiring any more people, but the same does not apply to other institutions and they have solid reasons for that. I am sure that all the concern and criticism that was expressed in the debate about the 2011 budget and led to its failure will be addressed. We have to come up with a new proposal.

Ms Ferrier asked what the biggest challenges are and how we can keep the future of Europe high on the agenda when it comes to connecting the institutions. This is a very important question. In Brussels, we are in the process of implementing the new framework. The powers of the European Parliament are enhanced. Member states are getting used to the mechanism of QMV when it comes to issues that are discussed in the Council. This requires totally different negotiation tactics than when you have veto power. The European Council is a very important actor. On top of that we have more active national parliaments. Moreover, we will soon have the European citizen's initiative. How to get all these institutions interconnected? I find it very important that we get through this transitional and introductory stage and that the new institutions will work properly as soon as possible and, hopefully, in a better atmosphere. I represent the Commission in the European Parliament and in the Council. In the Council there is strong criticism of the European Parliament and in

the European Parliament there is strong criticism of the Council. We try to play the role of the honest broker and to reach compromises. For the citizens of Europe it does not matter who causes the problems or who increases the tension: the Council, the European Parliament or the Commission. For them, Brussels is one entity. If we do not do it well, we will create the image that we are some kind of infighting organisation which is self-absorbed and does not take care of the citizens. This is not good for anybody. Therefore, I am a strong supporter of a good dialogue and of making more and intensive use of the communication channels. From the point of view of democracy it is OK to have some quarrels now and then, but it slows down the process and spoils the atmosphere. Very often, even if we achieve positive results, these are distorted by the process which led to them. Therefore, I plead for more communication, a more open approach and better discussion.

A very important element for national parliaments is to communicate more intensively with the partners from their respective countries in the European Parliament. You will find out that on many issues you will have a bit different points of view. Sometimes it is a bit confusing for the Commission to see that the members of a particular party in the European Parliament and the members of the same party in the national parliament take totally different positions on a subject. We have to operate in this environment. That is why I would advocate stronger communication at this level, so that we can «brush the edges» of the discussion at the initial stage.

Mr **Benedictus** (CDA): The Commission has put forward proposals to support the economic recovery. I have two questions about that. Are those proposals sufficient to prevent a new crisis? Are they good enough to cope with the financially failed state Greece? Or do we have to kick out Greece?

Ms **Haubrich-Gooskens** (PvdA): One of the major problems we have to deal with in Europe is the sustainability of the single European currency. There are rumours of some countries considering to opt out of the Eurozone. Does the Commission have any idea how Europe is going to deal with this problem? Some experts already predicted this years ago, because we have introduced the single currency without fulfilling the political conditions to deal with it. Europe does not have any authority with regard to the economic conditions in the different countries of the Eurozone. Could you please comment on the ideas of the Commission about this urgent problem?

Mr **Ten Broeke** (VVD): I joined this meeting a bit later because I was in a radio interview where I had to comment on the comments made by your boss on the Dutch approach. I can only underline what Mr Ormel just said. In my view the remarks made by Mr Barroso are completely outrageous. Our country has helped out in the case of Greece and in the stabilization mechanism. We also preferred the solution proposed by Mr Ollie Rehn to that proposed by Mr Van Rompuy to get discipline back in the Stability and Growth Pact. Moreover, we have been adamant supporters of the Commission when it comes to the Stability and Growth Pact. Given the fact that we have shown so much responsibility and solidarity with the rest of Europe, your chairman does not have the right to come up with the responses he came up with. Again, I find them outrageous and they have dealt a severe blow to the confidence in the European story, that we all would like to pursue.

This parliament has been very active in the field of the work you do. We want to keep on, because it is very important. In the Treaty of Lisbon the so-called orange card was introduced. This means that we would like to take co-responsibility for legitimising the whole regulation process. What

we need is a good mechanism of cooperation with the Commission as well as with the European Parliament, in order to deal with the very short period of time – two months – in which we have to give our subsidiarity conclusions. How can you help us in doing that?

Ms **Broekers-Knol** (VVD): As we all know, the new institutional balance was laid down in the Treaty of Lisbon. When the Commission took office, Mr Barroso made an arrangement with the European Parliament. It was agreed that the European Parliament would get more power than was laid down in the Lisbon Treaty. This could mean that the balance of power, which is the idea behind the Lisbon Treaty, will be disturbed. Is the European Commission aware of this? Does the Commission consider it possible to change the balance of power in the European Union, as laid down in the Lisbon treaty, through agreements between institutions, for instance the European Commission and the European Parliament? If so, we could reach a certain point, at which we did not intend to arrive.

Mr **Šefčovič**: As far as Greece is concerned, the Commission tries to learn the best possible lessons from this very difficult situation we are witnessing from the beginning of the year. You will remember the dramatic Sunday evening when we had to decide on how to help Greece and to establish this crisis mechanism. The creative mind of the head of the international department of the Dutch Foreign Ministry produced the idea of the special purpose vehicle. He was really the saviour of the day. We managed to erect the barrier very quickly to preserve the European currency from the very vicious attacks in the financial markets. We need to act at several levels. We have to be much stronger in prevention. That is why we introduce the various proposals to better manage the fiscal situation and macroeconomic surveillance at member state level. The Commission very clearly prefers automaticity in sanctions. We believe that these will have a very strong preventive impact. It will lead member states to respecting fiscal prudence much more than before. At the same time it is very clear that we need to set up a mechanism for the period after 2013. We are now looking for the legal possibilities. It is quite clear that many member states would favour stronger involvement in the coverage of negative consequences by the private sector, so that in the end it will not always be the taxpayer who pays the bill. This is a rather complex issue. When I discuss it with the experts, they tell me that we do not have some kind of Paris Club mechanism for the Eurozone. This is a new situation for all of us. We are now working on the potential mechanism for the future. If we observe fiscal prudence and carefulness, if we maintain strong macroeconomic surveillance, if we return to the Stability and Growth Pact, I believe that we can prevent the sovereign debt crisis. This does not take care, of course, of the structural deficiencies you can have in different economies in Europe. To that end, we need the EU 2020 Strategy to support the national reform programmes, in order to help these countries to get more competitive, stronger economic positions. That is how we can reduce the inequalities in economic competitiveness among the members of the Eurozone. The Commission would like to do their utmost to keep all the Eurozone members within the Eurozone. Hopefully, we can put such a mechanism in place that this will be the case.

I do not know about any discussion about the possibility of member states opting out of the Eurozone. We are working with only one scenario, which is the preservation of the Eurozone; making it stable and stronger, and creating the conditions which will prevent us from having this very difficult debate that we had at the beginning of the year. At the same time, we must create the conditions to avoid the moral hazard coming from the irresponsible governments or actors on the financial markets, for whom purchasing even high risk bonds is not a risk anymore, because they know

that in the end the taxpayer will cover the bill. We need to find an appropriate equilibrium, in a way which would preserve the single European currency.

As far as Mr Ten Broeke's comment on the reaction by the president of the Commission is concerned, I understand there could be a divergence of opinions, but I was explaining the logic behind the preparation of the budget. Mr Ten Broeke looks at it as a lack of respect for the situation caused by the economic crisis. We saw it as one of the possible remedies to overcome the crisis. The feeling yesterday evening was that we are very close to an agreement. At least, the European Parliament and the Council agreed on 2.91%. What remained was the political declaration about how future discussions should take place on very important issues. The feeling was that, if we tried a little bit more, we could find a solution and wake up the next morning with the budget in place, which would save us from a very difficult debate in the coming weeks and months. The fact that the Netherlands is the highest net contributor is highly appreciated and regarded, not only by the Commission. I come from a new member state. We all know this and everybody really appreciates it. We are aware of your pro-European commitment. With your state secretary we have been preaching very much for the automaticity of the sanction mechanism in the last debate. So, in most of the issues, the positions of the Netherlands and the Commission are very close. On this particular one we did not see eye to eye, but I think it is just a matter of additional contacts and communication. I believe that in the end, for the sake of Europe, we will find a solution.

As far as the orange card is concerned, let me assure you that we will send you any legislative proposal as soon as possible, immediately when we send it to other European institutions, such as the European Parliament and the Council. It is very difficult to do something about the period of eight weeks, because it is an obligation laid down in the treaty. As for your opinion on seasonal workers, for example, we took this into consideration, because it was just a couple of days over time. We do not want to be too legalistic on this issue. We are not only looking for the phrase which says that the principle of subsidiarity was breached, in the sense that if it is not there, we do not read it. We read it in a political manner. We take into consideration that you are not happy with the content or particular articles. We will study it carefully and answer you. If you have any problems with the way we answer you, if you have the feeling that our communication is not on time or that anything else is not appropriate, please let us know. I really mean it: we want to have a serious relationship with your parliament and we read your opinions very carefully. We can discuss this in the next COSAC meeting. Several parliaments have suggested to use that as some kind of coordination body, which could identify potential problems with proposals from the Commission and coordinate the communication about the approach to the proposal. If anything in this respect can be done by us, I promise you that we will do it.

The Commission did not give more power to the European Parliament than is laid down in the treaty. I negotiated the treaty and I will negotiate the framework agreement with the European Parliament. It excited a lot of interest. The Council expressed very reserved opinions. As a former member of Coreper I can tell you that my conscience is absolutely clean. On several occasions I personally invited my former colleagues from Coreper to join these negotiations. Why should only the Commission and the European Parliament discuss and negotiate the framework agreement on how to implement the Lisbon Treaty into daily operations? Today, the position would be totally different. I spoke about it with several ambassadors and with the legal service of the Council. Unfortunately, it probably came too fast. We were still hostage to the old psychology at the time. That is why this did not happen. But I can tell you that I defended the

institutional balance as much as possible. I am sure that you cannot find any single line which has been crossed as far as the powers the treaty attributes to the European Parliament are concerned. I was well aware of this and of the potential criticism from the Council. I knew that if I did this, the first thing the Council would do would be to take us to court. They did not do it and we will make sure that guidelines for the implementation of this framework agreement will be drafted in a way respecting the division of powers laid down in the treaty. I do my utmost to get the Council more involved into future agreements. I think it is very good to have a balanced approach. I work very hard to get the Council on board when it comes to the management of the register of lobbyists, which we now call transparency register. We are now going to proceed with the Union's programming. The Council, the European Parliament and the European Commission will have to agree on the priorities proposed by the Commission and selected by the three institutions as top priorities for the next legislative period. If we do this well, this will help us enormously to assign the appropriate time to discuss these matters in the Council and in the respective committees, in order to realise more efficient cooperation. I can assure you that it is very important for the Commission to be in a balanced situation. The European Commission is present in all the working groups of the Council. So, we have very intimate and close relationships with the Council. We are very much aware of the fact that we can only be successful if the relationships between the institutions are balanced.

The **Chairperson (Ms Verburg)**: Thank you very much, Mr Šeščovič. We have now come to the end of this meeting. We had an open, direct and clear exchange of thoughts. I thank you once more for coming to the Netherlands and for having the first round of exchange of thoughts with our committees, both from the House of Representatives and the Senate. Dutch representatives are direct and open, but also responsible and reliable. If we give our word and put our money into Europe, we will keep our word, and people can count on the Dutch. I think that it was necessary to have this open exchange of thoughts. We expect you to be a Commissioner who is very much hands-on, so please give us your cell phone number ... We wish you all the power and strength and energy you need to do a good job. We invite you to come back next year, to present your schedule and that of the European Commission for the year after that. I wish you a very pleasant stay in the Netherlands. Enjoy our country. Our best regards for your daughter. Please exercise your Dutch a bit more, so that we can have our discussion in Dutch next year. It is necessary, not only to keep the European Union and the European Commission as strong as possible, but also to empower the European Union and the European Commission to play an important and responsible role in our world.

Mr **Šeščovič**: Thank you very much, madam, and thank you very much also, Ms Strik. It was a pleasure to be chaired by two ladies. Thank you very much for the frank and open discussion. I know that your committees on European affairs will come to Brussels from time to time to meet the commissioners. Whenever you plan such trips, it will be my honour to host you and to continue our debate. As I said, if in the meantime there is anything we can reply to, in writing or by phone, I will be very happy to do so.