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NOTE

from: General Secretariat of the Council
to: Delegations
Subject : Plenary Session of the European Parliament, Strasbourg, 3 July 2012
Council and Commission statements - Review of the Danish Presidency

On behalf of the Council, Ms Thorning-Schmidt delivered the speech in annex I.

On behalf of the Commission, Mr Barroso delivered the speech in annex II.

For the political groups, the following speakers took the floor:

Mr Kariņš (EPP, LV) praised the Presidency for having focused its efforts not only on the financial and economic crisis but also on other important issues such as EU energy policy.

Mr Swoboda (S&D, AT) considered that the Presidency's results were impressive and that the last European Council Summit had taken some positive steps towards growth. However, Mr Swoboda and Mr Lambsdorff (ALDE, DE) strongly criticised the European Council decision on the patent, saying that the EC should not be interfering in the EP/Council legislative process. Like Mr Cohn-Bendit (Greens/EFA, FR), they also disapproved of the EC decision on the seat. Mr Lambsdorff was also critical of the proposal to create a new supervisory mechanism for banks, arguing that there was already a European banking agency and warning against the proliferation of EU agencies.

Mr Cohn-Bendit regarded the agreement reached on the energy efficiency directive as lacking in ambition due to the positions of some Member States. He also regretted the fact that Bosnia was the only Balkan country without any EU perspective.

Mr Callanan (ECR, UK) thanked the Presidency for its efficiency despite the fact that his political group did not share its views on many issues. He was particularly pleased that there had been no EU agreement on the financial transaction tax and supported the Council decision on the legal basis of the Schengen evaluation mechanism.

Mr Søndergaard (GUE/NGL, DK) criticised the Presidency for having backed the fiscal compact and austerity measures and regretted that the growth pact did not include any concrete targets to reduce unemployment in the EU.

Mr Messerschmidt (EFD, UK) delivered a strongly-worded attack on the Danish Presidency and the Danish government. He criticized their actions and in particular the fact that the government had not organised a referendum on Danish opt-outs. Mr van der Stoep (NI, NL) considered that the EU had failed and had led down its citizens.

During individual interventions, the majority of MEPs who spoke (Mr van Nistelrooij (EPP, NL), Mr Kelly (EPP, IE), Mr Jorgensen (S&D, DK), Mr Kalfin (S&D, BG), Mr Rohde (ALDE, DK), Mr Løkkegaard (ALDE, DK), Ms Turunen (Greens/EFA, DK), Ms Rosbach (ECR, DK)) generally praised the Danish Presidency (and in particular Minister Wammen and his staff) for their successful, efficient and pragmatic work, stressing in particular the achievements in the areas of policies for growth, the European semester, energy efficiency, roaming charges and the progress made on the MFF, including the constructive involvement of the European Parliament in the MFF discussions. Ms Grässle (EPP, DE) was extremely pleased with the efficient results achieved by the Presidency on budgetary matters, mentioning the agreement on the revision of the Financial Regulation.

Mr van Nistelrooij called for further progress on the MFF, in particular on the structural funds, and for compliance with the co-decision powers of the European Parliament. Despite her general satisfaction with the Presidency's work, Ms Rosbach was disappointed by lack of progress on fisheries policy reform. Mr Baldassare (EPP, IT) was disappointed by the European Council decision modifying the patent regulation and on the seat of the patent court. Mr López Aguilar

(S&D, ES), supported by Mr Luhan (EPP, RO), criticised what he called the "re-governmentalisation" of the Schengen evaluation mechanism by the JHA Council, meaning that the European Parliament, the only directly elected EU body, and the co-decision procedure were being ignored. Ms Gurmai (S&D, HU) was disappointed that there had been no agreement on the maternity leave directive. Ms Jaakonsaari (S&D, FI) regretted that Member States sent out divergent messages after the last European Council.

Mr Mölzer (NI, AT) believed that the Schengen governance debate had been exaggerated since these issues were within the sphere of national competence. He saw that an EU debt union would lead net contributors into a trap.

For the Commission, Mr Šefčovič concluded that more Europe was needed in the areas of energy efficiency, the patent and Schengen. He believed that the discussions underway on the MFF were a good basis for an agreement and added he had appreciated the involvement of the Presidency in reaching a common approach on regulatory agencies.

Ms Thorning-Schmidt, on behalf of the Council, concluded that important steps had been taken in the right direction to get Europe back on the growth track. She supported the full use of the Community method and the common goal of EU institutions to serve Europe and its citizens. As regards the growth compact, she stressed the need to respect the role of the European Parliament and suggested that some of the decisions should perhaps be fast-tracked. On the MFF, she hoped that the involvement of the European Parliament would continue. She replied that after so many years, there had been a need to find a compromise on the patent and hoped that the European Parliament would help to find common ground.

Annex I: speech delivered by Ms Thorning-Schmidt, President-in-Office of the Council.

Mr President, President of the Commission, distinguished leaders of the political groups, Members of the European Parliament and Members of the Commission, it is a privilege and a great honour to address this Parliament again. When I last stood here, back in January, I ended my speech by saying that the economic crisis had put the European Union to the test. That was when we took over the Presidency at a time of unprecedented crisis in the history of the Union.

The gravity of the situation, the depth of the challenge, the severity of the predicament facing our Union could not and should not be underestimated, and I said this right at the beginning of our Presidency – not to lower the expectations for the Danish Presidency but rather to make clear exactly what is at stake as the EU tries to work its way out of this crisis.

During the past month the EU has been forced to take critical decisions which will lay the foundation for the Europe of tomorrow, of next year and of decades to come. This is no easy task in a Union as vast, diverse and complex as ours, but leaders throughout Europe must never lose sight of the core of the problem facing the EU today: that our very economic foundation, our future prosperity, the hopes and dreams and aspirations of our children are at risk.

The storm has not passed yet and we are still facing a number of different and intertwined challenges. So I am reminded at this time of the inspirational words of the first Chancellor of West Germany, Konrad Adenauer, who once said: ‘The unity of Europe was the dream of a few. It became the hope of many. Today it has become a necessity for all of us.’

Those words have perhaps never been as true as they are today. The EU is a necessity to all of us. As representatives of the European institutions we have and we feel an obligation to find the solutions which will bring our Union forward, and we know that we owe that to our citizens.

When I stood here in January I proudly stated that I am a European at heart, and the past six months have only reassured me in my belief in the European project. I believe in our institutions, our cooperation and our common responsibility. If we seek to ensure solidarity, growth and prosperity we must seek it together through common solutions to common problems.

And that is what our Presidency has been all about: ensuring solidarity, growth and prosperity together. We took upon ourselves the task of proving that the EU still works and is still capable of delivering necessary results for our citizens, and we did this inspired by someone that we all know. In 1950 he said: ‘Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.’ Of course, it was Robert Schuman who said this, and the subsequent history of European integration has proved him absolutely right.

There is an unequivocal truth in Schuman’s words. Our Union is built from its very foundation with bricks made of solidarity. Some stones have been small, some have been enormous but, brick by brick, we have strengthened our cooperation and solidarity with one another. This is to me the essence of our Union: and this is what we have tried to do – to work inch by inch in creating results.

Jobs and growth, financial responsibility, a greener economy and a safe Europe: these have been the priorities of the Danish Presidency. But priorities without tangible results are just empty words, and I believe that Europe has, in fact, delivered over the past months. The Compact for Growth and Jobs adopted last week in the European Council is the perfect completion of our Presidency. The Compact does not solve all Europe’s problems but it is a light in the dark for the many European

citizens feeling the harsh effects of the economic crisis. For those outside the labour market, for those without opportunities, for those facing poor prospects, including not least our young generations, we are presenting a way forward.

It is a result of our persistent efforts to promote growth and new jobs in Europe but, of course, our work does not end here. We must be vigilant in transforming this Compact from a piece of paper into practical reality. We must find a way to ensure that together – Member States, the Commission and the European Parliament – we roll out the measures contained in the Compact.

We have a situation in which, for the first time in the history of the European Union, we cannot assume that the coming generations will enjoy more prosperity and better opportunities than we have enjoyed. That, of course, leaves us with a huge responsibility for the conditions of our citizens and businesses, which has been a top priority for our Presidency.

Let me highlight a few of the main results reached during our Presidency.

Under the headline of ‘a more dynamic Europe’, the Danish Presidency has pushed for robust EU measures in areas such as research and education, infrastructure and the single market, and we have done this to boost growth and to kick-start a job-rich recovery. I am particularly pleased that we have succeeded in achieving a historic compromise in the European Council on the patent reform, after more than 30 years of negotiations. This could mean drastic cost savings for businesses across Europe: savings that can be used to promote new jobs. We may not see eye to eye on all elements of this compromise but I truly hope that we can work as co-legislators to see the patent reform become a reality to benefit our companies.

I am also very pleased that we have adopted the Roaming Regulation. This regulation will lower prices significantly for cellphone users in Member States and will reduce costs to and the burden on companies. In short, it can contribute to growth.

Another important result is the regulation on the European system of standardisation. The agreement reached here will modernise the single market. Furthermore, we have reached agreement on the proposal on venture capital and social entrepreneurship funds. This will boost access to funding for European businesses and social entrepreneurs. Of course, this is also an important step in trying to create growth in the EU. We know that the single market has been one of the greatest achievements of the EU, and in order to realise its full potential we must continue to reform and modernise it.

The second main objective of our Presidency was to ensure a more responsible Europe. The need for fiscal consolidation and greater budget discipline is crucial if we want to safeguard against the financial crisis of tomorrow. We have also taken important steps in this field during the Danish Presidency. The Council agreement on the two-pack will enable stronger European monitoring of budgetary plans being drafted by members of the eurozone. Stronger common rules will reinforce the vigilance of Member States in avoiding large imbalances and unsustainable debt levels. We have come far, and I urge a rapid agreement between the Council and Parliament during the Cypriot Presidency.

A similar important step is the directive on capital requirements, on which the Council agreed its position last month. This directive will help minimise the cost and the risk of a financial crisis hitting us again as it did in 2008. Furthermore, we have worked for a stronger commitment by Member States to implement structural reforms. The completion of the first full round of the European semester is a decisive step towards a more responsible Europe. All these results will help

to increase confidence in Europe's financial system, and I am in no doubt that these surveillance measures will lead to greater political accountability and stronger budget discipline.

Finally, we have been working hard to streamline the next EU budget so that it helps to create growth in the Union, and we took an important step last week in the European Council. Here too, I would very much like to thank Parliament for its constructive cooperation throughout.

It is our firm conviction that we need to direct more funds towards growth-enhancing areas such as research, education, energy efficiency and green technology. That has to be the way forward for the EU.

'Measures that will inspire growth and stronger job creation' has been the mantra for the Danish Presidency throughout these six months, and I am pleased to note that the European Council placed strong emphasis on this last week. As you also know, the transition to a green economy has been among the most important political priorities for the Danish Presidency, and I warmly welcome the common agreement reached on the Energy Efficiency Directive. This was a landmark result which required a good deal of flexibility, patience and hard work on both sides, and I would like to thank everyone here who was involved in reaching this significant milestone. Without you we could not have done it.

This directive is of key importance in our efforts to achieve our two interrelated goals, of transforming Europe into a competitive, low-carbon economy and increasing our energy security, all at once. In addition, the directive will create up to hundreds of thousands of new jobs in Europe, and it will of course ensure that the EU gets much closer to our target of 20% energy savings by 2020. I consider this an excellent result.

I would like to underline my appreciation of the dedication, high level of ambition, and willingness to compromise demonstrated by the European Parliament on this road to the green transition. Your continued engagement in making our economy greener will be ever more needed in the years to come.

Underpinning our aspiration for a dynamic, responsible and greener Europe is the need to ensure a safe Europe. Denmark's Presidency has reached a wide range of tangible results in this field. We have granted candidate status to Serbia and are opening accession negotiations with Montenegro, which will influence the regional dynamics and contribute to stabilising the Western Balkans. We have also reached agreement on essential elements of the asylum package, which will help ensure efficiency, legal rights and more uniform asylum procedures in the Member States.

Together with Parliament and the Commission, we have managed to conclude a lot of important business. And today I am pleased to say that we were able to reach important agreements only thanks to constructive cooperation with you – the Parliament, with the Commission and, of course, with the Member States in the Council. As I see it, the achievements of the Danish Presidency are also the achievements of the European Parliament.

We all play our part in realising the huge potential of the Community method. Having different responsibilities, playing different roles, and on some occasions defending diverging interests, the Council and Parliament will not always share the same view. The heated debate on the legal basis of the Schengen evaluation mechanism was, indeed, a case in point, but I drew great encouragement from the fact that our negotiations over the past six months have been characterised by flexibility, a willingness to find common ground and, most importantly perhaps, a strong commitment to deliver on the needs and demands of the citizens. The relentless focus on results, stone by stone, brick by

brick, represents the spirit of our cooperation within the EU. At the end of the day, as we strive to put Europe on a path for future growth and prosperity, we have to be guided by our vision for the society that we want to create. For me, this is what sets the Union apart and what makes our social model so unique.

That is what I believe in. That is what has made our economies so successful over the years and that is what we must fight to obtain and sustain and develop in the future. Moving Europe beyond this crisis is not about abandoning our social model. It is, in fact, the opposite. It is about bringing our countries through the crisis with our fundamental values intact – values such as solidarity, safety nets and equal opportunities for all. The difficult decisions we are taking today and tomorrow should not be a departure from solidarity. On the contrary, we are doing these things to protect our way of life, our European social model and our values, and we will continue to do so. The only way forward is through stronger cooperation among all of us. The answer to our current challenges facing the Union is more Europe, not less, and that has been the guiding principle for the Danish Presidency throughout.

Annex II: speech delivered by Mr Barroso, President of the Commission.

Mr President, I would like to thank Prime Minister Helle Thorning-Schmidt and her whole team, particularly Europe Minister Wammen, for a very engaged and dynamic Presidency. The Presidency programme was called 'Europe at work' and I think it is fair to say that you were a Presidency at work. You made a real effort to contribute to ensuring stability for Europe in these difficult times. I particularly congratulate you, Prime Minister, for your personal commitment to competitiveness and growth and to the green agenda, areas in which your country, Denmark, is a great inspiration for many of us in Europe, and indeed in the world.

The results of this work are to a large extent reflected in the conclusions of the European Council and cover the full range of the Union's activities. Since we will be discussing the results of the European Council and the euro area summit in the following debate, in this speech I will only highlight a number of specific issues.

Let me start with the economy. We have almost completed the second European semester. Very serious and in-depth work has taken place on the Commission's proposals for country-specific recommendations and I am satisfied with the consensus that has emerged around them. This work cannot, of course, be separated from our agenda for economic growth. As the Commission has made very clear, growth can be achieved only through the combination of structural reforms and targeted investment. The Growth Compact, which has now been approved, recognises this and, indeed, paves the way for determined pro-growth action.

I therefore appreciate in particular the speedy and constructive manner in which the proposal on the pilot project bonds for transport, energy and telecommunications infrastructure has been handled. I am very happy that we have reached a final agreement on the Commission proposal. The initiative will stimulate investment in infrastructure at European level.

I also appreciate the efforts to reach an agreement on the so-called two-pack, which is a central element in the EU-level drive to strengthen economic and budgetary surveillance. This would also represent a first step towards implementing important elements of the fiscal treaty. Thus I welcome the general approach in Council and I strongly hope that Parliament and the incoming Cypriot Presidency can come to a final agreement before the end of this year.

Equally important is our progress in the area of financial markets and financial services. Agreement could be reached on our proposals on derivative markets and on the single European payment area. Very importantly, we are making enormous progress on the bank capital requirements package, as well as on credit-rating agencies.

While the Commission proposal for a financial transaction tax has unfortunately not met with unanimous support from Member States, I would like to welcome the decision to start negotiations, under enhanced cooperation, for all Member States that wish to join the initiative. This is a very important development. After all, we have seen once again in recent months and weeks – both in the United States and in Europe, including in some of the major banking institutions – that practices which fuelled the financial crisis have not yet been eradicated from the sector. Once again we have been confronted with reckless trading and market manipulation. It is time for these practices to stop once and for all, and for a sector that owes so much to taxpayers' support to agree to hand back a fair share to society.

Regarding the very difficult negotiations on the proposed directive on energy efficiency, the agreement found by the co-legislators at first reading will be a major step in delivering the objective

of 20% primary energy savings in 2020. The Commission estimates that the outcome reached would allow the delivery of approximately two thirds of the total energy savings in the Commission's original proposal. So, while we welcome what has been achieved, we must also say that further work on reaching our 2020 objectives will be needed.

I was very pleased by the agreement reached on the Roaming III Regulation. This is an example of legislation that truly benefits European citizens and consumers. The regulation entered into force on 1 July 2012. By putting a cap on data roaming, we are taking an important step towards protecting consumers against shock bills, and completing the digital single market.

Europe should be a global standard-setter. Therefore I also welcome the agreement reached on reform of the standardisation system, which will enable more efficient standard-setting in Europe. Furthermore, the general approaches agreed in the Council on the Accounting Directives, on venture capital funds and social entrepreneurship funds, and on alternative dispute resolution will hopefully prove to be a good basis for reaching agreement with Parliament very soon. On the matter of professional qualifications, we could have wished for more progress, but work will continue.

It is, of course, necessary to make special mention of the debate on the European patent, something which has been under discussion for decades. There was a compromise on this between the participating Member States, but unfortunately it comes at the price of the deletion of important Community elements of the original Commission proposal. While recognising the great efforts made by the Danish Presidency on this difficult issue, and indeed thanking you sincerely for those efforts, Prime Minister, the Commission has therefore reserved its position, and I made this very clear to the Heads of State and Government during the European Council. The situation will now require an assessment by the three EU institutions. We are ready to work with you on this.

A central theme of the past semester was the effort made in bringing forward the multiannual financial framework (MFF). Last week the European Council considered that the negotiating box prepared by the Danish Presidency provided a basis and orientations for the final stage of negotiation during the Cypriot Presidency, with a view to reaching an agreement by the end of 2012. In this respect, let me reiterate that the Commission is fully aware of and will call for full observance of the institutional prerogatives of all the EU institutions. It was the Commission, by the way, which strongly insisted on this point during the preparation for this European Council and, indeed, when its conclusions were adopted.

The debate on the MFF will now enter its decisive stage. The Commission considers that the negotiating box is still missing some important elements or, in our view, is not the appropriate answer in some areas. While fully recognising the very serious work done so far, the Commission will therefore continue to defend its proposals under the incoming Presidency. I believe it is now clearer that the European Union budget is an essential instrument for achieving sustainable growth and jobs through investment.

I am particularly happy that we managed to agree on a new Financial Regulation. I want to extend my thanks to the relevant players in Parliament and the Council who have worked closely with the Commission. I know we went through a process of long and difficult negotiations. The final adoption of the Financial Regulation before the end of the year will allow for proper implementation of all the sectoral programmes of the MFF. Thus I strongly hope that the Council and Parliament, with the support of the Commission, will manage to reach agreement on the MFF by the end of this year. The European Union needs to send a signal that, until the end of this decade, it will have a strong budget for growth and cohesion. The European Union needs to show that it is able to take difficult decisions in difficult times.

In the area of justice and home affairs, there has been good progress on important issues. Let me mention the asylum package, notably the Dublin II Regulation and the Reception Conditions Directive. Negotiations have also advanced on the Asylum Procedures Directive, and reform of the Visa Regulation is on track.

However, the same cannot yet be said of another important issue, namely the legal basis and nature of the Schengen evaluation mechanism. We are all aware of the sensitivity of this issue. As far as the Commission is concerned, we want solutions that can work. That is why we believe, together with this Parliament, that we need a Schengen evaluation mechanism with a strong European dimension. We are convinced that an intergovernmental peer review model does not deliver on the mandate set by the European Council of March 2011, and that it would have limited added value in practice. Since the Lisbon Treaty in particular, free movement of people has been a genuine Community concern. As I have said before, the Commission cannot accept the current outcome as final, and it will continue to work for a better solution.

Let me end with a look at the external dimension. The focus on internal European issues has always had to be combined with a broader perspective on Europe's role in the world, and never more so than in relation to the preparations for, and decisions in, the Rio+20 summit for sustainable development. Although a number of our most ambitious objectives were not fully achieved, the European Union remained committed and constructive throughout the negotiations, and our positions had a very important impact on the debate. I would like particularly to welcome the very good cooperation between the Commission and the Danish Council Presidency. In fact, both Prime Minister Thorning-Schmidt and I were present at this Rio conference. And let me tell you that without European leadership in this conference we would not have achieved what appears to me to be a significant outcome. Green growth is now explicitly and formally accepted by the international community as an indispensable part of our sustainable development agenda.

Important progress has been achieved during the past six months of the Danish Council Presidency. I wish to reiterate my thanks for what has been very good cooperation. However, we are only too aware of how serious the situation is and how much we still need to accomplish in the time ahead. I therefore count on the ongoing commitment and ambition of all the EU institutions in meeting our common challenges.
