

**Speech by Jerzy Buzek, President of the European Parliament to the European Council,
Brussels - 28/10/2010**

Dear Presidents,
Dear Chancellors,
Dear Prime Ministers,
Dear Colleagues,

European Economic Governance

The final report of the Task Force on strengthening European economic governance is a valuable document. It has to be read in conjunction with the proposals presented by the European Commission on 29 September.

Although there is no reference to the European Parliament in the final document of the Task Force, we felt that the serious debates in which President Van Rompuy engaged with the Parliament during the preparatory work of the Task Force were very useful. And I can confirm to you that the Parliament will examine the legislative proposals of the Commission on economic governance with the same constructive attitude.

We can all agree that we need greater fiscal discipline, that we need better coordination and more surveillance, and stronger institutions. Corrective measures have to be applied, if necessary, in an efficient and transparent manner and without undue political interference.

I would take this process one step further and argue that what we need today is a genuine economic union, and not just a monetary one. The crisis will not be solved by national strategies alone.

We are cautious about the idea of changing the Treaty in the wake of the recent debt crisis in some Member States. Even though we have yet to discuss this in detail in the Parliament, there will be the widespread view that we must defend the Community method that has worked so well for our continent over the last sixty years.

Dear Friends,

This crisis has taught us that there can not be solidarity without responsibility. It has also taught us that the European Union can, and must be the engine which delivers value added solutions to our citizens.

We must stop the culture of 'Brussels bashing' which exists in some quarters. The crisis has hit us hard, not because of 'Brussels overregulation', but because of the lack of a common framework to fight it.

Member States on their own were too exposed to the over-reaction of the markets. Within the European institutions we found common solutions to a common problem.

The package of six directives on regulating the financial markets, and the agreement on the latest hedge fund directive, demonstrate that Europe can be effective.

When facing the problems of globalisation, it is wrong to retreat to domestic spheres. On the contrary, our recent experience shows that our Member States have to make a stronger commitment at the European level and that we can trust in our common project.

Together we are able to build our citizens' confidence in the EU, by returning to and strengthening the Community method. Today in Europe, we need a strong European Union based on strong European institutions.

The new economic governance we are creating has to be inclusive and has to be carried by all Member States and citizens. It should be driven by the European Commission, which is the Community institution par excellence to take the initiative. The European Parliament will act responsibly as co-legislator with the Council.

EU Budget

Ladies and Gentlemen,

As Parliamentarians who are co-responsible for the Union's Budget, we understand that in today's economic climate we have to be innovative with our funding.

The EU Budget should not be seen as simply a financial burden on national budgets in a zero-sum game.

In several policy fields, some of which require spending, there is still a substantial 'cost of non-Europe' - notably in energy security, in research policy and transport infrastructure.

If we are serious about re-launching our economies, we must be serious about tackling the cost of non-Europe.

We need to address the non-completion of the single market in services, public procurement, and the other 150 bottlenecks and gaps which still exist for Europe to have a true single market.

I am convinced that the budget is an opportunity to gear up national initiatives and domestic investments that can offer a multiplier effect for the Union as a whole.

The Parliament has not called for unreasonable budgetary increases. We have shown some moderation, and our position is very close to the draft proposal of the Commission.

We believe that our proposals to shift spending priorities towards such areas as research, energy, the environment, training and education can improve Europe's competitiveness and help our economies to recover and our young people find jobs. This is why we oppose some of the cuts by the Council to the draft 2011 Budget.

Dear Friends,

The annual budget of the EU still represents only one per cent of combined EU-27 GNI. It has not risen as a share of the total EU economy over the last 20 years. Yet at the same time the EU has grown from a Union of twelve to a one of twenty-seven, and it has been given ever more tasks and responsibilities.

The challenge for our cohesion policy has grown; but the principle of solidarity must be maintained because it benefits all of Europe.

Policies must be translated into spending priorities. Today we are doing the opposite; we are creating policies without the financial resources to make them effective. We can not continue to undertake more and more Europe, with proportionately fewer and fewer euros.

Instead of preparing the ground for Europe's economic recovery, Member States seem to follow the logic of keeping their coffers closed, due to fiscal constraints, but at the same time refusing the EU the ability to levy its own resources.

Dear Colleagues,

We have just started a three-week negotiation on the 2011 Budget. As part of the negotiating package, we are looking for a serious political dialogue with the Council on a number of inter-related issues, namely:

- 1) The need for a genuine strategic discussion with the Council
- 2) Providing a sufficient overall level of spending
- 3) Greater focus on 'European Added Value'
- 4) The proper 'Lisbonisation' of the Budget
- 5) Starting the Mid-Term Review through the 2011 Budget
- 6) The development of meaningful Own Resources
- 7) The proper involvement of the Parliament in negotiations on the next Multi-annual Financial Framework.

I would like to reiterate, as head of the Parliament's delegation to the Conciliation Committee, that we will be able and willing to negotiate on the substance of the 2011 Budget, especially on the overall level of payments, once the Parliament receives firm assurances from the Council in the discussion of the issues I have just referred to. We want to have a moderate solution.

We can and want to be your partners in finding European solutions. By cutting the EU Budget, however, we are cutting faith in Europe.

Climate Change

As we discuss European economic governance, we cannot forget our international obligations in the fight against climate change.

At Copenhagen, we set out both the figures and the tools we need to intensify the fight. We now need to start using them. We have to implement fast start financing which will help developing countries adopt their economies. This is in all our interest.

I am concerned that some countries seem to be distancing themselves from the accord.

We only need to look at the difficulties encountered in the US Senate on the draft law on energy and climate change. This is not a good sign for any binding global agreement. But I hope the short time between next week's US mid-term elections and the Cancun summit can be used to overcome these difficulties.

It is crucial that we regain trust in the negotiating process. We can only do this by securing some decisions in Cancun which will pave the way for a comprehensive international post-2012 agreement in South Africa next year.

We hope that at Cancun we can have an agreement on financing - the scale, sources and its governance. We need to consider creating a "Green Climate Fund" to help finance the fight against climate change post-2020.

Strategic Partners

Dear Colleagues,

As co-legislators, we believe that the time has come for us to give both multilateral and bilateral conferences and summits a proper parliamentary dimension.

I am thinking, for instance, of the up-coming G20 Summit in Seoul, as well as the bilateral summits with the United States of America, and India, and the multilateral summits with Africa and

the Union for the Mediterranean. In the future we should consider holding parliamentary pre-summits with our global partners.

It will strengthen the European Union if all the EU institutions can be involved in the dialogue - and of course, speak with one voice. I would ask for your help in encouraging our international partners at governmental level to enable such pre-summits to be organised.

We look forward to the EU-US Summit. We are convinced that any future governance will have to be based on a strong transatlantic partnership. Very often, when the EU and the United States can agree a common position, the rest of the world follows.

We needed the US and the EU to agree to help solve the world financial crisis. Today we need a US agreement to help tackle climate change.

Concluding Remarks

Dear Friends,

If we Europeans believe in Europe we have to believe first of all in ourselves: our values, policies and institutions. In my discussions, it has become clear to me that although there may be a crisis of confidence in the EU itself, it is not one we should have.

When we speak with one voice, our voice is heard better. The solutions our EU institutions provide are a value added for our citizens.

Europe is a model which is admired and respected beyond our borders. Let us not be afraid to be Europeans - and let us be proud of the Community method. It has guaranteed sixty years of peace and has reunited our continent.

Thank you very much for your attention.