

# MONDAY, 10 JANUARY 2005

IN THE CHAIR: MR BORRELL FONTELLES

*President*

*(The sitting was opened at 5.05 p.m.)*

## 1. Resumption of the session

**President.** I declare resumed the session of the European Parliament adjourned on Thursday 16 December 2004.

## 2. Statement by the President

**President.** Ladies and gentlemen: as you know, since we last sat, there has been a terrible tragedy. I would ask that we collectively pay tribute to the victims and the families of the victims of the tsunami in the Indian Ocean. I would ask you to observe a minute's silence.

*(The House rose and observed a minute's silence)*

Ladies and gentlemen, before moving on to our agenda, I would like to draw your attention to something that I believe we are all fully aware of: the way we react will perhaps allow us to create something positive out of this horrific disaster. As well as the action taken at an individual level, there is a lot we can do as the European Parliament.

I must inform you that last week the President of the Commission, Mr Barroso, called to inform me of events and of his intention at the Jakarta Summit to propose the mobilisation of the resources provided for in our budget to deal with this kind of disaster. In Jakarta, Mr Barroso stressed the need for the European Parliament, as one of the two branches of the budgetary authority, to approve the Commission's proposals.

On behalf of Parliament, I have sent a message to the Jakarta Summit promising that this institution will do everything possible to ensure that the European Union's contribution to the immediate relief from the effects of this disaster will not be delayed as a result of the procedures laid down in our Rules of Procedure.

I must inform you that the Committee on Budgets will give its opinion tomorrow on the transfer of EUR 100 million from the aid reserve.

Parliament will also examine the proposals presented by the Commission to assist in the reconstruction as soon as we receive them. However, I believe that Parliament must make it very clear straight away that this is a new problem and that new resources are required in order to deal with it. In other words, we cannot dress one saint by stripping another of its clothes. We cannot use resources to deal with the effects of this disaster which have previously been allocated elsewhere.

Furthermore, I asked President Barroso last week to accept the inclusion of two Members of our institution in the Commission's delegation which will participate in the Conference of Donors in Geneva. The President of the Commission reacted positively to our request and hence two of our Members will be part of that delegation. This will allow us to follow closely the decisions made there and the debates that we will then have to hold here.

Ladies and gentlemen, as I said in my message to Jakarta, we need to draw up our commitments now, both in relation to reconstruction and in relation to our contribution to establishing an early warning system, now that the attention of the whole world is directed towards this disaster.

**3. Approval of Minutes of previous sitting: see Minutes**

**4. Documents received: see Minutes**

**5. Petitions: see Minutes**

**6. Transfers of appropriations: see Minutes**

**7. Written declarations (Rule 116): see Minutes**

**8. Decisions concerning certain documents: see Minutes**

**9. Approval by the Council of Parliament's positions: see Minutes**

**10. Order of business**

**President.** The next item is the order of business.

The final version of the draft agenda for the present part-session and for the sittings of 26 and 27 January as drawn up by the Conference of Presidents at its meeting of the 6th in accordance with Rules 130 and 131 of the Rules of Procedure has been distributed.

*Tuesday:*

For Tuesday's meeting, I have received a request from the Union for Europe of the Nations Group to postpone the vote on the election of the Ombudsman to a later sitting.

**Tatarella (UEN).** *(IT)* Mr President, Parliament is being called on to vote tomorrow to choose the European Ombudsman for the coming term. We are all aware that the Committee on Petitions has done its work commendably and has given Parliament a list of just two names.

Then, last week, we all received some substantial, highly detailed correspondence making very serious allegations about matters that came to light after the committee hearings, which would raise major doubts about the eligibility of one of the two candidates.

It seems likely that there has been an infringement of Article 195(3) of the Treaty, which states that the Ombudsman may not engage in any other occupation, whether gainful or not. The correspondence also raised questions relating to one of the qualifications obtained by the candidate in question, and it would also seem that the candidate had broken the rule of being completely independent by taking part in a lobby.

Our request, Mr President, ladies and gentlemen, would allow the Committee on Petitions to carry out further checks so that this Parliament can vote with complete peace of mind: there must be no doubts or reservations about either candidate.

**Hammerstein Mintz (Verts/ALE).** – *(ES)* Mr President, I do not believe that Parliament should accept this kind of filibustering.

The Committee on Petitions has followed a transparent process. This House's legal services have indicated that there is no legal problem. All the information on the candidates has appeared on the website, in their CVs. I believe we should continue with a process which has received virtual consensus in the Committee on Petitions and proceed to the vote.

*(Applause)*

*(Parliament rejected the proposal)*

*(The order of business was adopted)*

## 11. One-minute speeches on matters of political importance

**Batzeli (PSE).** – (EL) Mr President, the recent FAO report on global food safety states that efforts to date to reduce famine, to reduce hunger at global level are nowhere near the 2005 target of eradicating it. In 30 countries with 2.5 billion people suffering from malnutrition, this target was achieved by a mere 25%.

This has both medium-term and long-term repercussions, because development is doomed in these countries, which are therefore unable to achieve a decent standard of living.

Poverty does not appear from nowhere, AIDS does not spread on its own. It would appear that we have failed so far to honour our obligation towards children and our obligation to combat poverty.

The European Union today should, in fact, cover all these countries whose food safety is in jeopardy, among other things with the proposal which we heard from you yourself a short while ago on coordinating action between the Commission and the European Parliament.

**Piotrowski (IND/DEM).** (PL) Mr President, ladies and gentlemen, Parliament is the most democratic of all the European Union's institutions. Its President is elected following inter-party negotiations. Nevertheless, the President is obliged to represent all Members of the European Parliament of the 25-member EU to the outside world.

We were therefore astonished by the remarks made in public by Mr Borrell, President of Parliament, before various international assemblies. These unfortunate and objectionable remarks have shocked the Polish public. It is nothing short of scandalous that a President of Parliament should go so far as to express extreme and biased opinions that are offensive and defamatory to Poland, a sovereign state and an EU Member State. It has been brought to our attention by Polish governmental departments that Mr Borrell has made similar remarks on many occasions in the past. I trust the opinions Mr Borrell has voiced are a reflection of his own personal views, and not those of the European Parliament as a whole. I should therefore like to demand that he resign from the office of President.

**President.** If I have heard the interpretation correctly, you are calling on me to resign my post. I imagine that you are referring to the comments that appeared in the Polish press last week in relation to the content of my comments in Madrid in a debate on Europe on 10 December. Mr Piotrowski, you, like all the Polish Members of this House, must have received a letter that I sent to you last Friday in which I explain in great detail what really happened there and what I said. The object I am showing you now is a video cassette containing the live recording of everything I said there. You will certainly be able to receive a translation into Polish of my words and you will see that, in eighty per cent of cases, the note of the Polish Embassy in Madrid is nothing more than an invention. I have asked Poland's Minister for Foreign Affairs for a public rectification, because I did not say any of the things it is claimed I said, and the proof of that is here. Sometimes we blame interpreting or translation problems, but I have no need to do that, because the phrases attributed to me are quite simply not there: neither they nor anything similar to them. However, there is no reason for you to take my word for it: you will see the reality for yourself in this video transcription and its translation into Polish. So if anybody has to leave their job, Mr Piotrowski, it is certainly not me, but perhaps somebody from the Polish Embassy in Madrid.

(Applause)

Please allow me to say one more thing: we have too many real problems facing us to be tilting at windmills; we have too many important things to deal with here to be tackling imaginary problems which are solely aimed at creating discord amongst us. I hope that the transcription of the tape will allay your concerns. Thank you very much.

**Tzampazi (PSE).** – (EL) Mr President, during my last trip from Strasbourg to Athens, the police at Strasbourg Airport asked to examine my wheelchair without me in it, as if it were an accessory. Once they had examined it, they refused to return it to me for my convenience while I waited. This means that, while I wait, I have no independence, not even to visit the rest rooms, to which I have to be accompanied. This is obstruction on the part of the police and reduces my dignity. This does not happen in any airport in the world, not even in French towns. I have travelled the world on joint missions with disabled persons and I have never come across such conduct anywhere. When, having accepted that my wheelchair would not be returned to me and would be loaded as baggage, I then wanted to use my hands to push my body through the metal detector, in order to avoid using a strange wheelchair rather than my customised wheelchair, I was not allowed to. The fifteen policemen who had gathered round me threatened to arrest me. They asked for my passport and

they sent a message to get my luggage back so that I could not travel, while 10 colleagues and journalists tried to stop them. I consider this conduct to be unacceptable; I consider that I have an inalienable right to travel freely and safely in the wheelchair adapted to my needs, without of course preventing any security checks from being carried out. I would ask that you contact the authorities so that the necessary measures can be taken to prevent the reoccurrence of such an incident, which borders on racism at the airport of a single town.

**President.** I regret what has happened. By means of its urgent procedure, Parliament will make immediate contact with the airport authorities.

**Deva (PPE-DE).** – Mr President, I have just returned from Sri Lanka and would like to place on the record my gratitude to the peoples of Europe and the people of my own country, Britain, for their enormous generosity and the goodwill they have shown in the last few weeks.

As a consequence of this, I would like to ask you whether you would entertain a proposal which is not contained in the substantive text of the resolution we have tabled, but which Mr Tajani also supports: we, as Members, should make a contribution to the tsunami victims. We could commit something from our own incomes – perhaps a day's earnings – and ask the peoples of Europe to give maybe five hours' earnings, or one hour's earnings, or a day's earnings, in order to help reconstruct these devastated areas.

This is the worst calamity to hit humanity since the Second World War. Five million people are homeless and we have to respond to the mood of the peoples of Europe, who have been so overwhelmingly generous.

**Tajani (PPE-DE).** – (IT) Mr President, Mr Deva has already outlined my proposal. On 3 January I wrote inviting all Members of the European Parliament to give up a day's pay for the people who fell victim to the earthquake and tsunami.

We all know that EUR 250 is certainly not an enormous sum for us, but for those people, who are perhaps used to living on just one euro a month, EUR 250 multiplied by the number of Members may ensure their survival for some time. In your kind reply, Mr President, you said you had brought my idea to the attention of the Conference of Presidents: of course, it was agreed that it was not possible to force all Members to donate their daily allowance.

Even so, Mr President, I take the liberty of calling on all MEPs, in all the political groups, to give up today's allowance so that they can make a practical gesture of help as individuals and not just as politicians, since help at a political level will be provided in the Committee on Budgets. It will show that each one of us – representing countless European citizens – is prepared to make a tiny sacrifice in order to give a hand to those who need help and the little things in life. With this gesture we may be able to save lives.

The appeal I am making, Mr President, is just this: let us waive our allowance for today, by a procedure that you determine, and donate it to the peoples of South-East Asia hit by the tsunami.

**President.** Your proposal deserves a response. I am going to reply collectively to several proposals.

Mr Deva, you and other Members have presented a series of proposals to the Presidency, which have been passed on to the Conference of Presidents for consideration, to stimulate the generosity of the Members in relation to assisting the victims of this tragedy.

You and everybody else will be aware that we cannot move on from stimulating voluntary donations to obligatory donations. We cannot do that: the budget lines are there for a purpose and we are all adults and we are all sufficiently aware of what has happened to ensure we offer our solidarity.

When the Bureau meets, I am going to ask the Committee on Budgets to do something that may be rather more effective: to review Parliament's budget for 2005 to see what room for manoeuvre there is and what commitments have yet to be definitively made, so that Parliament, acting as an institution and not allowing our decisions to rely on individual actions, can review its budget and provide any resources we can find.

The Bureau is going work on this and so is the Committee on Budgets.

**Moraes (PSE).** – Mr President, like Mr Deva, I have immediate family in the affected area of south India, and members of my family are helping cope with the disaster. They have asked me to send the message to this House that there are very practical things we can do to help people in their misery. One would be to recognise that there are literally hundreds of thousands of EU residents of Sri Lankan, Indian, Indonesian or Thai origin awaiting the outcome of decisions for citizenship of the Union who are too afraid to travel back to their

countries of origin. Many of these people, whom I have met, have lost family members and have had their properties destroyed, but they are not aware that they can leave their Member States while decisions are being made on their immigration status. Many other Members have encountered such people.

I should like to ask that we send a message from this House asking the Council to ensure that home ministries of EU Member States treat these people with great sympathy and ensure that they can return to the European Union and piece together their lives. Let us not compound their misery by ignoring their plight.

**E. Gentvilas (ALDE).** *(LT)* Mr President, I would personally like to put to you the same question as my Polish colleague. Information on your speech which mentioned Lithuania's role in Ukraine's orange revolution appeared in the Polish press. I am interested in the answer which you gave my Polish colleague. I would like to request that a videotape with your Madrid speech be made available to the thirteen Lithuanian Members of the European Parliament. As I trust you, I do not demand your resignation and really would like to talk about the more serious problems which you mentioned. A revolution has taken place in Ukraine, there have been changes. We and you, as the leaders of Parliament, must begin to discuss relations between the European Union and Ukraine. We must start to prepare a realistic programme on how Europe should look to the new Ukraine and what we offer the people of Ukraine, because they expect a great deal. We must be glad that the Ukrainians repeated the Polish and Lithuanian experience, bringing about change in their country peacefully, without arms or coercion. Now we – the whole of the European Union, all nations – must say: we need Ukrainians, we offer you the following steps and you must perform the following tasks. I believe that this is what you had in mind when you said that there are far more important problems than the resignation proposal.

**President.** All I can say is what I have said before. All the Group Chairmen have received the same letter that I sent to the Polish Members. I am perfectly willing to have it translated into Lithuanian as well so that you can see exactly what I said.

There are times when we have to justify ourselves on the basis of bad interpreting or bad translation. However, that is not necessary in this case, because the absurd comment it is claimed I said to the effect that Poland and Lithuania are not united with the rest of the Union on the issue of Ukraine because they are under the influence of the United States, or anything remotely similar, do not appear in the transcription of my words. If that had been said by the President of Parliament, there is no question that that would have been worthy of criticism. So I say to you: I have nothing to apologise for. I am expecting an apology from the Polish Minister for Foreign Affairs.

You will receive a translation of my words into Lithuanian, and any other Member who so desires will receive it in their language as well. I agree entirely with your opinion on the important role played by Poland and Lithuania and your natural concern about what is happening in Ukraine.

**Nicholson (PPE-DE).** – Mr President, firstly, I fully support Mr Deva, who agreed with you that we should respond as an institution, but also said that we as Members would like to make our own response. Even if this is on a voluntary basis, perhaps it is an idea we could take up later, in the Bureau.

Christmas came very early in Northern Ireland this year for a certain group of people when they robbed the Northern Bank of GBP 26.5 million, which I understand amounts to EUR 36.5 million, making it the largest bank robbery ever to take place in the British Isles.

The Chief Constable of the Northern Ireland police service has been very clear and concise in blaming Sinn Féin/IRA for this robbery. That is very interesting, because at the very time that Sinn Féin/IRA were negotiating peace in Northern Ireland and a way forward for a new government, they were also planning the greatest ever robbery in the British Isles.

I totally condemn this, and condemn their holding two families hostage for over 24 hours. They have destroyed any prospect of a peaceful solution in Northern Ireland in the short term. They are not fit to sit in government with anyone else. They have shown this on numerous occasions – in Colombia and in countless other areas – through their extra-democratic actions. You cannot be a democrat by day and a criminal and thug by night. That is what I object to.

Why did they do it? They did it because they knew that no-one would do anything to them – that neither the British nor the Government of the Republic of Ireland would have the guts to tell them their time is up and that they have to become democrats if they want to take part in government.

**de Brún (GUE/NGL).** – *(The speaker spoke in Irish)*

In the week that Mr Nicholson is to present his report on the extension of the PEACE programme to 2006, I would urge my fellow MEPs to support this. I would ask you, Mr President, to convey to the Council and Commission our wish that this matter be processed speedily, once Parliament's assent has been secured. This will have an immediate and positive impact on people and projects at the coal-face of peace-building in Ireland. Of course, PEACE funding cannot be allocated on the basis of religious or political affiliation, but only on the basis of need.

*(The speaker continued in Irish.)*

I wish to thank the European Union for its support. I am a little disappointed at Mr Nicholson's comments today. I do not think they will add anything to the peace process.

**President.** Mrs de Brún, the phrases you have used in a non-official language have not been interpreted and they will not, therefore, appear in the Minutes of the sitting either.

**Golik (PSE).** *(PL)* Mr President, ladies and gentlemen, as a member of the SAARC Delegation, I too would like to comment on the unprecedented tragedy recently suffered by countries in Asia. I fully concur with the view expressed by previous speakers that this House, which is sitting today for the first time since the tragedy, should collect large sums of money, and that the money should reach those who need it most. It is, however, difficult to determine who is now most in need, and which institutions or organisations most urgently require help. Last week, I was contacted by journalists from Polish regional newspapers, who were aware that I belonged to the SAARC Delegation and that I would be better informed than most with regard to where needs will be greatest, and to whom such aid should be sent. I should now like to ask to whom it would in fact be best to send aid.

I am very much in favour of an idea that appeared in the German press, namely setting up networks of the towns, regions and schools we know to be the most needy. We could then pass on this information to the voters and institutions in our regions, and in so doing gain closer contact with those who most need help in these countries and express our sympathy for them. We would also be able to identify, in the most literal of senses, all those who are in need.

**Doyle (PPE-DE).** – Mr President, I wish to raise a matter that may only be of minor interest in the overall context of the problems in the world today, but is nonetheless very important to those affected. I wish to emphasise the impact that the Council's political agreement of 22-23 November on the protection of animals during transport will have on the transport of registered equidae for competition or breeding purposes.

While I broadly welcome the general provisions of the regulation, I regret that the Council did not apply scientific best practice in the details of the requirements laid down for the transport of this particular class of equidae.

The regulation as it stands contains a number of inconsistencies and dangerous prescriptions, which need to be changed if it is to be enforceable and meet its objective of protecting rather than endangering these horses. For example, floors and bedding should ensure adequate control of urine and faeces, not necessarily absorption. Non-slip rubber matting is the hygienic flooring of choice today. The provision of free access to water is inappropriate, impractical and potentially dangerous for these horses. Space allowances should be proportionate to the size and temperament of the particular horse being transported and not set down in a table of rigid, unintelligible, unenforceable dimensions. The maximum short-journey limit is not consistent throughout the text and in any case is far too short.

Given that the regulation will not return to Parliament for a second reading, I urge the Council to review its agreement and to iron out these irregularities before publication of the regulation in the Official Journal.

**Czarnecki, Ryszard (NI).** *(PL)* Mr President, ladies and gentlemen, I am delighted that I have something in common with the President, namely that we both like watching videos. I have, however, risen to speak on another matter.

The growth of firms involved in large-scale pig farming, which is an issue that has been raised by both residents and environmental organisations, is becoming a major problem in Poland. This problem already affects one quarter of Polish provinces, and such growth often violates health, veterinary and environmental standards. During the previous parliamentary term, four members of the Polish political party Samoobrona (Self-Defence) asked for action to be taken on this issue, but no response has yet been received from the parliamentary committee competent in such matters. This problem affects not only Poland, but also a number

of other new Member States. It is unfortunate that such growth is taking place with the support of the European Bank for Reconstruction and Development.

Mr President, I would ask you to intervene again on this matter with the Committee on the Environment, Public Health and Food Safety, which at present is acting deaf and blind. Failure to speak out on this issue may benefit a number of large companies, including those operating outside Europe, but it is in no way beneficial to the balanced environmental and economic development of our continent.

**Hudacký (PPE-DE).** *(SL)* Ladies and gentlemen, the world is going to take a long time to recover from the devastating earthquake which struck vast areas of South-East Asia two weeks ago. The devastating tsunami left behind it dreadful havoc. Tens of thousands dead, millions injured, family tragedies and indescribable suffering. Today, perhaps more than ever, we are aware, or should be aware, of the value of human life. In this context, I find it impossible not to react to the loss of human life in the name of "human rights". Millions of unborn children who have not even had the chance of one day of life as well as thousands of old and sick people whom we are willing to help with suicide through euthanasia. The latest initiatives in the Netherlands simply take the breath away: euthanasia – the murder of living, disabled children. These are the consequences of a European tsunami – a culture of death. Are not our words of sympathy with the victims in South-East Asia just pure hypocrisy? Let each of us answer for ourselves. Thank you.

**Rutowicz (NI).** *(PL)* Mr President, you are the most important representative of the European Parliament, an institution whose Members come from across the Community and hold a variety of political views. We are all anxious to see the development of a conflict-free and citizen-friendly Europe. The situation in Ukraine could have precipitated a political crisis and destabilised the country. Such destabilisation would have posed a threat both to Poland, an EU Member State, and to the European Union. Those who helped avert the crisis included past and present Polish presidents, European diplomats, parliamentarians and Members of the European Parliament, a large number of whom were Polish. They all contributed to the success of democracy in Ukraine. Unfortunately, remarks have been made on these contributions casting a negative light on Poland and the Polish people. As we interpret them, these remarks stem from a desire to weaken European cohesion.

I should therefore like to ask a question pertaining to the future. Mr President, are individuals who represent the European Parliament entitled to make evident their dislike of a particular country or community in public?

**President.** If you are referring to the very well-worn issue about which several questions have already been asked, all I can do is repeat what I have said, Mr Rutowicz.

**Allister (NI).** – Mr President, the House will have noticed that when the IRA's representative in this House, Ms de Brún, spoke, she had no condemnation to offer in respect of her associates' robbery of 26 million pounds in Belfast. In the light of her party's association with that robbery, she indulged in the utmost hypocrisy by appealing to the European Union for funding. If Ms de Brún wants to talk about funding, then let her start with her party's ill-gotten gains from the Northern Bank.

I am also very disappointed that, at a time when ordinary people throughout the world are digging deep into their pockets, this week the EU intends to waste millions of euros on celebrating the new Constitution. That is in shameful bad taste at this time in this world.

I very much regret that the notice you have sent to us about celebratory matters contains notices of 'debates' on the European Constitution tomorrow and Wednesday with television and the press. Debate to me means the opportunity for both sides to present their arguments.

**President.** Mr Allister, my reply is the same as the one I have given previously to similar comments.

**Wynn (PSE).** – Mr President, at the beginning of this part-session we quite rightly held one minute's silence for the terrible losses in Asia. At times of such major devastation, smaller tragedies tend to go unnoticed. Over the past weekend, the city of Carlisle and the region of Cumberland have witnessed horrendous flooding following severe storms as well as the deaths of elderly people. I should like to ask you in your capacity as President to send a letter to the Mayor of Carlisle expressing our solidarity with the people of the city and of the county, and also to ask the Commission whether it can afford any help at this time of crisis for those people.

**President.** Mr Wynn, we shall naturally address the authorities of the city affected by this problem in the manner you have suggested.

**Manders (ALDE).** – (NL) Mr President, I should like to join Mr Deva and Mr Tajani in their appeal. I have sent you a letter to the same effect, in which I have asked that a virtue be made of necessity and that we should try, in view of the current disaster, to work more efficiently. After all, we finished here in Strasbourg in 2004 with a plenary meeting, and we are starting again with a plenary meeting, without any meetings taking place in between.

Rather than that being efficient, I see it as a missed opportunity, and believe that we should look into the efficiency of this HHouse and into plenary meetings. We could have quite easily condensed matters slightly. I have not yet received a response from you, but I assume, given the agenda, that it will be negative, because you may be wary of setting a precedent. I do believe, though, that you should seize every opportunity to have efficient meetings, where necessary, and not to have meetings for the sake of it, only because that is what the Treaty happens to stipulate.

**President.** You say that you have not received any reply from me. I have tried to reply in writing to all the proposals that have arrived in writing and which have been considered by the Conference of Presidents, and that Conference has seen fit to take the decision I have mentioned.

## 12. United Nations Framework Convention on Climate Change

**President.** The next item is the debate on the Commission Statement on the outcome of the Tenth Session of the Conference of Parties organised in Buenos Aires by the United Nations Framework Convention on Climate Change.

**Dimas, Commission.** (EL) Mr President, ladies and gentlemen, I should like to start by saying that I fully endorse everything the President said about the unprecedented disaster in South-East Asia, and by congratulating the European Parliament on its immediate response to the question of the aid which the European Union will make available accordingly.

I must say that the European Union not only was generous but also responded quickly and efficiently to this unprecedented tragedy. It mobilised immediately. The day after the disaster, experts from the humanitarian aid office, ECHO, and the Committee on Civil Protection were in Sri Lanka and Thailand, helping to coordinate, to identify the problems, to evaluate and assess the damage and the need for certain supplies and to improve the coordination of such supplies. They will doubtless remain there for a long time, because even greater efforts are being made to restore and reconstruct the area and the support of the European Union needs to be constant.

I should like first of all to thank you for giving me this opportunity to debate with you this evening the results of the tenth conference of the parties to the United Nations Framework Convention on Climate Change, which was held in Buenos Aires last month. I must say, first of all, that it was attended by the chairman of the Committee on the Environment, Public Health and Food Safety, Mr Florenz, and 7 other members, whose participation was very, very important. I have to say that they supported us, they helped us and they advised us during the negotiations, right to the end. On the last day in particular, we were in constant contact during the very tough negotiations which took place there. I have to say that the results were not spectacular. However, they were better than the results we expected, especially the results we expected before the ratification of the Kyoto Protocol by Russia, in other words before we confirmed that the Kyoto Protocol would enter into force. We can therefore say that the overall results were positive. There are a number of points I can mention which illustrate this.

The first and perhaps most important of all was the discussion about what will happen after Kyoto which, according to the Kyoto Protocol, should start in 2005. We met with a great deal of reaction here; the United States and certain developing countries barely even wanted to talk. To be precise, they did not even want to discuss the possibility of starting discussions in 2005. After very tough negotiations, as I said earlier, we managed to agree, following a proposal tabled by the ambassador of Argentina, Mr Estrada, that a seminar would be held in May on two material issues: the first concerns the present situation and the second, which we insisted be included, concerns future developments. It is a first step, a hesitant step in my view, but a first step nonetheless towards negotiations, towards the discussion about what will happen after 2012 in connection with the repercussions of climate change. I must say that we had allies at these negotiations, which is an important development, in the form of numerous developing countries, such as Brazil, South Africa and numerous African countries, which previously were hesitant but which this time supported the efforts we were making to get discussions started.



Another very important point is the agreement on a five-year programme to bring developing countries into line with the requirements of climate change. I can say that we had important support here from these countries, which also stand to gain from this programme.

The third important point concerns certain clarifications about the clean development mechanism. It is one of the mechanisms for which provision is made in the Kyoto Protocol and which has become very important with the start of the application of the Protocol and the operation of the carbon dioxide trading system in the European Union. We shall have a great many applications for approvals being filed with the executive office in Bonn, which therefore needs reinforcing. It needs to become more transparent. Money is needed if it is to be able to operate efficiently and contribute to the operation of the Kyoto mechanisms.

Another issue related to the clean development mechanism is the registry system, which is needed so that the overall trading system planned can operate, and there are other technical issues which are very important but which are not put forward as much. All of this was discussed and we arrived at solutions and agreements.

I think that the European Union gave an important presentation of the carbon dioxide trading system, which has started operating officially in the meantime since 1 January. This presentation showed and in some way secured the leading role played by the European Union in the question of climate change and incited a great deal of interest. We had ministers from almost every country following the discussion on trading, followed by numerous bilateral meetings with countries which have declared an interest in cooperating, such as Norway, which has had a trading system in operation since 1 January, Japan and Canada; there was even interest from the United States, but they could not participate because they have not signed the Kyoto Protocol. This is a restricted system which operates between the countries which have signed the Kyoto Protocol.

Finally, I should like to say that the most important thing was that we networked through bilateral contacts which both we and the members of the European Parliament had either with corresponding members of national parliaments or with other delegations; this gives us an opportunity to be able to persuade the countries which we need on board if we are to promote the desired targets for the period after 2012, especially the United States, China and India, countries with which we absolutely must find some way to reach agreement.

To close, the discussion we had in Buenos Aires and the results of it, which are positive overall, gave us the opportunity to stimulate the dialogue within the European Union about what will happen after 2012. We have two opportunities: one was the Council of Ministers held on 20 December, which reformulated the European Union's commitment on preventing the overall temperature of the planet from rising more than two degrees Celsius over coming years, as well as the need for target percentages for increases in carbon dioxide emissions and other greenhouse gases. The second is the spring European Council, to which the Commission will contribute two papers: a working report on the cost and benefits of taking action or not taking action on questions of climate change and a Commission communication on the evaluation of the strategies required for the period after 2012 and what we shall do until then. Of course, we also await the contribution of the European Parliament in the matter.

I should like to say that the results from Buenos Aires, which did not receive such good coverage by the press and the media, were better than the results presented in the media. I repeat that they were not the results we wanted, but they were better than the results we expected before we went and, as such, we can say that, overall, the results were positive.

**Florenz (PPE-DE), on behalf of the group.** – (DE) Mr President, Commissioner, I can readily endorse what you, Commissioner, have said just now. I believe that, all things taken into consideration, we had a successful conference, even though we did not perhaps come away having got the figures we wanted or having quite achieved our objective. At this point, I would like to express my gratitude again to the Dutch President-in-Office of the Council, who – assisted by your efforts, Commissioner – really did weld these three diverse European institutions into a team, with the result that Europe will in future be able to play an important global role not only through the euro, but also in the fields of environmental and climate policy. On this issue, I see us as not only leading, but also as determining direction. What we are aiming for is to be able to share in decisions about the ways in which we achieve our objectives, both in Europe and the world.

A few weeks ago, the Environment Agency in Copenhagen made it quite clear that we, with the instruments at our disposal, are on the right track, and you have just spoken about implementation. It was therefore logical that, in Buenos Aires, our three institutions influenced decisions on what happens after 2012, which will mark the tenth anniversary of Kyoto, for our industry needs data with which it can calculate if it is to be

able to put its post-2012 investments on a legal basis. For that reason it is important that, in this House too, we should take further steps to bring us closer to the goals we have set ourselves.

Not only, of course, is that a task for industry in Europe and around the world, but we must also muster the courage to extend this both to travel and transport and to domestic fuel. I am well aware that this will not go down at all well politically speaking, but if, in future, it is to be industry alone that implements the Kyoto targets, the costs for industry, both in Europe and around the world, will be immense. We need other shoulders to share these burdens.

It follows, Commissioner, that you were right to mention Europe's energy-saving measures. You are right to want greater energy efficiency, and we must also, of course, be judicious in promoting renewable energies. This is very much after my own heart, and I hope we will make progress in this matter.

Buenos Aires did, of course, have its darker aspects, and I, as a self-confessed friend of America, found the Americans' truly destructive approach painful and very disappointing. Yet there is hope too – perhaps not in the American Government, but instead in ten of the American States, which have set out to pursue a greenhouse initiative quite separately from Washington, and there are signs of really hopeful developments on the border with Canada and elsewhere. I would even go as far as to say that, where transport policy is concerned, Europe has something to learn from states such as California. In the United States, too, I believe, democracy from the bottom up will get things moving in this area, and that is something I can only support.

So let me again extend warm thanks to Commissioner Dimas and to Mr Van Geel, the President-in-Office of the Council, for putting Europe's weight into the balance. The fact that the scales did not then tip the way we wanted was not our problem. We will keep up the fight, though, firm in the conviction that we are ploughing the right furrow, an example that I, being a farmer myself, am happy to use.

Thank you for your patience, Mr President.

#### IN THE CHAIR: MR ONESTA

*Vice-President*

**Corbey (PSE)**, *on behalf of the group.* – (NL) Mr President, I too should like to start with a word of thanks to Mr Florenz for his leadership of the delegation, to Mr Dimas and the Dutch Presidency for the pleasant working relationship.

I should like to start off with the North Pole, which is warming up faster than expected: glaciers are melting, permafrost is defrosting, and forestry boundaries are shifting. People on the North Pole are now forced to change their lifestyles to be compatible with warming. Societies on the North Pole are experiences on a small scale what the world as a whole will soon be dealing with. We are facing the twofold task of adjusting to climate change and at the same time keeping it to a minimum.

Given this enormous challenge, the outcome of the Climate Conference in Buenos Aires is particularly disappointing. It is, of course, a good thing that it was possible to keep the Kyoto process just on track thanks to a seminar. It is, of course, a good thing that the European Union has its own way, and that the outcome can be anticipated at this seminar, but it is all insubstantial, pathetically so.

We also have to conclude that the EU is becoming increasingly isolated. Naturally, a number of American states are prepared to set to reducing the emission of greenhouse gases and there is indeed interest in our system of tradable emission allowances. It is also true that few scientists these days deny that mankind has an influence on the climate. We have to count our blessings, but the essence of Buenos Aires is that the sense of urgency that is felt in Europe is not shared in other parts of the world. I wonder why this is so. Is it that the US administration does not feel a sense of responsibility? Is it a lack of insight on the part of the rest of the world or a lack of diplomatic skill on our part? Are our powers of persuasion failing us?

Unfortunately, we are bound to conclude that the EU did not have the influence that was required. Binding objectives after 2012 are worth striving for, but they have, unfortunately, become a European hobbyhorse. The EU will need to be extremely well prepared for the seminar in the spring. There is also a need for practical proposals, which requires leadership and powers of persuasion but, above all, courage. Sound, productive and well-founded proposals need to be tabled without delay. The EU will also need to be open to approaches adopted in other countries. I can distinguish at least three solutions which we all need to explore.

First of all, we need to focus more on making adjustments and helping developing countries, in particular, to make them. The contributions of African and Central American delegations in Buenos Aires all started with accounts of unpleasant climate changes. Adjustment is not easy, but it should certainly be about more than aid when major disasters strike. Lifestyle adjustment is fundamental, and credible programmes need to be set up to that end.

Secondly, there is the transfer of technology, into which we must put all our efforts, abandoning our ideological reserve about the clean development mechanism.

Thirdly, we will need to expend far less energy on a national approach and national objectives, and instead focus on the objectives for each sector. In the talks that our delegation has held, the sectoral approach was considered a viable route. We will need to put our heads together with the steel, cement and paper industries. Competition in those sectors is worldwide, and worldwide objectives based on the best suitable technology are the obvious way ahead. The WTO can play a role in this.

**Davies (ALDE), on behalf of the group.** – Mr President, if the results of the Conference of Parties in Buenos Aires are better than expected, the Commission's expectations must have been very low when they started out. The Commissioner has now been baptised into the hard world of climate change negotiations. I hope it has given him a taste for resolving the problems and bringing the world together behind a common purpose.

The people of Carlisle are today having to cope with the worst floods on record, an unparalleled deluge of rain having fallen in recent days. I hope that the House will join me in paying tribute to the emergency services, the voluntary organisations and many individuals for the work that they have undertaken in trying to alleviate the situation and, in particular, for their efforts in helping the elderly and others in greatest difficulty.

It is not possible to declare with certainty that these floods are an indication of global warming, but extreme weather events have been highlighted as one of the consequences of climate change. Events in Carlisle are one reason why it is so important that the EU should continue to lead the world in developing policies to combat the effects of global warming.

The British Government has declared in recent weeks that it is determined to ensure that the issue of climate change is high on its agenda when it assumes the presidency, so it is frankly astonishing that the same government is putting at risk the successful launch of the Emissions Trading Scheme, Europe's most important measures to reduce emissions of global warming gases.

The UK's national allocation plan was submitted by its government and approved by the Commission last July. Three months later, Britain was back with a revised plan that calls for bigger and more generous allowances, far larger than those demanded by any other government. It is threatening legal action if the plans are not approved. That seems an extraordinary demonstration of either incompetence or bad faith. It makes the fine words of the British Government sound very hollow.

Before the Commissioner finishes this debate, I should like him to tell the House just what the current situation is. As things stand, is the UK in the Emissions Trading Scheme or not? Do your legal offices, Commissioner, tell you that the UK has a real case, or does final approval of the Emissions Trading Scheme allocations rest with the Commission, as the directive says? Do the current position and the delays incurred present real problems for the success of the Emissions Trading Scheme in the long term?

I hope that the Commissioner will be able to respond to these points. I hope he understands that he will not be condemned by all UK representatives if he takes a very firm stand on this issue.

**Frasconi (Verts/ALE).** – Mr President, COP 10 marked the 10th anniversary of the entry into force of the Framework Convention on Climate Change and was the first COP held in the certainty that the Kyoto Protocol would enter into force. This meeting was described by one observer as 'talking about talking about the future'.

We cannot hide the very apparent difficulties of starting a discussion on the post-2012 period. This does not surprise us because the Council also failed to agree on the numbers to be given, and it is always difficult to talk about the future when the present situation is still so unsatisfactory, as it is today.

COP 10 also provided a forum for hundreds of side events, press conferences, meetings, NGOs and stakeholders, something that we consider to be important because, if the Kyoto Protocol is to become real, we need much more than governments to implement it.

I would like to underline two results of COP 10. The first is the perfectly apparent and open obstruction by the US. Commissioner, you have not spoken about that, but I think you should. You should also tell us what you are going to do about it. This was not merely a major disappointment; it was a major obstacle, a change of strategy. The US is no longer saying that it will not sign but equally will not hinder. On the contrary, it is going to hinder. It is hindering and will continue to do so in the future.

Commissioner, we should like to know your feelings on the view that the EU must be prepared to move along negotiation of the Kyoto Protocol framework without the US asking for the exclusion of those countries which are not signatories to the protocol. This is something we have to start talking about.

The second issue, as already mentioned, is the decision to convene a seminar of government experts. The mandate is very weak, as many people have already mentioned, but if there is a political will, it will be possible and we can start a serious discussion – with those who want it – on post-2012 commitments.

What do we expect from the Commission and the Council? We believe that they should prepare for the meeting in Bonn in May by setting out a global proposal on future climate policy which is consistent with the EU's commitment to keeping global warming to a maximum of +2°C, compared with pre-industrialised levels, and to having global emissions peaking within the next two decades.

Secondly, the EU Troika must engage in a serious diplomatic effort to bring on board and take into account the legitimate concerns of developing countries. There should be no illusion here. Unless serious resources are given over to adaptation measures, we will not have the developing countries on board, and we want them to fight alongside us.

Thirdly, the EU must redouble efforts to meet Kyoto and beyond. Obviously, if our own Member States are unable to respect the Kyoto Protocol today, then we will not be credible in the future.

*(IT)* Commissioner, you omitted one other element, which I believe it is important to underline in this debate: the attitude of the Italian minister, Mr Matteoli, who dissociated himself from the rest of the European delegation. I do not think you should be diplomatic about this, because we are all behind the European position, whereas Mr Matteoli wrongly and in an utterly inappropriate way dissociated himself from it, causing great embarrassment both to you and to the rest of the European delegation. The reason for what happened is very simple: Mr Matteoli and his government do not believe that acting through the Kyoto Protocol to limit the effects of climate change should be a top priority either today or after 2012.

The Commission, the Council and this Parliament ought to start thinking of ways to persuade those European countries that are not yet complying with the Kyoto Protocol to make a move in the right direction.

**Musacchio (GUE/NGL), on behalf of the group.** – *(IT)* Mr President, even the recent tsunami disaster shows us how fundamental our relationship with nature is for ensuring the survival of human life and civilisation. Climate change is threatening precisely that, and therefore a drastic reduction in CO<sub>2</sub> emissions has become an absolute priority and a factor that ought to underpin every decision on economic and social issues.

Europe has committed itself to the Kyoto commitments and to post-Kyoto, and that puts the spotlight even more strongly on the serious responsibility of the US Administration, which, however, is opposed even to ratifying Kyoto or to addressing the post-Kyoto period, as was supposed to have happened in Buenos Aires. Even Europe, I have to admit, is still a long way from playing its part to the full: it has allowed Kyoto to become distorted with the introduction of emissions trading and, above all, it is still a long way from putting its target emissions cuts into actual practice. In fact, emissions are still increasing and in some countries, such as Italy, they are increasing considerably.

We have to think about why that is happening. The fact is that it has been left up to mere market mechanisms to achieve the Kyoto targets. So far, they have not worked, while free-market globalisation has led to a multiplicity of distorting factors: production moved to countries where environmental legislation is weaker, thus increasing emissions; rich countries wasting more energy on transport and domestic uses; and the privatisation and liberalisation of the energy sector which, instead of producing savings and clean energy sources, has led to competition among traditional, polluting sources.

If – as we must – we want to implement Kyoto in practice and to go beyond it, we need to take a very different approach: we must channel all our efforts, in terms of scientific research, energy policy and infrastructure, into achieving that objective through a major strategic plan that is properly structured, adequately funded and based on democratic participation.

We need something that goes far beyond the old, obsolete market formulae and which instead represents the real challenge of a sustainable future: a new social and environmental economy, with a structure based on democratic principles and solidarity with the whole world. All that becomes even more obvious and inescapable when we think that Kyoto is just the first tiny step. In Buenos Aires, the US Administration prevented anyone from talking about what in fact needs to be done about the post-Kyoto period: that is to say, about a necessary, epoch-making change. I have to admit that the Italian Government allied itself with that reactionary stance.

That, then, is the real mission awaiting a different Europe, one that is able to talk to the whole world along these lines and, above all, to take concrete action to create a different set-up from the one in which we are unfortunately living.

**Blokland (IND/DEM), on behalf of the group.** – (NL) Mr President, over the past years, this House has held many a debate on the need for climate policy. Next month, the Kyoto Protocol will actually take effect, and that is why it is useful to look back at the decisions of the past few years. It strikes me that climate policy is receiving less attention. It is becoming increasingly difficult to gain a majority for necessary measures. The reason for this, in my view, is that we notice little of climate change, and that the negative impact will be felt most acutely in remote countries. Some people also labour under the assumption that reducing greenhouse gas emissions will affect economic growth.

I should like to draw Members' attention to a study by the IIASA, the International Institute for Applied Systems Analysis, based in Laxenburg, Austria. The scientists involved in that study demonstrated that climate policy can be adopted in a much more cost-effective way, provided that policy for the improvement of air quality is linked to climate policy. In that way, net costs are greatly reduced, but we should also consider the regulation of gases other than CO<sub>2</sub>. To be effective, therefore, a policy need not be expensive.

I should also like to take this opportunity to draw the Commission's attention to problems involving the emission trading system. The directive has been interpreted in very different ways, which has resulted in potentially major problems. For example, in a number of countries, the chemical industry remained outside of the scope of the directive. That gave other Member States a reason to exclude their chemical industries from its scope in order to avoid distortion of competition.

In addition, in certain Member States, penalties incurred by businesses when they exceed their emission quota are tax-deductible. Once again, there is no level playing field within the internal market. I should like to hear from Commissioner Dimas whether he is aware of this and whether a change to the directive can be proposed in order to outlaw these practices. Also, in some Member States, the industry has received state support. In my own Member State, the Netherlands, the national government has spent EUR 600 million on buying emission allowances abroad, as a result of which industry was given a smaller reduction. I should like to hear the Commissioner's response to this as well.

When the directive was discussed, two of my amendments were adopted in this House, which should have prevented these problems from arising. I now have to conclude that the problems occurred all the same. Our climate policy should aim to improve the quality of our environment. That is what we have agreed upon and that is what we should keep to. We do not own our planet; we are merely temporary occupants.

**Aylward (UEN), on behalf of the group.** – Mr President, I welcome the fact that the Kyoto Protocol will enter into force on 16 February, with 132 countries having ratified the provisions of the agreement. The recent ratification of Kyoto by the Russian Government means that it will now have legal standing. Under this agreement, the European Union is committed to reducing greenhouse gas emissions by 8%, as compared to 1990 levels, by the year 2012. I welcome the enactment of the EU Emissions Trading Directive that will help to ensure that the European Union complies with the serious international obligations under the Kyoto Accord.

The one disappointing fact is that some countries, including Australia and America, have not signed up to the provisions of this agreement. America is responsible, as we all know, for over 24% of all greenhouse gas emissions on an annual basis. The effectiveness of Kyoto is diluted because America is not a signatory to the accord. However, it is not a complete tale of doom and gloom from America on this political issue. California – the largest state in America in population terms – has already enacted the Pavley tax, which is designed to reduce the use of greenhouse gases by 22% in that state by 2012. I am glad to see that it is being followed by other states. At present 19 American states are pursuing this initiative designed to reduce greenhouse gas emissions. It is clear that more and more American businesses and citizens are becoming positively disposed to tackling climate change.

The European Union must use every diplomatic avenue open to it to coax and persuade the American Government to introduce measures to reduce greenhouse gas emissions. This can and should be done through the structures of transatlantic summits between America and the European Union. We need a coordinated international approach to tackle climate change. The Kyoto Protocol is the only current international framework available within which the countries that have ratified it can coordinate their approach to this issue.

The British Government will assume the presidency of the European Union later this year and, as a very firm ally of the present American Administration, I would hope that it will be in a very strong diplomatic position to coax the American Government to move forward on this matter in a more constructive way.

**Gollnisch (NI).** – (FR) Mr President, ladies and gentlemen, I shall confine myself to asking just a few questions about global warming, a subject on which ignorance goes hand in hand with very definite judgments.

First question: is it really the case that there is significant and ongoing warming? This now seems to be a solidly established fact, thanks in particular to what has happened to the expanses of ocean or to the great glaciers.

Second question: does global warming only have negative effects? That is not necessarily the case – in Siberia, for example, where the taiga and the tundra could give way to other landscapes – but it is certainly a different matter when it comes to the terrible progress of desertification in Africa or to meteorological disasters of the El Niño type.

Third question: if a decision is made to combat this phenomenon, is it certain that the phenomenon is basically due to human activity? Instances of warming and glaciation, which cannot be imputed to man, have taken place at least four times during the Quaternary period.

Fourth question: if global warming is indeed due to discharges of greenhouse gases, such as carbon dioxide, into the atmosphere as a result of human beings burning organic fossil fuels, measures certainly need to be taken. Is it, however, worthwhile Western Europe's making an effort at the cost of its own competitiveness when other powers such as the United States and China – respectively the world's biggest and second-biggest polluters – wash their hands of the matter, thereby certainly compromising the success of the operation, and this in spite of the encouraging news from a number of US states, passed on to us by the previous speaker?

This brings me to my fifth and final question: systematic reforestation and the use of renewable or new sources of energy must without doubt be encouraged. However, we have to be realistic. We shall have to wait a long time before these energy sources are sufficient for our needs. In the meantime, should not some thought be given, even from an ecological point of view, to the diversification of energy sources and, in particular, to our having recourse to nuclear energy? Twenty-five years ago, France's National Front was the first political force legitimately to draw attention to the risks of nuclear energy, a prediction sadly borne out by the Chernobyl disaster. Science moves on, however, and technology can develop. Fusion would be a process using matter that did not leave the waste generated by current processes, which remains dangerous for a long period. While waiting for progress in this area, there may exist, even for use in the fission process, elements such as thorium that present fewer risks than the elements with which we are at present familiar. This is a path upon which science can undoubtedly embark. A considerable effort is required, and it needs to be free from dogmatism of any kind.

**Doyle (PPE-DE).** – Mr President, the use of the word 'success' in this context depends on one's expectations; it means different things to different people. To me, if we exclude the interactions and discussions that took place in the margins in Buenos Aires, it is difficult to use the word 'success'. The success I found in Buenos Aires was in discussing with other colleagues – particularly the huge numbers of representatives from political and corporate America and other American bodies – how much support we have on the ground, both in the United States and in Australia, as distinct from the Bush Administration's position and, indeed, the Australian Premier's position on the Kyoto Protocol and climate change. That is the sense of success I brought back from Buenos Aires. There is huge and growing support from nine or ten different states in America, and even from some of the energy and fuel corporations and corporate America generally. That support continues to grow.

I also measure success by the progress made by China and in the attitude of the Chinese authorities – China being a developing state with huge demographic challenges. There is also the change in attitude of Brazil which is coming the road with us. That is how I measure the real success of Buenos Aires, as an indicator of the progress that has been made since previous COPs I attended.

To confuse us even further, this was COP 10, and next year we have COP 11. We have the special meeting to continue discussions; we are not allowed to call it post-Kyoto or post-2012, but we cannot ignore that it is going to be out there in the realm of debate. Also next year, we have MOP 1, to further confuse the uninitiated! I think that means the meeting of the parties who ratified Kyoto, as distinct from the Conference of the Parties who all signed the original agreement. They are two different, if similar, groups of meetings that, presumably, will go hand in hand. Maybe the Commissioner will tell us more about it.

I would like to thank Mr Florenz for his leadership of the parliamentary delegation. And thank you, Commissioner, for including the Parliament's Members. I would still like to see greater structure around Parliament's involvement in various COPs, particularly at the MOP 1 stage. I hope you found our contribution rewarding and of some use. I would love to see it structured even more, although I know there is some reticence at Council level about that. But it is a suggestion that urgently needs to be taken seriously at that level.

We cannot afford not to succeed. The Kyoto Protocol is the only game in town. An even greater emphasis on cost-benefit reports and transparent pricing of the environmental consequences of climate change and global warming will help to convince those markets still doubting the economic significance of Kyoto. It will show that any short-term inconveniences and costs will be more than compensated for by the medium- to long-term gain for the developed as well as the developing countries.

**Tarand (PSE).** – (ET) Over the last two weeks, the South-East Asia disaster has had a great effect on the world. The causes of the tsunami and of global climate change are not linked, of course, unless we measure time in millions of years, and consider continental drift, which does indeed result in earthquakes and in climate change. Timescales of millions of years, however, are imperceptible to human beings, and discussions about them are therefore of little use to politicians. 2004 provided a multitude of new signs of accelerating global warming: the unexpectedly rapid melting of Greenland's glaciers, which will raise the level of the oceans by seven metres in all, to mention just one. Last September, the British Prime Minister Tony Blair devoted one of his speeches to global climate change. In it, he stated that by 2100 the level of the ocean would rise by 88 cm, which, given today's demographic situation, would pose a threat to a hundred million people. That is a very different order of magnitude from the number of victims of the recent tsunami. The amount of time we have to prepare, however, is different as well – instead of two hours, we still have almost a century. Nevertheless, 10% of the time we had, if we start counting from the Rio Conference, has already been spent, and not in the most constructive manner.

I have to admit that I participated in the Rio Conference, and that in my previous life as a historical climatologist I reconstructed the time series of Tallinn harbour freeze-ups back to 1500. Tallinn is located in a sensitive part of the Baltic Sea where every year the sea is faced with the Hamletic question: "To be or not to be – frozen?" From the sixteenth to the twentieth century, there were six to eight completely ice-free winters per century. In the twentieth century, mainly from the 70s onwards, there were 16 ice-free winters, and in the new millennium, four out of five winters have been ice-free. It is paradoxically sad that several successive Estonian governments have sat in a house with a superb view of the Bay of Tallinn, but have not noticed this essential climate change indicator, or have been unable to draw any inferences relating to energy policy from it. The management of Estonia's national power generation company, inspired by the example of US oil and coal monopolies, is still being conducted in the spirit of the period of peak industrialisation of 50 years ago. The water use created by oil-shale-fired electricity generation is subsidised to such an extent that it places Estonia among the world's top water consumers, along with the desert states which use irrigation agriculture. If we consider that drinking water costs three euros a litre in Tallinn Airport, it becomes apparent that power generation in Estonia is being subsidised with a sum of around three billion euros a year. At the same time, Estonia is lagging behind other European countries in the use of renewable energy sources, despite the high potential for both biofuels and wind energy. The point I am trying to make is that, while I acknowledge the progress made at COP-10 in Buenos Aires and the leading role of the EU in combating global climate change, it is time for the European Commission and Parliament to act together to persuade lagging member states to change their energy policies, using the structural funds if necessary.

**Schlyter (Verts/ALE).** (SV) Mr President, at the same time as we are now discussing Kyoto, the small island nations are preparing for their conference on climate problems that is to take place in obscurity on the other side of the world, in spite of the fact that their entire populations are threatened with exile because of environmental destruction.

Fifteen large icebergs are floating northwards to New Zealand. In my home town, winters are 40 days shorter than when I was a boy. Almost all the glaciers are melting away. More storms occur, such as the one seen

over northern Europe as recently as at the weekend. It is not acceptable to ignore the effects any longer. Even though not every storm and piece of damage can be blamed on climate change, increased frequency is a definite consequence of people's irresponsibility.

The EU must now focus upon the problems that exist in today's world. We cannot be content with seminars and target figures, but must make substantial and vigorous efforts in the form of legislative decisions that have practical effects. Let us show the way, then. Only you, the Commission, are entitled to table proposals concerning increased minimum taxes on fossil fuels. You have no need to wait when it comes to a carbon dioxide tax on flights within the EU or, moreover, to a climate levy on imports from industrial countries that do not fulfil the Kyoto objectives. That would no doubt get the Bush regime moving, especially if progressive states within the US were exempted from the levy.

Kyoto is not enough, however, and we do not need to wait until 2012 to realise the fact. We must draw up an action plan right now for reducing emissions by at least 30% by 2020. We already know that this is the least we can do to meet the need of future generations for raw materials and the need of poor countries for both raw materials and a stable climate.

**McDonald (GUE/NGL).** – *(The speaker spoke in Irish)*

I want to take this opportunity to welcome the Buenos Aires Conference on Climate Change as a serious endeavour in tackling global warming. The United Nations Framework Convention on Climate Change remains the cornerstone of the international response to environmental changes. I speak in support of the resolution and wish to commend the role that the European Union has played and continues to play in bringing progressive responses to combating climate change.

I would like specifically to express my concern that the United States – the world's largest carbon dioxide emitter – was not prepared to discuss further approaches to reducing climate change, although it is heartening to note that a number of individual states in the US have been involved in various climate change initiatives. However, the failure of the US to sign up to Kyoto is actively undermining that agreement. The Kyoto Agreement is one to which we must collectively add our full support. It is a small yet significant step in the right direction. However, in the longer term, if we are to successfully wrestle with the issue of climate change then a much greater effort is required by individual countries, and indeed by industry.

The targets set for stabilising concentrations of greenhouse gases are hardly ambitious, but are of fundamental importance to bringing about a marked decrease in the levels of emissions in our atmosphere. I welcome the resolution's assertion that global emissions should be reduced by half by 2050 in order to contain global warming. This is an objective we should all be working towards.

Climate change remains a crucial issue facing humanity which requires a global response, perhaps nowhere more so than in Europe. A recent report by the European Environment Agency warned that Europe is warming more quickly than the rest of the world, with potentially devastating consequences including more frequent heat waves, flooding, rising sea levels and melting glaciers. The report paints a bleak picture of a Europe devastated by changing climate.

We need a global plan to cap concentrations of critical greenhouse gases. Setting more ambitious targets to cap the concentration of greenhouse gases requires a real commitment and will require major changes to manufacturing processes, to the manner in which energy is generated and indeed to our collective lifestyle.

*(The speaker continued in Irish)*

**Krupa (IND/DEM).** *(PL)* Mr President, it is, of course, possible for the role played by Europe regarding the long-running issue of global warming to be a major one, but this will only be the case if self-discipline, solidarity and truth prevail over the uncertainties of the legislation in force and over the falsification and manipulation which take place in many fields, including emissions trading.

Although it is true that the Kyoto Protocol is an international achievement, which obliged industrialised countries to reduce their greenhouse gas emissions, the negotiated level of reductions of these emissions is a political compromise. It does not reflect the demands made by scientists, who have calculated that carbon dioxide must be reduced by 60% to halt climate change, instead of by 5% or 8%. The EU boasts of these latter figures, yet they have been attained at the expense of countries in which industry was regrettably wiped out as part of preparations for accession. Changes in land use, or in other words forest management, have also been exploited as an instrument of climate policy under the Kyoto Protocol.



Yet genuinely reliable knowledge on how much carbon dioxide is absorbed by the planting of trees is still lacking. This knowledge will only be gained after further research. Afforestation plans under the Clean Development Mechanism have therefore been the source of much controversy. Such plans are of course worthy of attention, but as Poles we are opposed to the possibility of Poland being turned into a primeval forest where a rich elite plans to enjoy hunting.

The burden of counteracting the effects of climate change should be shared fairly, as a function of the extent to which individual countries are responsible for such change. Rich, developed and heavily industrialised countries have derived huge benefits in comparison to developing countries, and are largely to blame for environmental destruction. They are, however, extremely reluctant to enter into financial commitments. This is true of both the USA and EU Member States. Many countries are also beginning to wonder whether the Kyoto commitments are not a hindrance to more rapid transformation, rather than a help. We acknowledge that, despite these shortcomings, it is useful to have agreements in place. More demanding commitments should be entered into, however, with regard to reducing emissions.

**Martin, Hans-Peter (NI).** – (DE) Mr President, the Chairman of the Committee on the Environment, Public Health and Food Safety was among the first in this House to describe what came out of Buenos Aires as a success. That it is already necessary to depict such derisory developments in a positive light is evidence of how little we have come to expect.

That is very much the way I see it. There is, though, yet another parameter, and that is time, the sands of which are running out. If one briefly closes one's eyes while listening to this debate and perhaps ignores the 'Kyoto' word, everything that has been said so far is reminiscent, down to the details, of the great 1992 world conference on the environment in Rio de Janeiro. Even then, we knew about the problem, and we knew how things would develop. At that time, though, we were a lot more optimistic, believing that we could hold global warming in relation to the pre-industrial era at 0.5 degrees by 2050, and now we would be happy enough to hold it at 2 degrees. That is an enormously dangerous development, simply because – quite apart from the democracy issue with which many of us here in this House now have to deal, quite apart from the social issue that is becoming so pressing now that globalisation is resuming its onward march – the ecological issue has still not been resolved.

Terrible though it might sound to say this, one almost wishes that there had been some indication that the extent of the catastrophic seaquake in South-East Asia had something to do with global warming. Then, perhaps, there might have been the chance of a worldwide effort at doing something, just as an effort is being made to deal with this great calamity.

As I see it, the whole problem – and it is a big one – with climate change is that we have no shared concept of the enemy, that nobody is coming up with alternative ways of dealing with it, and that we may well be carrying on making lots of speeches, but we are doing far too little.

**Oomen-Ruijten (PPE-DE).** – (NL) Mr President, the Climate Conference in Buenos Aires did not produce the result that we wanted. At the ratification, we had expected a major breakthrough and we wanted, if at all possible, to lay down exactly what is to happen after 2012. If I compare this to what appeared in the media over the past few weeks, I sometimes have a sense that we are talking each other down if we only focus on those two aspects.

We all know, of course, that the United States decided against ratification. We also notice that fast growth in India and China is bound to affect the involvement of those countries in climate policy. Nevertheless, we do not count our blessings often enough. I agree with the Commissioner, who stated a moment ago that the good thing is that results have been achieved. There are already 128 signatory states to the Climate Treaty. Even in the United States and Canada, as Mrs Doyle pointed out a moment ago, there are ever more states supporting our line and wanting to keep pace with Europe.

If we want to adopt long-term climate policy, though, we can only really achieve results if we deepen the discussion as well as broadening it. That means, therefore, that we need to involve the developing countries, much more so than we have done to date. In actual fact, as the Commissioner suggested, we should offer them this clean technology with our aid, so that they can start with clean technology straight away and make a giant leap forward.

The same also applies to China and India, in fact. We need to give them a shot in the arm too. For the rest, as far as deepening is concerned, we will need to continue to work on the administrative powers in North America, which at present want to adopt different policy. While also congratulating Mr Pieter Van Geel on

his achievements, for which he has received much credit already, I trust that, under the supervision of this Commissioner, people will no longer claim that it is only Europe that does something for climate policy, because we will then be pushing ourselves further into isolation. No, we need to ensure that everyone joins in by further broadening the discussion and deepening it more effectively. I am confident that the summary we will receive shortly, the note about future developments, will be able to pull us out of this isolation.

**Lichtenberger (Verts/ALE).** – (DE) Mr President, ladies and gentlemen, the new millennium is still young, and yet it has already seen two disastrous summers: one in which the whole of Central Europe was flooded, and another in which much of Europe groaned in a heatwave. Neither did anything to bring out of the recent conference the better results that would have been needed to solve the problems once and for all.

I want to speak today about transport, one of the main problem areas associated with Kyoto. The fact is that, while it is evident that at least some progress has been made both in heat production and in industry, that certain problems have been resolved and that technological solutions are available, it is still the transport sector in which growth rates are at their highest and where it can be said that all the solutions worked out and put in place by the other sectors whose emissions adversely affect the climate are jeopardised and nullified. It is transport that eats away at all that we have achieved in climate protection, and that is why action has to be concentrated in this area.

Commissioner, I never hear you speak out when European states, having undertaken to achieve climate targets, do the opposite and increase their emissions. I do not hear you speaking out when these states fail to take targeted action to deal with emissions from traffic. There is work for all of us to do, and what you have to do is to concretise policy within the European Union, which, in this context, means fully supporting public transport and an end to mobility growth rates, from which only cars benefit, while everything else is left standing.

**Manolakou (GUE/NGL).** – (EL) Mr President, unfortunately the adherence of the European Union and other imperialist industrialised nations to the philosophy of maximum possible profit for big business precludes the attainment of a substantial and satisfactory target – and this is borne out by scientific studies – for reducing emissions and limiting climate changes which will have catastrophic consequences for the future of the planet itself.

The Commission's assurance that the greenhouse gas trading programme and other flexible mechanisms will protect rather than endanger the competitiveness of the economy of the European Union is not persuasive. Instead of reducing emissions in accordance with its objectives, it has increased them by 3 units, confirming how complicated, unstable and ultimately inefficient the method of combating climate changes voted in Kyoto is. Yet there are solutions; they just have to be promoted directly, not indirectly. They are measures for substantially reducing gas emissions, such as promoting renewable energy sources, using bio-fuels, making greater use of the thermal energy produced in power stations and providing substantial protection for and making use of forests to soak up carbon dioxide from the atmosphere. Instead of which, we see insistence on ineffective measures such as emissions trading, which proves that, for the sake of the profitability of big business, solutions which really would reverse the dangerous developments for the survival of the planet are being cast aside.

**Giertych (IND/DEM).** (PL) Mr President, ladies and gentlemen, climate change is a natural phenomenon. Warmer periods are followed by colder periods. Does human activity have any influence on this phenomenon? I very much doubt it. Experts disagree on the issue, and no convincing evidence has yet been found. Yet there can be no doubt that increased levels of CO<sub>2</sub> in the air have a positive impact on plant production, and that any excess carbon in the atmosphere is absorbed effectively by the biosphere, the components of which include forests, humus and the seas.

There can also be no doubt, however, that CO<sub>2</sub> emitted during industrial combustion processes is always accompanied by emissions of other gases that are known to be damaging to the environment, namely to forests, agricultural production, architectural monuments, and above all to human health. All efforts to develop technology aimed at reducing combustion must therefore be duly recognised. In view of the fact that the negative effects of combustion are felt across borders, any costs involved must be shared on the basis of international agreements. The Kyoto Protocol works in a logical fashion in that it transfers the costs involved in reducing combustion from countries that have undertaken efforts to do so to countries that fail to do enough in this respect.

There always has been climate change, there always will be, and we cannot do much about it. Nonetheless, anthropogenic emissions of gas into the atmosphere do pose a problem which humankind must overcome

by working together. This approach deserves our full support, and the move towards renewable sources of energy and energy-saving technologies should be particularly welcome. These are costly endeavours, and without international solidarity no progress will be made in this regard. Yet we should not allow ourselves to be persuaded that greenhouse gas emissions are to blame for every natural disaster and every gale, flood, drought or tsunami. We should keep our feet on the ground and stick to the facts. I thank you.

#### IN THE CHAIR: MR MOSCOVICI

*Vice-President*

**Korhola (PPE-DE).** – *(FI)* Mr President, a year ago I was at the Milan Climate Change Conference, and it must be said that a number of advances have been made since then. On that occasion we met representatives of the US delegation, as was also the case this time in Buenos Aires. Whereas in Milan the US representatives were still categorically denying the human contribution to climate change, this time their attitude had softened. They now had to acknowledge facts to the extent that they agreed to talk about the possible human contribution to climate change.

Despite that admission, however, there is still a long way to go before we will persuade the United States of America to commit to a universal effort to prevent climate warming. There is thus a need for more common sense. We have numerous examples of how preventive action is far less costly than dealing with catastrophes after they have happened. That is why it is an economic absurdity that the United States is not rushing flat out to participate in cooperation on climate, instead of risking the entire planet trying to protect its competitiveness.

Another step forward at Milan was Russia's involvement, which enabled the Kyoto Protocol to come into force. That is an important factor as a political gesture, but whether it will be any more than that remains to be seen. I fear the worst: that climate targets under the current Kyoto agreement will barely make any further progress at all.

Why should that be? At the conference the Minister of Housing, Spatial Planning and the Environment for the Netherlands, the country holding the presidency, said quite rightly that the problem for the future is, in particular, China's emissions, whose rate of increase has come as a total surprise to the parties to the agreement. No disciplinary action can be taken under the Kyoto agreement, as China is not included among the industrialised countries that the emissions restrictions apply to in the first phase. Kyoto can do nothing, therefore, to bring two huge problems under control: the United States, which is at present responsible for a quarter of the world's greenhouse gas emissions, and China, whose emissions are estimated to grow to four times those of the United States in ten years' time. That means the world's emissions will double within ten years. If that is the case, we will all perish.

It is of the utmost urgency that we repair the situation now in order to strengthen climate policy, especially in China and India, to avoid making mistakes that cannot be put right later on while we await the second phase. Some of the taboos associated with Kyoto have to be removed, and it needs to be said that in some respects it is an unsuccessful way of solving the problem of climate warming.

It would seem that, as a result of the targets for reductions in individual countries, the countries that are parties to the agreement are locked in a continuing struggle to protect their own interests. For that reason, we need a binding international 'carbon dynamics' approach, from which nobody can be excluded. In the globalising market economy, that is the only way to prevent international capital from transferring its production to places where emission limits do not exceed environmental norms. Consequently, we must set figures for emissions per tonne of production to act as emissions criteria for industry, and a careful definition of the theoretical minimum for emissions is needed for different sectors. We urgently need to think about energy in an entirely new way, structured above all around saving energy, increasing efficiency, and renewable and non-polluting forms of energy.

Finally, I would like to express my profound gratitude to Commissioner Dimas, who took excellent account of the views of the Members of the European Parliament throughout the entire conference.

**Gutiérrez-Cortines (PPE-DE).** – *(ES)* Mr President, I believe that nobody has done more than the European Commission to combat climate change and to raise awareness of it throughout the world. However, I also believe that, while it can enjoy the responsibility and glory of having been the body that raised the problem, this must be accompanied by great scientific efforts in order to ensure that words become realities. We have to move on from a Europe of fine words to a more efficient and scientific Europe.

In this regard, I believe that, having held meetings successively in Kyoto and in other places, it is necessary, and I believe urgent, to carry out thorough work with regard to climate change. We have carried out in-depth studies into what is causing the harm but not into what is of benefit. To this end, I would like one of the proposals of this term in office to be to go further into the relationship between agriculture and the environment.

Within agriculture, I include reforestation. For example, if a hectare of orange trees produces 40 000 kilos per year or four tonnes of plant material, is that beneficial in terms of climate change or not? What, for example, is Mediterranean agriculture providing in terms of climate change?

This confrontation between agriculture and the environment must come to an end, and one of the ways to achieve this is to see the benefits of agriculture in terms of the carbon sinks it produces, and also to see what kind of reforestation is the most appropriate and what is best for the environment. In this way, we can establish positive policies to bring all activities together, not just industry, but also agriculture. In this respect, I believe we are a long way behind.

For the same reason, if, as stated in the recent report, Spain, Greece and the Mediterranean are the regions which are most going to feel the impact of climate change, I believe it is the Commission's responsibility to produce studies and propose solutions.

**Jordan Cizelj (PPE-DE).** – (SL) Ladies and gentlemen, there is no doubt that climate change is the greatest and most serious challenge the world faces today. It is a challenge that transcends the national borders drawn up in the past by nations and by politicians.

As we endeavour today to prevent climate changes, or at least ameliorate them, we must not be limited by the ideas of national boundaries. If we wish to deal successfully with climate change, we must clearly acknowledge that we all bear responsibility for it.

In this respect, it is possible to talk about multilevel political responsibility – above all, about the responsibility of each individual country that contributes to the collective pressure on the environment, and then about the responsibility represented by solidarity between the developed and underdeveloped regions of the world. Probably the most important responsibility, however, is the intergenerational one, because the consequences of climate change are long term and will affect the lives of many generations to come.

The politicians and the countries of the European Union must take up the challenge to remain the champions of this global process. We must become more serious in our approach to the implementation of the Kyoto Protocol and we must do everything to ensure that this agreement is also respected by non-European states that have yet to commit themselves to its implementation, but have a relatively large effect on the environment in a global sense.

The European Union must play a leading role in the fight against climate change for two main reasons. It has valuable experience in the field of environmental policy, and it has also made serious efforts in research that may help reduce the pressure on the environment. I therefore expect the European Union to clearly demand high environmental standards after Kyoto as well. Such an approach will enable the Union to enhance its standing both among the citizens of Europe and throughout the world.

**Caspary (PPE-DE).** – (DE) Mr President, the world's climate has been undergoing natural change for millions of years. Most of the scientists quoted over recent months believe that the additional influences on our planet's climate result from people and, above all, their emissions of carbon dioxide – possibly, or so they claim, from precisely 3% of the total emitted.

It is today's younger generation and the generations of the future that will be most affected by climate change of this kind. On the basis of what we know at present, we have to be careful, reducing worldwide CO<sub>2</sub> emissions both by making more efficient use of energy and relying even more on renewable energy sources and nuclear power. There is just one statistic I would like to quote on this: in the course of 2004, nuclear power stations saved the world some 2.5 billion tonnes in carbon dioxide emissions. That is twice as much as was agreed in the Kyoto targets for the period from 2008 to 2012. Let me repeat: twice as much.

How much reliance, though, can we place upon what we currently know about climate change? Is it indeed the case that human beings are the cause of additional change? Do the 3.5% of CO<sub>2</sub> for which the human race is responsible really have an effect? To what degree is climate influenced by the varying intensity of the sun's radiation? Water vapour is a greenhouse gas; what effect does that have? What else influences our climate? If the earth's temperature rises, is it a result of a higher concentration of CO<sub>2</sub> or is the reverse the

case? None of this do we yet know for sure. Although many models suggest that the greenhouse effect is man-made, they have yet to produce final proof of it.

We do, as I have said, have to be careful and reduce CO<sub>2</sub> emissions by as much as possible. At the same time, though, we must, as a matter of urgency, invest more in climate research and also support those researchers whose approach is not in line with mainstream opinion.

If we are, for mankind's sake, to be able to take the right decisions as soon as possible and on the basis of solid data, then we need a broad spectrum of opinion. If we have reliable data, we will be able to persuade other states to take the same approach as we do.

**Belet (PPE-DE).** – (NL) Mr President, whichever way you look at it, the results of Buenos Aires are, in my view, disappointing. Kyoto runs until 2012, which is upon us, and nothing has been planned for thereafter. The follow-up seminar in Bonn is, unfortunately, little more than a palliative.

Commissioner, the European Union can no longer afford to wait for wilful states such as the United States; we must take the lead, but without having to queer our own pitch. More than ever, we should adopt a reward policy for those industrial businesses that resolutely invest in environment-friendly technologies. Alongside this, we will need to make far greater efforts, above all in the transport sector, as Mr Florenz stated at the beginning of the debate. In this connection, the Seventh Framework Programme for Research and Development offers excellent scope for setting up ambitious programmes. Why should we not aim high and put forward concrete deadlines? Why not foster the ambition, to put it in very concrete terms, to have 100% emission-free transport on European roads by 2020?

I should like to close with a question for the Commissioner. Do you agree that we need to free up extra resources, for example, in the shape of a zero tax rate, to put it like this, in order to encourage, and resolutely promote, the use of biofuels? You may well be known as Mother Earth's best friend in generations to come. If I were you, I would not pass up on an opportunity like this.

**Karas (PPE-DE).** – (DE) Mr President, Commissioner, ladies and gentlemen, we are indeed successful, but not successful enough. Things are indeed happening, but not enough of them. Hundreds of symposia are being held, but the amount of action taken does not reflect that. We are limping along in pursuit of our goals, and time appears to be running through our fingers. Climate change is one of the great challenges of the twenty-first century – our resolution says as much – but I wonder whether we are merely aware of this fact or whether it has really sunk in, and whether it really bothers us.

Unfortunately, I believe, we have still some way to go from being aware of this to being concerned about it and doing something practical about it. We are powerless when it comes to taking the necessary political measures, even though individual events remind us of the need and encourage us to take it. The effects on the environment, the economy and society are plain for all to see, but they do not make us feel sufficiently endangered. We put the blame alternately on transport, domestic fuel and then on industry, the industrialised states, or again, the developing countries, and we have no overall view. With Lisbon in mind, would it not be opportune to talk not only about the damage done, but also about Europe's potential for growth and ability to compete? The technologies we supply to other continents are not new, but old, and, while talking about global responsibility, we ignore the maxim that you should not do to others what you would not want them to do to you.

While we talk about 2012, we are not yet giving the business world of today any assurances about the conditions under which they will have to operate when we get there. If we are to act in good time, we need these framework conditions; we also need Kyoto impact studies for everything we do in the fields of industry and transport policy.

**Dimas, Commission.** Mr President, very many useful suggestions have been made tonight. In the forthcoming spring European Council, which will be the first important step in the European Union's discussion on our future climate change strategy, the Commission will make a communication, which my colleagues and I are currently preparing. This communication will be very important for the spring Council discussions. In this communication, I expect to set a series of specific recommendations and will include quite a few of the suggestions that have been made tonight. I thank those Members who made those constructive suggestions.

As regards Buenos Aires, the degree of its success can be measured by objective criteria and, as I said, our objective expectations were not great, but this does not mean that we do not have high targets and that our wishes are not ambitious. We shall work towards those targets because this is what the world needs.

We made some progress in Buenos Aires. The decision to hold a seminar in May to discuss current and new responses to climate change provides a promising opening to the dialogue and the debate for a global climate policy after 2012. The agreement to establish a work programme for adaptation is also a very important breakthrough, not only for the developed countries but also, and even more so, for the developing countries.

Overall I think we had a successful Conference of the Parties. However, I agree that we need to strengthen our dialogue with key countries such as India, China, the United States of course, and Russia. The United States says it is following a different approach, investing a lot in research and development, but I saw a small breakthrough in its agreement to participate in this seminar and to have presentations about the future.

We need to continue and strengthen our dialogue – as was suggested by many honourable Members – with these countries, both in the multilateral and bilateral contexts. As Mrs Frassoni mentioned, with the Troika, we are going to have quite a few meetings with countries such as the United States, China, India and developing countries. We also need to continue to show that we are serious about it and that we are taking the fight against climate change seriously. We should lead by example, as Mrs Corbey suggested.

The European Union Trading Scheme and its success will be very important in this regard and we need to continue to emphasise the need for others to join us in these efforts. As I mentioned previously, Norway, Canada and Japan have shown interest and we should see how we can cooperate with the United States which – except the nine north-eastern states and California – have trading systems for other greenhouse gases, but not for carbon dioxide. But the problem there is that they have not signed the Kyoto Protocol.

Let us see how we overcome this obstacle. Cooperation with local and regional authorities could be very interesting, especially to get support for fighting climate change in countries around the world, and in terms of our contacts with developing countries, such as India and China – and here I must acknowledge, as someone has already said, that the small island states were our allies. It is also very important that they fully support us in what we are trying to do.

In our contacts with these countries, it is important to place the benefits of addressing climate change in the broader context of sustainable development. On local air pollution, Mr Blokland suggested that we stress the benefits in other sectors, and addressing climate change will bring important benefits to these countries. It is very important to stress the eco-innovation and environmental technologies which could be very competitive and could give the benefit of first-mover advantage to European industry and to the industries of those countries, so that they really innovate in an environmentally friendly way.

It was suggested that we did not help the least-developed countries as much as we could. I must stress that almost half of the funds for these countries are provided by the European Union. The United States is not participating at all, because it considers that to be part of the Kyoto Protocol. We have to finance projects, that is to say planned projects, not one-off, isolated projects which are ineffective.

There were so many questions, so I will answer certain very specific ones. Mr Blokland asked whether the chemical industry would be included in the EU Emissions Trading Directive. That is not possible at present. However, we are holding discussions on what will happen after the end of the first phase of emissions trading. We shall probably include it. The combustion used in chemical plants is included.

Mr Davies asked about the UK and the national allocation plan. The decision regarding the UK plan was taken on 7 July 2004, and the UK can avoid prolonging uncertainty for UK companies by proceeding on the basis of that decision. It sent us a letter dated 23 December providing certain information regarding the two questions of Gibraltar and new entrants and also asking us for additional, higher amounts of allocations. We are still looking at the technical and legal details of this. In principle, the Commission considers that a Member State can only present a single national allocation plan.

Regarding biomass and biofuels, we have a number of instruments already in place to stimulate the use of biomass. This includes a Biofuels Directive and a directive on electricity from renewable energy sources. Last year's Commission communication on renewable energy announced a biomass action plan, which should be submitted by the end of 2005. Biomass emissions are neutral. There are no allowances for emissions caused by the consumption of biomass.

In the time allotted to me, I am unable to answer all the questions and the suggestions that I have noted down during the debate. However, I must stress again how important it is to include in the cooperation developing countries such as China and India. They are worried about their future and very concerned about any limitations or reductions. We have to give them incentives so that they will know that their development

will not be hindered by any future agreement. We have to find a way to cooperate and reach the targets that we mentioned before: a maximum of a 2C increase in temperature.

With regard to the United States, it is investing a great deal in research. Even there – I have heard certain people say that there are questions about the scientific proof of the anthropogenic causes of climate change and its impact – there are very recent reports, published in 2004, proving beyond doubt that climate change is caused by human activity. In the United States they say that their approach is different. They have not and are not going to sign the Kyoto Protocol. However, we have to find a way to include them in our endeavour to fight climate change. It is not a problem for one country alone or merely for the Mediterranean, where the effects will be worse than for other areas of the world: Scientists say that the temperature there, by the end of 2100, will have increased by more than five degrees. That is a large increase. One can imagine how this will affect agriculture and tourism, for example, and have an impact on the way in which people live. I heard that there will be positive effects in Siberia. That is not true. We do not know what impact climate change will have, nor what areas of the world it will affect.

Science has proven that climate change caused by human activity should be fought against. That is what we should do and will attempt to do. With your cooperation, the European Union will continue to play a leading role in the fight against climate change.

(Applause)

**President.** – At the conclusion of this debate, I have received one motion for a resolution<sup>(1)</sup>. The debate is closed.

The vote will take place on Wednesday at 12 noon.

### 13. Civil liability in respect of the use of motor vehicles

**President.** – The next item is the recommendation for second reading (A6–0073/2004) by Manuel Medina Ortega, on behalf of the Committee on Internal Market and Consumer Protection, on the Council common position for adopting a directive of the European Parliament and of the Council amending Council Directives 72/166/EEC, 84/5/EEC, 88/357/EEC and 90/232/EEC and Directive 2000/26/EC of the European Parliament and of the Council relating to insurance against civil liability in respect of the use of motor vehicles.

**Medina Ortega (PSE), rapporteur.** – (ES) Mr President, in the jargon of the European Union, the Directive we are discussing today is known as the "fifth directive on motor insurance". In reality, it is a directive which modifies five other directives, specifically four Council directives and one European Parliament and Council directive.

The motor insurance sector has become very important from economic and social points of view as a result of the significant role cars play in our lives. From an economic point of view, it is significant because of the importance of the insurance companies and, from the citizens' point of view, because of its possible consequences.

In general, it is a sector in which there has been significant intervention from the Member States, with the creation of minimum services of an obligatory nature, which everybody must respect, and with compensation from Member States for cases in which there is no insurance cover.

The Commission presented the proposal on 7 June 2002. It was discussed in this Parliament with Mr Rothley as rapporteur – who is no longer a Member of this House – and following approval by Parliament at first reading in 2003, the Commission and the Council made an amendment which lead to a Council common position which is now very close to the amendments proposed by Parliament at first reading.

We are now at second reading. Specifically, the Committee on the Internal Market approved a text at second reading on 14 December and we hope that this Wednesday we can hold a final vote on the text.

On certain points, there are still differences between the position of Parliament and the common position of the Council.

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<sup>(1)</sup> See Minutes.

Firstly, with regard to trailers: what do we do about these vehicles that may or may not be identified with the main vehicle? Furthermore, this is a sector in which vehicles that have not previously been insurable could become so, which would have a series of legal and economic consequences.

Secondly, with regard to legal costs, Parliament wants these to be included in the damages paid to victims.

Thirdly, with regard to the amount of damages, I believe that at the moment we are discussing more than one difference with regard to the formulation of the amount itself, so that Parliament's proposal cannot be interpreted as implying a restriction in the amount, but rather the principle for damages.

Fourthly, direct action against the insurer. Parliament wants the insured party, the victim, to be able to pursue the insurer through their local courts rather than through the insurer's local courts.

Fifthly, we have the issue of vehicle imports, in relation to which Parliament wants the State that the vehicle is destined for, to be the State responsible for the insurance of imported vehicles rather than State from which it originates.

I believe that, at the end of this debate, Parliament will have a picture of how the situation stands. We are very interested to hear the representative of the Commission, in order to find out the extent to which Parliament is keeping these amendments or accepting any other compromise amendments which may bring us closer to an agreement.

In any event, I hope that Parliament and the Council will soon reach an agreement allowing us to adopt the directive, which would prevent us from having to follow a long formal co-decision procedure and would allow us, by means of an informal co-decision process, to resolve this problem within a very short space of time.

**McCreevy, Commission.** Mr President, I would like to start by thanking the rapporteur, Mr Medina Ortega, for a report prepared to a very tight schedule.

Let me recall that the area of motor insurance is a very good example of efficient cooperation between Parliament and the Commission. Parliament's resolution of July 2001, prepared the ground for the Commission to bring forward its proposal for a fifth motor insurance directive. This shows very clearly that Parliament and the Commission are both aware of the practical importance of this legislation and I would like to thank Parliament for its support in improving the legislation in this area.

The proposal before us aims to introduce legislation that will affect millions of European citizens: drivers and potential victims of accidents, as well as, of course, insurers. It will make it easier for drivers to obtain insurance and will improve the protection of accident victims.

I would like to stress that the common position adopted by the Council is a balanced and coherent text that retains the key elements of the Commission's proposal and meets most of the concerns expressed by Parliament at first reading. I therefore recommend that Parliament accept, insofar as possible, the common position as it stands. We have to realise that we cannot achieve everything now. This is the fifth motor insurance directive and it will not be the last.

Before 20 July 2005, the Commission must submit to Parliament and the Council a report on the implementation of Article 6 of the fourth motor insurance directive. As part of its review, the Commission could also examine other points which cannot be resolved in the context of the fifth motor insurance directive. It is in this spirit that I would like to respond to the amendments currently before Parliament.

The Commission could accept Amendments Nos 4 and 11, which improve the wording of the text. However, the Commission is not in a position to accept any of the other proposed amendments as tabled. Further work is needed before these amendments can be accepted and the Commission stands ready to discuss these amendments with you and the Council before your vote on Wednesday.

Let me explain the reasons why I see difficulties with the other amendments. The Commission already pointed to these at first reading. Amendments Nos 7 and 14, which aim to create a public Internet site in each Member State that would collect police reports of accidents, interfere with matters relating to police or judicial legislation. I understand the concern and welcome the efforts to improve the amendments by replacing the creation of a central body with an Internet site. However, as drafted, this proposal still goes beyond the specific scope and the legal basis of the motor insurance directives. It may also interfere with requirements governing the protection of personal data. The Commission is nevertheless ready to examine this matter



further with a view to improving access by the parties involved in an accident to the official records of the accident, particularly if the accident occurs in a state other than the state of residence of the parties concerned.

With regard to Amendments Nos 2, 9 and 13, which aim to ensure that the cost of legal proceedings should be covered by compulsory insurance, we must bear in mind that this would overlap with the voluntary insurance regulated in the directive on legal expenses insurance (87/344/EEC). Moreover, making such insurance compulsory would increase the cost of insurance for all consumers and could encourage abusive lawsuits instead of an out-of-court settlement of accidents. This would increase the cost of insurance in a number of Member States.

However, the Commission recognises the need for insured persons to have access to legal redress if necessary. The costs of this could be prohibitive if not covered by an insurance policy. The Commission is therefore willing to consider the possibilities for making the offer of such insurance more widespread.

The intention behind Amendments Nos 1, 5, 8 and 15 on trailers is unclear. Trailers, independently of their weight, are already expressly covered by the insurance directives within the definition of a vehicle and therefore are subject to compulsory insurance. Any problem relating to the identification or registration of vehicles cannot be solved within the framework of an insurance directive. It also appears that the problems concerning trailers do not exist in a number of Member States where untowed trailers are registered and separately insured. If it is helpful, the Commission would be prepared to examine this matter further as part of its review of the fourth motor insurance directive.

As for Amendments Nos 3 and 10, I am afraid these will lead to a reduction in the insurance cover. Indeed, a combination of EUR 1 million per victim and EUR 5 million per event would be less favourable than the text in the common position, which creates an option and refers to 'claim' rather than to 'event'. I therefore believe that the text of the common position is better.

Finally, I am not sure that Amendments Nos 6 and 12 are really needed. The possibility for victims of motor accidents to bring legal proceedings against the insurer in their Member State of residence is now covered in Recital 24 and Article 5 of the common position following the concern expressed by Parliament at first reading.

I believe that with further effort it will be possible to find common ground and avoid an unnecessary conciliation procedure. The Commission is ready to help and counts on your support to bring this matter to a successful close.

**Harbour (PPE-DE), on behalf of the group.** – Mr President, I should like to welcome Commissioner McCreevy on this, his first appearance in this Chamber in response to a debate on the internal market. I am sure my colleagues very much look forward to further encounters. If he adopts the constructive approach he has this evening in response to our amendments, then I believe we shall get on very well together and do a lot of successful work.

I should like to make a few introductory remarks before moving on to the substance of the second reading. Given that it is quite some time since the first reading, it is important to pay tribute to our colleague, Mr Rothley, who retired from Parliament at the last elections but worked on these insurance directives over a long period. I was closely involved in this work from 2001, but am a mere junior given the amount of work he has done. We should put on record, on behalf of Europe's motorists and unfortunate accident victims, our tribute to him for his persistent work in pressing the Commission and the Council to keep improving the motor vehicle insurance regime.

As you said, Commissioner, we are on the fifth directive, but we are already thinking about the sixth directive because this is a complex subject. In many ways it goes to the heart of the mission of those of us who want to see the internal market completed, because it has been very much a policy of continuous improvement. As we have moved forward, so issues have cropped up. We have asked you to tackle them and I am pleased to say that you have.

You identified in your speech, Commissioner, a number of the real benefits to the consumer, which we do not want to become obscured in detailed discussion. For example, in the single market, where people are becoming more mobile and taking their motor vehicle with them, they will be able to take their car with them without insurance problems when they move for temporary stays as students or in their professional lives. We hope there will be a lot more benefits once the Internal Market for Services Directive is approved – as I am sure it will be – because there will be many more people travelling around, delivering services from one country to another.

Similarly, if people want to buy cars during the course of their professional or personal life and bring those back, that will also be made easier. Their rights, when moving from one country to another, in respect of retaining their all-important no claims bonuses or their policy statements, are important details to get right. I believe we have done that.

As shadow rapporteur to my friend and colleague Mr Medina Ortega, I wish to thank him for picking up the reins on this. I see Mrs De Vits is here. She has also been very helpful in our work to move this matter forward.

Commissioner, we look forward to meeting with you and the Council before we vote on Wednesday because, as you said, I am sure we can reach agreement on the substantial points. I warmly welcome your suggestion that the whole issue of trailers should be looked at by you in conjunction with your mid-year communication. That is the right way to treat this subject. We have not had full information. I share your worries that the amendments we tabled actually worsen the position and are rather confusing. So, a time for reflection would be helpful. We should take up the Commission's offer in that respect.

With regard to a number of the other details, we will sit around the table with you tomorrow, and am sure we will be able to deal with these because, above all, we are so close to agreement. Given the lapse of time since the first proposal by Mr Rothley, I want Europe's motorists, Europe's consumers and the unfortunate victims of accidents to have the best possible service.

I hope we will move forward on the database and Internet proposal to make information readily available, but overall I believe that the proposal we have is a good one. I commend it very much to my colleagues and look forward to reaching agreement tomorrow so that we can move this matter forward.

**President.** – Thank you, Mr Harbour, I shall in turn take this opportunity to greet Mr Mc Creevy. I did not know that this was the first time he was speaking before this House. It is the first time under my Presidency. Welcome, therefore, Commissioner.

**Whitehead (PSE).** – Mr President, this is indeed a first for most of us here. It is a first for the Committee on the Internal Market and Consumer Protection, a first for the Commissioner, and perhaps also a first for a new style of politics in this Chamber, where we are now, in a way, engaging in anticipatory politics and attempting to reach agreements ahead of, or at the point of, second reading, rather than looking forward to the trench warfare that traditionally followed in the codecision procedure.

If we can make progress tomorrow on that basis, it would be a very happy augury for the way – as Mr Harbour puts it – that we do business with you, Commissioner, and with each other. I do not need to repeat Mr Harbour's encomia – I merely endorse them. But I would just say to the rapporteur that we should salute him for returning from Asia and seeing and experiencing the tsunami at first hand. It is not every day, or every year, that one would want to do that.

On the other hand, we want to be here, every day, doing this. I entirely agree with what has been said by other speakers. Again, I do not need to repeat that this ideally combines both the processes of the internal market and the way in which we all provide employment and interest for each other in the age of the motor car, but it also brings a measure of consumer protection in all aspects of this fifth directive.

I would like to point to three things here and say to Commissioner McCreevy that, in a way, this process resembles the training of spies. There was a procedure called 'following from in front', and, in a way, we are following him from in front. We are trying to anticipate now what he will be saying to us over the rest of the week.

We hear very clearly what he says about trailers. Many Member States have different definitions, but we all know that if a declaration is forthcoming, we will be able to reach some kind of agreement, over time, on a common concept of 'trailer' among the Member States. It is rather like that nice American film 'The Straight Story', where it was established that if a lawn mower travelled on roads it became a road-using vehicle, even if it was not before. Road-using vehicles have to be covered. They have to be insured. We have to make quite a gentle start on the issue of insurance. We must not pile draconian penalties on 25 Member States which, at the moment, have very different systems of insurance and, indeed, very different income levels. So we hear what you say there.

My last point is on the issue of the third pillar. Here too, in terms of the alternative wording which I know you are going to put to us tomorrow, we have secured realistic options. I am confident we can find a compromise which achieves what all of us want, and can avoid what some of us fear by way of third pillar considerations. If any Member State can be relaxed about that, then anybody can.

**Wallis (ALDE), on behalf of the group.** – Mr President, I would like to echo the comments and words of tribute to Mr Rothley from Mr Harbour, and also to thank Mr Medina for taking this matter over.

Motor insurance directives deal with the greatest incidence of cross-border activity that directly affects the lives of many of our citizens, especially when problems occur: when they have an accident in another Member State. It is this issue of accidents that I wish to concentrate on. It seems to me that there are two outstanding items on which there are still differences between us, which I too hope we can solve.

I want to highlight the practicality of what Parliament's amendments seek to achieve by reference to the case of one of my constituents, which is sadly by no means a unique story and shows why we have to deal with these issues. This lady and her partner had a motorbike accident five years ago in another country. He was killed, she was seriously injured. The other party was the subject of criminal proceedings. After five years of lawyers' costs and problems, still there was no offer of compensation. Finally, with pressure on the insurers from myself, we got an offer. She has huge lawyers' costs in two countries. She has trailed backwards and forwards to a foreign country for medical examination. That cannot be the way that these matters should have to be dealt with, but it is not an uncommon story.

The Legal Aid Directive that we have is so minimal that it will not help with legal costs in these sorts of cases. Most insurers offer some form of legal expense insurance for a fairly minimal premium – say, EUR 15 per year. Why not make that compulsory? If we cannot make the insurance compulsory, can we at least make the offer of such insurance compulsory, so that there is some hope for people like my constituent? We have to make sure that the amount of cover is sufficient.

Linked to this question is that of being able to bring proceedings in your own Member State. If my constituent had been able to do that, life would have been very much easier. That right exists if you read the motor insurance directives and the Brussels Regulation together – it is a matter of fact. If it is a matter of fact, why are we not prepared to be transparent about this and tell our citizens, in the *body* of this directive, that they have that right? I do not see the problem. These amendments are founded on a genuine wish to make our citizens' lives better when they find themselves in these tragic and vulnerable circumstances.

**Karas (PPE-DE).** – (DE) Mr President, let me extend a warm welcome to the Commissioner, and, as thanks have already been expressed to Mr Rothley and the rapporteur, I would like to say a personal word of thanks to Mr Haarder and Mr Wuermeling for the way in which they have moved forward the decision making by our group within the Committee on Internal Market and Consumer Protection, as in doing so they have demonstrated expertise, fairness and a determination to achieve results.

Today's debate deals with a very important directive on car drivers and accident victims, which standardises rules and regulations throughout Europe, thereby creating legal certainty and simplifying procedures. This directive can affect any one of us, and so I have prepared myself for amendments, both at its first and second readings, by having many conversations with insurance companies, motorist associations – such as the ÖAMTC – and people who have suffered accidents.

Both today and in tomorrow's discussions, there are four points that I would like to highlight. The first is compensation for legal costs. Our experience, Commissioner, is that failure to compensate for lawyers' fees and court costs is at present, in a number of countries, making access to the courts more difficult for victims of accidents, or indeed, putting it beyond their financial reach, and that it results, in many cases, in the cost of going to law exceeding the amount of compensation they can expect. This is a valuable and long-needed addition to the directive, and I am glad that action has been taken to take it into account.

Secondly, there is minimum insurance cover. I believe that the proposed minimum cover for material damage is as inadequate as the one that already applies.

Thirdly, I would like to say that I very much welcome the introduction of the provision according to which injured parties can bring legal proceedings against the body entrusted with the settlement of claims in their own country. I see this as particularly important.

Finally, the proposal to establish a central body and to post all traffic accident reports on an Internet site is essential, for practice has demonstrated that the lack of any specific provision on this subject can result in the settlement of claims being delayed by months.

I hope that we can reach agreement on these four areas by tomorrow, as all the parties concerned urgently need this directive and, in consequence, greater legal certainty.

**IN THE CHAIR: MRS KAUFMANN***Vice-President*

**De Vits (PSE).** – (NL) Madam President, Commissioner, ladies and gentlemen, a few weeks ago, the former President of the European Parliament, Mr Cox, gave its new and old members the excellent advice that, when a new dossier is tabled in Parliament, it should be submitted to the telephone booth test. This was a reference to the public telephone booths in Ireland, which were allowed to continue in service thanks to a European directive on account of them being recognised as a service of public interest. It was immediately obvious to the Irish that we in this European Parliament are concerned with very concrete matters.

I have also applied this test to the Motor Vehicles Directive, and I think it has passed with flying colours, because it is a directive that benefits the public. Anyone involved in transport and traffic is bound to gain. The directive has practical and positive consequences that are important to the citizens. Despite this, I should like to draw your attention to a specific point that has already been mooted in this debate. There is a submission deadline for insurance claims in the various countries, which, moreover, is different in every country. Before victims of a traffic accident can submit an insurance claim, they must have the official report at their disposal. However, in some cases, it takes months before this official report reaches the victims. That is why I think the provision we included in Article 14 is so important. I should like to thank Mr Harbour, Mrs Wallis and Mrs Medina Ortega for the openness they have displayed in producing a compromise text on this subject. I think, though, that it is vitally important for the Member States to make every effort to provide the victims, or their representatives, with the necessary information at the earliest opportunity, with a view to submitting their insurance claims in time.

I think that the text drafted is a good compromise, and I hope, as Mr Whitehead has said, that we can find the Commission and Council open to finding a solution that is satisfactory to everyone. This is, to my mind, a really distressing problem, which should be tackled, by means of this directive, as a matter of urgency.

**Wuermeling (PPE-DE).** – (DE) Madam President, ladies and gentlemen, I am glad that this legislative period finds us continuing our lawmaking efforts with something that is actually one of this House's success stories; it is, in particular, one of Mr Rothley's. The fact is that this House played a decisive part in bringing this legislation into being, and so it is only proper that we, in the last stage of the lawmaking process, should be pressing for further improvements to it.

Although it is a pity that solid benefits for the public should be concealed behind positively technocratic expressions like the 'Fifth Directive relating to insurance against civil liability in respect of the use of motor vehicles', this should not prevent us from giving these successes the publicity they deserve, for we are dealing here with truly tragic cases of people who, through a road accident, have lost the wherewithal for their economic survival, their ability to work, who have been ruined by court cases lasting decades, quite simply because the accident occurred in another Member State.

What is most important is that this amending directive manages to increase the minimum cover from EUR 350 000 to EUR 1 million, to abolish derogations and improve the regime for service representatives.

One of the consequences of the internal market, of course, is that people move around more, whether they be students, tourists or engaged in providing services, and to all of these we are giving a bit more security when they cross a border in their motor vehicle. The security we are giving them is that they are, to a substantial extent, still covered by insurance when they are away from home.

What made the previous directives so successful was surely the fact that we created an unbureaucratic, uncomplicated and straightforward system, and that helped to reduce the flood of paperwork. I do, though, take Commissioner McCreevy's call very seriously when I say that we must re-examine very thoroughly whether all the amendments we have proposed do not make matters too complex, bureaucratic and more difficult.

I do not, for example, think it makes any sense whatsoever to include trailers in the definition at the same time as making it possible for the Member States to make insurance of them optional. I also ask myself whether this directive is the right place for rules on legal costs, limitation periods and so on, when it is actually meant to deal with other cases. Although I would regard it as sensible to have an Internet site as the central source of information for accident victims, I do not imagine that a collection of accident reports in their hundreds and thousands, or even in ones and twos, on a single Internet site is something that members of the public will regard as practical or will be of real use to them.

**President.** The debate is closed.

The vote will take place on Wednesday.

## 14. Sales promotions in the internal market

**President.** The next item is the oral question to the Commission on sales promotions in the internal market, put by the Group of the Alliance of Liberals and Democrats for Europe and the Group of the European People's Party (Christian Democrats) and European Democrats.

**Newton Dunn (ALDE), Author.** – Madam President, I am very grateful to the Commissioner for being here to help us with this question. Originally, it was to be put to the Council and the Commission together, because the proposal, which has passed its first reading in Parliament, has been blocked in the Council for far too long. The purpose of the question and debate was to get the Council to explain why it is blocked and what it is doing to move it forwards and get it back to Parliament to benefit the public. Unfortunately, the Conference of Presidents, in its wisdom, has readjusted this proposal for this debate and we are now putting the question to the Commission only. The Council is not here at all, but I suppose that half a debate is better than none!

This is a proposal on sales promotions. In each of the 25 Member States there are different national laws about what is permitted – loss leaders, three for two, giving away free samples. There is no single internal market in the rights of retailers who cross frontiers to operate with the same offers and commercial tools right across the Union. The original Commission proposal – a thoroughly good one – was to have a single market in sales promotion techniques.

This goes back originally to the 1992 Single Market proposal. As far as I know, this was first proposed in a Green Paper in 1996 – eight years ago. It passed its first reading in 2002 – two-and-a-half years ago – but, since then, we have been waiting for the Council to move.

There are obvious benefits if we can get this through. More competition and choice for the public, lower prices and more transparency. For retailers, there would be more flexibility across the whole single market, and another tool for marketing and doing business, creating wealth and generating jobs.

But so long as we do not have cross-border facilities here, costs are higher because retailers have to market different plans for each of the 25 Member States. The recent report on the Lisbon Strategy highlighted the internal market as one of the priorities, and this is part of the internal market.

There are concerns about the treatment of children and small businesses, and that would be part of the proposal that we are anxious to deal with.

The questions I must put to the Commissioner are twofold – the Council meets in secret and Parliament cannot be there, but at least the Commissioner gets to sit in the Council, so he can tell us what is going on. Firstly, how can we move this through the Council and get it moving again for the benefit of the citizens? Secondly, since the proposal was drawn up some years ago, the euro has flourished and e-commerce – trading via the Internet – has developed enormously, the committee would like to know whether the proposal as originally put forward by the Commission is still valid today or has been overtaken by events? Also, do the proposed directive on services and the proposed directive on unfair commercial practices interfere with the original proposal on sales promotions? We would like a new view on where the Sales Promotion Directive now stands. Does it need revision or do we just need to push the Council into action as fast as possible?

**Harbour (PPE-DE), Author.** – Madam President, I would like to thank my colleague, Mr Newton Dunn, who has taken over what we hope will be the rapporteurship for the second reading, for encouraging us to work together to move this question. It was a shame we could not get the whole committee's support, but it is nevertheless important that we give you, Commissioner, the opportunity to hear where we stand on this.

I would like to reflect on one or two points, to build on what Mr Newton Dunn said about the economic importance of this issue. Those of us who want to push for the completion of the internal market as the cornerstone of the Lisbon Strategy, as set out in the Kok Report and in so many reports from the Council, would like you to tell us from the inside why it is that Member State governments, whose prime ministers attend these great Council meetings and make statements about the importance of completing the internal market – and particularly the internal market for services – are extraordinarily reluctant, when invited to give consumers the opportunity to access sales promotions, discount offers and other product promotions offered in another country of the European Union, to make these available to their own consumers?

I pay tribute to Mr Brinkhorst, the Dutch Minister for Economic Affairs, because I know he took the Sales Promotion Regulation very seriously and was equally baffled about the lack of progress. I recall that he told our committee that we had surely reached the stage in the development of the internal market where Member States have to start trusting each other. What could be more fundamental when asking for trust than saying that consumer protection legislation which allows sales promotions in one country, is equally applicable to another?

How can the attitudes of consumers in one country to promotions which they are allowed to access, whether it is a discount promotion or a promotional game, or an annual sale at a certain time, differ from those in another? We have an extraordinary situation in which, within markets that are very close together, there are different conditions in stores because of different sales promotion regulations.

The bafflement that has led to this question arises from wondering how Member States can say they are serious about creating an internal market and serious about having a single regulation on unfair commercial practices, when they are unwilling to allow consumers to access these rights and trust each other. That is the fundamental question.

Commissioner, I imagine you are as baffled about it as we are. Together we may be able to solve some of the problems.

**McCreevy, Commission.** The proposal for a regulation on sales promotions that was strongly supported by this House two years ago is a key internal market initiative linked to the achievement of a smooth-running internal market for services. I am therefore pleased to see that Parliament has maintained its interest in this text in spite of the fact that the Council is still considering it.

Sales promotions are key tools to market goods and services. They cover discounts of all forms: premium offers, free gifts, promotional contests and promotional games. They are a tool for entering into new markets with innovative products or services, for encouraging customer loyalty, for stimulating competitive actions, or for efficiently managing stocks, to name just a few areas in which sales promotions are crucial. Their design, execution and communication accounts for a large number of jobs in the EU, with investments representing billions of euro.

Sales promotions are essential to the development of cross-border trade in products and services within the internal market. This is particularly true for small- and medium-sized enterprises in their development of new markets. Yet the free movement of goods and services is seriously hindered due to a myriad of different national rules governing sales promotions.

I wish to assure you that the Commission has made its best efforts to assist the successive presidencies-in-office of the Council to achieve a political agreement. In particular, the Commission has shown great flexibility in terms of the two key remaining issues, which are the choice of the legal instrument and the inclusion of a mutual recognition clause in the text.

As regards the implications of the Lisbon Strategy, it is clear that if the current position were not to alter, then this impasse would suggest that the Council would be unable to achieve the internal market commitments it has set itself in that context. However, the Commission does not believe that the negotiations on this text are over.

The alternative to harmonisation will be Court rulings that would lift the identified disproportionate restrictions, but this will not harmonise provisions that achieve a high level of consumer protection, including the protection of minors. The Commission trusts that the Council will not find this a satisfactory proposition. The Commission will therefore continue work with the incoming presidency with a view to finding a solution that brings about a genuine single market for sales promotions.

**Patrie (PSE), on behalf of the group.** – (FR) Madam President, Commissioner, ladies and gentlemen, as you know, the proposal for a regulation on sales promotions has, since the start of the debate process, been through many misadventures, since it has been rejected no less than four times by the Council in three years.

This is hardly a surprise, however. How can these persistent blockings be a cause for surprise when no one any longer clearly understands what options are embraced by the Commission when it comes to European consumer rights, in spite of the adoption, almost two years ago in March 2003, of the Green Paper on Consumer Protection.

Does the ambition still exist to have, in time, a harmonised consumer law, as promoted, it seems, by the Directive on Unfair Commercial Practices, or has harmonisation of any kind simply been given up on, as appears to be indicated by the draft Directive on Services in the Internal Market?

To this vagueness about strategy is added, if I may say so, a certain confusion about concepts and, in particular, about key concepts such as the internal market clause, mutual recognition or the celebrated country of origin principle, to which the draft documents alternately make reference, without its being particularly clear why, and in which cases, one principle has been chosen over another and what the advantages of that choice will be for both companies and consumers.

It is therefore perfectly understandable why States with particularly protective legislation for consumers hesitate to give up what they have already in favour of some uncertain alternative and to subscribe without reservations to a system that, whatever the terms in which it is labelled – mutual recognition or country of origin principle – cannot fail to end up in legal dumping, that is to say a situation in which the least specific national legislations progressively become the models for other legislations.

As long as no clear answers are given to these prior questions and as long as no work has been done to make these various current documents consistent, I do not therefore, for my part, see the urgency of obtaining a political agreement on this proposal for a regulation. To put it crudely, it is urgent that we wait.

Finally, there is also disagreement about the legal instrument, as you have just emphasised, Commissioner. This is not a simple point of procedure, since the choice of the regulation, rather than the directive, remains, for me, questionable in an area in which, in view of extremely strong cultural sensibilities such as have been seen on the issue of reduced-price sales, margins of flexibility should be given to the Member States.

Finally, let us be serious. Let us stop invoking at every opportunity the need to re-launch the Lisbon Strategy and stop pretending to believe that the creation of millions of jobs in Europe is dependent upon the regulations governing games, promotional contests and other discount promotions. The Lisbon Strategy is worth more than that. Let the three pillars of competitiveness and, in addition, social development and environmental protection be acknowledged as being of equal value.

## **15. Dates for next sittings: see Minutes**

## **16. Adjournment of the session**

*(The sitting was closed at 8.25 p.m.)*