

## TUESDAY, 26 SEPTEMBER 2006

IN THE CHAIR: MRS ROTH-BEHRENDT

*Vice-President*

### 1. Opening of the sitting

*(The sitting was opened at 9.00 a.m.)*

**Antonio Tajani (PPE-DE).** – *(IT)* Madam President, ladies and gentlemen, I should just like to inform Parliament that, this morning, a few kilometres from Kabul, there has been a terrorist attack in which an Italian soldier has been killed and another two European soldiers – two Italian soldiers – have been seriously injured and have been admitted to Kabul hospital.

I believe that it is only right that we express our solidarity with these women and men who are involved in the peace missions in Afghanistan, Iraq and Lebanon.

**President.** I am much obliged to you, Mr Tajani. We will pass that on to the President, who, I am sure, will cause those things to be done that need to be done.

### 2. Documents received: see Minutes

### 3. Services of general interest (debate)

**President.** The next item is the report (A6-0275/2006) by Mr Rapkay, on behalf of the Committee on Economic and Monetary Affairs, on the Commission White Paper on services of general interest (2005/2101(INI)).

**Bernhard Rapkay (PSE), rapporteur.** – *(DE)* Madam President, ladies and gentlemen, Mr President of the Commission, having the President of the Commission present for a debate on an own-initiative report is not an everyday occurrence, for an own-initiative report is not exactly an outstanding event when what we are actually meant to be doing is making laws – although I shall turn to that in a moment. What your presence here demonstrates is that the Commission is clear in its own mind about how important this issue is in the eyes of the public, and hence, too, in those of the citizens' representatives here in this House.

It is for that reason that I would like to refer back to a previous President of the Commission, and not just any old President, but Jacques Delors, who, a few months ago, addressing a meeting of the Committee of the Regions, attempted to place services of general interest in the context of the project of European integration. He told the Committee of the Regions that the work of European integration took three principles as its frame of reference: solidarity, which brings people together and has social, economic and territorial cohesion as its objectives; cooperation, whereby it is intended that the transnational and European aspirations of the EU's treaties and programmes be fulfilled, and competition, which is meant to make possible the completion of the internal market on the secure basis of the rules of the social market economy and governed by democratic competition law aimed primarily at limiting the misuse of economic power and guaranteeing consumers the protection of the law.

Although these three principles refer to services of general interest and to services of general economic interest, there are always tensions inherent in the relationships of the corners of this sort of triangle, and, where services of general interest and services of general economic interest are concerned, it is obvious where they lie.

Public services have an essential part to play in the quality of life enjoyed by individual citizens; they also have a key role in the European Union's Lisbon Strategy. Good public services can help overcome economic stagnation, social exclusion and isolation, to reinforce social and territorial cohesion, to improve, both internally and externally, the European single market's functioning, and to enable it to compete better. Even so, whenever I am in the region from which I come or visiting others, and sit down with local politicians and the providers of services of general interest to discuss these, I have to deal with their complaints to the effect that we are interfering in their remits, making their jobs more difficult,

and failing to make clear under what conditions they can operate. Their claim is that they do not, where the law is concerned, actually know where they stand.

It is for that reason that appropriate legal initiatives to afford them that legal certainty would appear to be necessary. There will be those who, in the course of this debate, will ask what we are actually after – after all, they will say, do we not have the Commission to issue communications and enact guidelines, and the Court of Justice to lay down the law? – and to them I have to say that that is evidently not enough, and, moreover, it does indeed contribute to the prevailing legal uncertainty, for the Commission, with its communications and guidelines, does nothing to create legal certainty. It may well suggest that it does, but the fact is that a communication is not the sort of black-and-white law on which one can rely.

We really must take the initiative in matters of law, and we are also making proposals as to how we can do this, not all of which I want to discuss, but the point I would make to you, Mr President of the Commission, is that the right of initiative that you possess is also a duty of initiative, and I urge you to make use of it. The building blocks for such legal initiatives are to be found in the resolution on which we will be voting tomorrow, as well as in the resolutions we have already adopted, in, for example, the Langen and Herzog reports. We are not prescribing a specific instrument; that is for you to do. Our allotted task is to give our own assessment – each group for itself – of the Commission legislative thinking, and we will, after further debate, give our own assessment of the proposal for a framework directive that our group has put forward. Others must do the same with their own proposals; then we, working together in this House, must move the legislative process forward, and for that, the codecision procedure is an absolute requirement. It is within that procedure that we need legal initiatives, for it is not you and your fellow Commissioner, together with the highly qualified and well motivated staff of the Commission, nor indeed the national governments, but we, the Members of the European Parliament, who enjoy the legitimacy conferred by election. It is we who have to get down to the grass roots and discuss these things with the local politicians to whom we are accountable; it is we who bear responsibility for what is done. It is for that reason that the codecision procedure must apply, and for that reason that this House must exercise its prerogatives in full.

**José Manuel Barroso**, *President of the Commission*. (FR) Madam President, ladies and gentlemen, services of general interest are at the very heart of our European social model. They cover a vast gamut of activities, ranging from the major network services – the energy, telecommunications, transport and postal services – to health and social services and water and waste-management services.

What we call network services, namely transport, energy, telecommunications and postal services, account for about 7% of our collective GDP and 5% of total employment in the European Union. They therefore constitute an essential element of the everyday lives of all European citizens and of Europe's businesses too. The success of the European growth and employment strategy – the Lisbon Strategy – which is vital to our prosperity, also depends on the quality and efficiency of these services.

Since the Commission published its White Paper on services of general interest, an intense debate has ensued on the role that the European Union might play with regard to these services. I am pleased that this debate is taking place. I wish to thank Mr Rapkay, the rapporteur, and his colleagues in the committees for having moved the debate forward with this excellent report.

The reality of services of general interest is complex. Moreover, it is changing all the time. Technical progress, new expectations on the part of society and consumers, financial pressures and the modernisation of public administration have all profoundly transformed the way in which these services are provided. In these times of rapid economic and technological change, services of general interest need a useful and effective legal framework that enables providers of these services to achieve their prescribed aims and to keep adapting to a changing environment.

The Commission is willing to cooperate in the creation of such a legal framework on the basis of four essential principles. Firstly, the framework for services of general interest provided nationally, regionally and locally must remain the responsibility of Member States so that we can uphold the important principle of subsidiarity. There is quite simply no alternative. I am firmly convinced that the European Union must respect the diversity of conditions and practices that exists among the Member States. This diversity reflects different histories and cultures of state intervention. I subscribe to the view expressed in your report that it would be absolutely inappropriate to adopt uniform definitions at the Community level. Member States must remain free to define their services of general interest on the basis of their varied needs, structures and traditions.

The second principle is this: the promotion and protection of universally accessible services of general interest that represent good value for money are compatible with open competitive markets. For evidence, we need only observe sectors such as telecommunications or air transport, where public-service activities have been successfully entrusted to private operators while the interests of consumers have been fully safeguarded. It should, however, be emphasised that, in the event of an irreconcilable conflict between the rules of the internal market or of competition and a service of general interest, the service of general interest must take precedence. This is what the Treaty prescribes and what the Court has confirmed. The Commission is willing to provide any advice or information that may be necessary in this matter.

The third principle is that any EU framework applicable to services of general interest must be responsive to divergences and conducive to modernisation. It must be based on the aims of high quality, good value for money and universal access. It is, in fact, a matter of meeting the expectations of people and businesses but also of preventing social and territorial exclusion.

Moving on to the fourth principle, legal certainty is essential, as I have said, not only for consumers and operators but also for the public authorities. It is incumbent on the public authorities at every level to define clearly the rules that apply to services of general interest. At the European level, given the diversity of situations and sectors, it remains to be established whether a single legislative instrument or a sector-by-sector approach would be the better means to the desired end. I noted that you asked this question in your report.

The four principles I have just outlined serve as a guide for Community action. Such action is essentially pragmatic. We are in the process of formulating sectoral policies at the level of the European Union for those sectors where the need for such a policy is clearly felt and where it can bring real additional benefits. Problems affecting more than one sector are tackled as they arise.

The Commission has been very active in this area along with this House and the Council, and I think I can say that we have made good progress in several areas. We used the Altmark package to simplify and clarify the rules on state aid relating to services of general interest. We are currently checking the application of the new rules on public procurement which came into force in January. We have engaged in extremely broad consultations on the issue of public-private partnerships, and we have announced new initiatives for 2007. We have arrived at an agreement on public transport services. We have adopted a Communication on social services, and we are now initiating consultations on health services. We have launched a broad consultation process on the energy sector, and we shall be presenting other proposals – including, let me stress, legislative proposals, not just communications. In fact, at the present time we are revising the regulatory framework that applies to electronic communications, and we shall be proposing a new directive on postal services before the end of the year.

These recent advances show that the European Union is displaying initiative and ambition with regard to services of general interest. They also illustrate the important role played by Parliament and the Council. After the adoption of the Rapkay report, which we shall analyse carefully, the Commission is firmly resolved to go further. We shall present a communication on this subject before the end of the year.

Ladies and gentlemen, the main message I picked up from your report was a twofold call to action: firstly for the creation of greater legal certainty as regards the EU rules governing services of general interest, and secondly for recognition of the wide diversity of sectors and situations throughout Europe. I believe the time has come for us to consolidate the regulatory framework that applies to services of general interest in the European Union. That is what our fellow citizens expect. The Commission will take full account of your report when it examines this issue between now and the end of this year.

**Gunnar Hökmark, on behalf of the PPE-DE Group.** – Madam President, it is important to state one thing in this debate: there is no better way to ensure high quality, accessibility and low prices than a broad range of competition and entrepreneurship in the European economy. We have all seen the results and achievements in a number of sectors that 10 or 20 years ago were looked upon as monopolies on typical services of general interest. We have seen achievements in telecom and airlines and we will see achievements in new areas, because we are talking about services that are by nature dynamic and convergent. They are a huge and important part of the future knowledge economy. We have to open up and, at the same time, respect the specific solutions each Member State needs for what it defines as services of general interest.

I should like to underline in this debate that there is no call in the report for a framework directive or a horizontal framework of any kind, but there is an emphasis on legal clarity based on a sectoral approach and a call for sector-specific directives where they are needed.

Mr Barroso, you mentioned healthcare. We can look back and see how the sector-specific approach has been quite successful in recent years. So we are calling for legal clarity, based upon the sector-specific approach, and we look forward to seeing future sectoral directives. We underline that there is no legal basis in the Treaties for a proposal that would interfere with the internal market, competition rules or public procurement. We stress that this is an area in which there must be respect for Member States and for the principle of subsidiarity.

In the coming decades, we will see opportunities arising for more and more cross-border activities in new areas. I believe that there will be fantastic opportunities for patients to get better healthcare in different countries and that could also create vitality for the European economy. But we agree on the need to respect the internal market, at the same time as we respect subsidiarity.

I hope, Mr Barroso, that you will read this report and see the need to go further on sector-specific directives and the sector-specific approach, in order to create the legal clarity that also respects the principle of subsidiarity.

**Martin Schulz, on behalf of the PSE Group.** – (DE) Madam President, ladies and gentlemen, the Socialist Group in the European Parliament has put my colleague Mr Rapkay's report, and the issue of services of general interest, at the heart of what it is trying to do during this Parliament. We have made so bold – and it was an extraordinary achievement on our part – as to put together our own draft directive, which includes the essentials of what Mr Rapkay has set out in his report, and which I presented to you, Mr President of the Commission, and to the then President of the Council, Mr Schüssel. What we see as important in the services debate – certain essential individual elements of which I shall shortly address – is that our strategy should strike a balance between the demands of the internal market, which we social democrats are aware of and acknowledge, and the need to protect the public by reinforcing local and regional institutions, which are still best suited to maintaining the subsidiarity principle in the provision of services.

The essential message that must be carried by this debate is 'flexibility where it is needed, protection where it is possible'. After all the Councils we have had – in Barcelona, Laeken, Nice – and after all the debates we have had, we see your coming here today, Mr President of the Commission, as the Commission's underlining of the importance of this debate, and something for which we are grateful to you. That is also the reason why I, as chairman of our group, am speaking in this debate.

The main thing I have to do is to underline on behalf of our group what Mr Rapkay has, in his role as rapporteur, said about this report, but there are two other things I should like to say as well. I listened to what Mr Hökmark said with a great deal of attention. It is interesting when a convinced liberal tries to take the curve on this issue. To be sure, we are all in favour of the internal market, and we all want it to do all it can to spark off economic dynamism; on that we agree with you, but it becomes more difficult when it comes to the subsidiarity principle, which free-marketeers otherwise insist on as a matter of principle, yet, when it is used to guarantee certain indispensable social standards, it suddenly becomes a hindrance. That is not on!

I do not know whether requiring all health services to actually be subject to the free market is something that is worth striving for, nor do I know whether we have to sit back and watch until the day comes when every last municipal graveyard is run on commercial lines. I do not think that makes sense. We certainly still need strengthened local and regional authorities to enable us, within the framework of subsidiarity, to provide high-quality services that respond directly to what the public needs and demands. That is at the heart of social democratic policy, and we will not abandon it, but we also want the chance for local and regional authorities to enhance quality by means of greater flexibility and opening-up to the internal market, thereby, by their own free choice, being able to ensure flexibility in the provision of good and affordable services, for both are possible.

It was with a great deal of attention that we heard you, Mr President, saying that you wanted to consolidate the legal framework as a whole, for your acknowledgement of the need for a legal framework marks a great step forward, and your wanting now to consolidate it is an indication of your desire for a broad-based rather than sector-by-sector approach. If that is how you want to proceed, then I can imagine us making common cause quite soon.

I would like to say, on behalf of our group, that our venture in writing a draft directive of our own, combined with what Mr Rapkay has had to say, and with the President's remarks, will convince you too, Madam Vice-President, that we are on the right track.

*(Applause)*

**Sophia in 't Veld**, *on behalf of the ALDE Group*. – Madam President, I wish to begin by paying tribute to the rapporteur for a magnificent job. Even if we did not always agree, he was extremely patient and open to cooperation, for which I am very grateful.

It is very important that we make our position clear once and for all. I am concerned that the report we adopted in committee has been interpreted in so many different ways. There have been jubilant press releases stating that the European Parliament has finally called for a framework directive, whereas others state that the European Parliament has finally rejected the framework directive once and for all. We need to get away from a situation in which we have watered-down compromises that can be interpreted in various ways.

I can state, on behalf of my group, that we do not want a framework directive. We do not want a one-size-fits-all solution for Europe, precisely because we want subsidiarity. But what is subsidiarity? Subsidiarity means that the national and local authorities can define their services of general interest and decide on how they are organised and financed. Subsidiarity does not mean automatic exemption from the market rules. We are therefore talking about two kinds of subsidiarity here.

I listened very carefully to what Mr Barroso said and again he left some room for interpretation. I would like to interpret his remarks as meaning that he also wants targeted and concrete solutions for real problems. Because another recommendation I should like to make to this House is: if it ain't broke, don't fix it! In that case, it is not legislation we need, but solutions to real problems. I have worked for a local authority, so I know what the real problems are. Local authorities have very legitimate concerns. However, we have to acknowledge that there is also a tendency towards protectionism. We will have to find the right balance here.

We also need to get away from the ideological debate, or at least be honest and admit that there is a certain degree of ideology involved. Some people very legitimately feel that the public authority should also be the provider of services. I agree with my colleague, Mr Hökmark, that the market can provide excellent services. Some sectors have been liberalised and that did not mean that more people were excluded from access to those services, but quite the contrary: many services have come within reach of many more people, which is extremely social.

A market is not a jungle; it has rules, because if there are no rules it is not a market. Any market – even the simplest market on the market square – has rules and that is exactly what we mean by the social market economy we have in Europe. We need to recognise the diversity of the Member States and allow them to decide for themselves what they call 'services of general interest'.

Finally, we should not try to define what services of general interest and services of general economic interest are, because the word 'economic' applies not to the nature of the service itself but to the way in which it is provided. To take an example: everybody will recognise that water is of general interest, but it may be provided in a purely commercial way. So we must not lose ourselves in a senseless debate on the differences between 'of general interest' and 'general economic interest'. The only interest we should be looking at here is the interest of our citizens and consumers.

**Alain Lipietz**, *on behalf of the Verts/ALE Group*. – (FR) Madam President, Mr President, ladies and gentlemen, I very much appreciated the content of President Barroso's speech. I appreciated the intention he announced to present one or more legislative drafts – I shall return to the question of one or more in a moment – for adoption by codecision as well as the four principles he invoked. I believe it was important to reiterate those principles.

The Committee on Economic and Monetary Affairs rejected our proposal for a simple reference to the substance of Article 122 of the Constitutional Treaty and, what is worse, for a simple reference to Article 86 of the present Treaty. The latter article, as you pointed out, specifies that, in the event of a conflict between the market and public-service requirements in law or in practice, the public service must take precedence. I believe it is extremely important that the parliamentary draft reaffirms what we

adopted at the time of the Constitutional Treaty, namely the text of Article 122, and confirms that at least we still believe in Article 86 of the present Treaty.

What we would like is to go much further in pinning down the precise implications of our forthcoming vote. If there is one point on which I agree with Mrs in't Veld, it is that Mr Rapkay's diplomatic and very judiciously calculated statement about the need to legislate can be equally easily interpreted to mean one thing or the other. We will therefore ask you, in accordance with both the Treaty of Amsterdam and the interinstitutional agreement, to present us with a draft directive by virtue of the right of legislative initiative vested in this Parliament. We are also entirely in agreement with the four principles you outlined to us.

If we disagree with Mrs in't Veld, the precise bone of contention is subsidiarity. I regard it as a grave misjudgement to talk of strict subsidiarity when the Services Directive is actually the applicable instrument in the absence of a specific directive on services of general interest. The fact is that we have watched the substance and scope of the Services Directive vary incessantly from day to day and from week to week. At one point, subsidised housing was included. Then it was almost excluded, only to be reinstated again, though not fully. We need only compare our parliamentary draft with those of the Commission and the Council to see the lack of agreement on the public services that fall within the ambit of the Services Directive. We need to legislate today to set these matters straight.

**Francis Wurtz**, *on behalf of the GUE/NGL Group.* – (FR) Madam President, Mr President of the Commission, the general interest, the public good, the common good, public services: these are all key reference points which, as the President of the Commission has said, are at the heart of the debate on the concept of the European social model.

We are touching here upon people's daily lives, on their perception of the future and on our conception of society. Fundamental values, such as equality, solidarity and democracy, are at stake. The issues are too important for us to deal with by means of fuzzy definitions or unsatisfactory compromises.

My group wishes to emphasise three aspects that require clarification. The first is the relationship between public services and the rules governing the internal market, in other words the provisions on competition, public procurement and state aid, not to mention the powers of the Commission and the Court to monitor and sanction perceived abuses.

In our view, we need a radically new legal basis that will allow public services to exist in Europe outside the logic of the market. It is true, as Mr Barroso and Mr Lipietz have reminded us, that the Treaty gives precedence to the provision of public services in cases where such provision conflicts with the rules of competition. It also recognises that national governments have the right to define general interest, but it is the Commission and, in the final analysis, the Court that determine the extent to which derogations may be made. Consequently, a country that is not considered to be anti-liberal, namely the Netherlands, has been brought to book for having committed, and I quote, 'a manifest public-service error, because the subsidised social housing cooperatives counted among their tenants households that were not socially disadvantaged'. The truth is that this exemption regime is effectively tending to whittle away at public services.

This brings me to the second point I wish to make, namely the extent of our ambitions in the realm of public services. In our view, these services should quite simply cover the fundamental rights that everyone has in equal measure in this twenty-first century, namely education, health care, housing and decent living conditions, child care, information, culture, transport, telecommunications, postal services, energy and water supply, sewage and waste disposal and other needs that have become compelling, such as access to credit. Services in these areas must therefore be governed by the imperative of socially effective delivery without being subjected to the pressure of competition.

One third and final aspect needs to be highlighted, and that is the link between subsidiarity and the European integration project. As has been said, experiences of public-service management, of property structures and of funding methods vary from one country to another. It must be the sovereign right of each country to make these choices, with all their implications.

So do we or do we not need a framework directive? The debate on this issue has begun in our group, and I, for my part, would say 'Let's go for it!' Let the Commission prepare such an instrument on the basis of the principles I have just restated. Some might object that this approach is incompatible with the rules of the Treaty. That, in fact, is exactly why we want to change those rules.

I propose, Madam President, that we put this question at the top of the agenda for the great debate that has been announced on the future of Europe, and we shall see what Europeans really think about this matter.

**John Whittaker**, *on behalf of the IND/DEM Group*. – Madam President, one can understand the desire to define the scope of EU interference in the provision of public services. It helps if you are running a business or a public service to know what the rules are, but I am appalled that this should hinge on defining the distinction between services of economic general interest and services of non-economic general interest. Surely, all services are economic in the proper sense that they have an economic value, otherwise they presumably would not be provided. I fear that attempts at such a definition will merely cause more confusion, less efficiency and more scope for ambiguous judgments from the European Court of Justice.

At root, the problem is that national and local authorities must have sovereignty over the management of public services, because public services are paid for by national governments on behalf of their electors. Yet here we are trying to make public services obey a common set of EU rules. Has anyone spotted the inherent contradiction? Mr Barroso has outlined an ambitious programme of work for the Commission. I say to him: please just leave it alone. Please let national governments do their own thing.

**Françoise Castex (PSE)**, *draftsman of the opinion of the Committee on International Trade*. – (FR) Madam President, Mr President, ladies and gentlemen, you have emphasised, Mr President, that every country of the Union has its own history and its own conception of public services. The construction of Europe should indeed be undertaken with due deference to this diversity but should also be rooted in a set of common values centred on social justice, equality and solidarity. We can formulate a framework for a European public service. Such a service cannot be defined from the perspective of competition, for we know that the benefits derived by society from public services are measured in terms of education, health, security and cohesion among Member States and among their peoples.

As has been mentioned, we shall shortly adopt a directive opening up the market in services within the Community. We are familiar with the issues relating to the market in services at the WTO negotiations. In the Community, as at the global level, it is imperative that we should be able to draw a legal distinction between commercial and non-commercial services and to establish freedom to provide the former and rules to regulate the latter. Is it right that health, education, social housing and even water supply should be subject only to the law of profitability? Of course not! There is but one valid imperative – that of the general public interest and social progress for everyone. And the public authority, at whatever tier of government, is the sole guarantor of that general interest.

The people of our countries rightly fear that the European project is being eroded by liberalisation and globalisation. We must meet their needs for quality, accessibility, social responsibility and respect for the environment. What better guarantee can we offer to our concerned fellow citizens, Mr President of the Commission, than a European legal framework for public services?

**Proinsias De Rossa (PSE)**, *draftsman of the opinion of the Committee on Employment and Social Affairs*. – Madam President, I should like to thank Mr Rapkay for the enormous amount of work he has done on this report. Indeed I welcome the presence this morning of President Barroso on this important issue. It is a signal of the importance that the Commission attaches to this issue.

There is a broad consensus in Parliament about the role of services of general interest, economic interest, and of their importance. There are divisions largely on questions of strategy and, in some cases, tactics. There is a commitment here – and also on the part of the Commission – to ensure that any legislation or moves in that area will be by codecision. That is enormously important for the credibility of what we do in that area and for our legitimacy with our citizens in what we do in that area.

I favour a framework directive. That was one of the decisions of the Committee on Employment and Social Affairs in its opinion on the report. However, two weeks ago Parliament said ‘no’ to a framework directive. I believe it would be a mistake to try to push that through again.

We need to find a pragmatic way of moving forward to ensure that we get clarity and an assertion of the principle you have outlined here today: that when it comes to a conflict between the right of the citizen to public services and the market, that is set down in legislation. We should not leave that issue to a decision by the courts on a case-by-case basis; otherwise we would end up with all kinds of

conflicting results. It is in that context that I favour a framework directive. Perhaps that can be found in another way. We need to search for that.

I welcome your commitment to take action in the social services and health area. That is also an urgent matter.

**Werner Langen (PPE-DE)**, *draftsman of the opinion of the Committee on Industry, Research and Energy*. – (DE) Madam President, I want to put before the House the Committee's resolution rather than my own opinion, although the two overlap to a large degree.

The committee adopted, and by a large majority, a total of 18 points, the essence of which has been incorporated into the Rapkay report, and so we have been able to adopt this resolution by a large majority, having been able to adopt a joint strategy on the basis of what this House has resolved on previous occasions.

I am very glad indeed that the President of the Commission is able to be here with us, but I am very far from happy at the prospect of yet another new communication towards the end of the years, for, from the year 2000 onwards, we have covered a circuitous route from one communication to another, from interpretation to summit document, without the clarification of the legal uncertainties that we needed being forthcoming. The Commission really must overcome the competition Commissioner's antipathy – and yes, I know that will be quite a feat – and sort out once and for all a number of things that will otherwise have to be left to the European Court of Justice.

That does not mean that we favour a framework directive, and the Committee on Industry, Research and Energy has said as much, for there is no legal basis for one, not even in the draft constitution. While it is self-evident that we want to see codecision in as many areas as possible, it is not right that we should adopt resolutions that go beyond our remit.

We have laid down several principles that are in line with what the President of the Commission has said today, and, while the subsidiarity principle means that every level must take decisions for itself, they must also abide by the rules of competition, with subsidies being transparent and the Commission having a watching brief to look out for abuses.

Within those limits, we can, today, on the basis of the Rapkay report, adopt a good position with advice to the Commission as to how it should proceed. Now, all that is needed is for the Commission to act.

**József Szájer (PPE-DE)**, *draftsman of the opinion of the Committee on Internal Market and Consumer Protection*. – (HU) Madam President, Mr Schulz has very good eyes, because he sees things in this resolution that are not there.

I would like to indicate that the Committee on Internal Market and Consumer Protection agreed in large part with the White Paper which the Commission presented to Parliament. In this regard, we also agreed with the point that there is no need for a framework directive at Community level. At the same time, with respect to these questions, there are, in my view, three essential fundamental principles.

The first and most important principle is that of subsidiarity. We have in Europe a great diversity of systems for providing public services. This diversity cannot be reduced to uniformity. As a consequence, if Europe does not want to take over responsibility for public service provision, then it cannot make these perspectives uniform. That is to say, these questions have to remain within the competence of local authorities.

The second principle is the question of a gradual approach. The European Union and the European Commission are moving in the right direction in deciding in favour of gradual regulation, and this leads to the third point, the matter of a sectoral approach. We have already been very successful in regulating various sectors in the field of telecommunications among others. We should strive to follow this example and to monitor it on a continual basis.

I agree, and so did our committee, that greater legal certainty is, of course, necessary. And as the representative of a new Member State, I would like to say as well that in view of the principle of equal access, the European Union does indeed have to guarantee a common basis with the help of the harmonisation and cohesion funds. In the new Member States, the tools for enforcing competition and for consumer protection are in many cases very weak. It is essential that these be strengthened, precisely in order that both equal access and competition be realised in these territories.



I consider the report on services of general interest to be a good report, and believe that Mr Rapkay and his colleagues have done outstanding work. But I would like to ask everyone not to misunderstand it and not to see elements in this report which are not there. That is to say, we cannot speak in this regard of a framework directive or of a communication on a framework directive.

It is also very important that the question of a general directive on services is closely related to this question. Here, too, we need to see things clearly. The directive on services has, on many points, set down the framework within which we can work in this regard.

**Emanuel Jardim Fernandes (PSE)**, *draftsman of the opinion of the Committee on Transport and Tourism*. – (PT) Mr Barroso, ladies and gentlemen, as draftsman of the opinion of the Committee on Transport and Tourism on the White Paper on services of general interest, my position, and that of the committee, has been to advocate the complete exclusion of services of general interest (SGIs) from the scope of the directive on internal market services, in accordance with the idea that each Member State has the exclusive competence to define, fund, evaluate and monitor these services, as confirmed by Parliament. This will be conducive to the functioning of the market, to solidarity with the citizens and to respect for the competence of the national, regional and local authorities.

Secondly, we believe that SGIs must be described and defined, and the distinction between services of general economic interest (SGEIs) and services of non-economic general interest (SNEGIs) clarified as regards their legal certainty. Thirdly, a framework legislation for SGIs, SGEIs and SNEGIs, a general legal framework, as Mr Barroso mentioned earlier, or a framework directive, according to preference, must be adopted. Minimum requirements must be set for carrying out these activities, along with general criteria for the Member States and the national, regional and local authorities to implement, organise, assess and monitor them.

The fact that this legislation will encompass SGEIs does not preclude the possibility of specific legislation on certain individual sectors such as transport. Most of the ideas we put forward are contained in the Rapkay report, hence my support for the report, although I may lend my backing to some necessary amendments.

Lastly, Madam President, I should like to express my disappointment that there has been no reference to the outermost regions, given that SGIs, which do not currently, and may never, exist, are needed in those regions. I hope that the Commission and its President focus not only on the report but also on the points that I have raised.

**Markus Pieper (PPE-DE)**, *draftsman of the opinion of the Committee on Regional Development*. – (DE) Madam President, Mr President of the Commission, ladies and gentlemen, we all agree that such things as public local transport, refuse disposal, social services and the water supply are things that should be managed on a regional basis, and that is largely the line taken, in principle, by Mr Rapkay's report, which I welcome, and which has taken on board much of what is in the Regional Development Committee's opinion.

While demanding a commitment to subsidiarity, we also call for greater legal certainty where services of general interest are in conflict with European competition law, namely with regard to the law on subsidies, public-private partnerships, and, indeed, the definition of terms.

A Frenchman, for example, has a different concept of what services of general interest are from a Pole, a Swede or a German, and that is why there must be no single European framework directive on them of the kind that the Socialists want. We do not want the same standards enforced right across the EU. It makes no sense to dictate to the regions of Greece or the Czech Republic what they are to understand by services of general or public interest. It is unfortunate that the Left in this House have managed to get various references inserted into the text of the report that could be taken as pointing the way to that sort of framework directive, and I wonder just what they are driving at. Do you want an overarching framework directive that will make the areas of legal uncertainty more complicated than they already are, or do you want an insidious backdoor attack on the substance of European competition law as a means of forcing your socialist ideas about public services on Europe's regions? Whichever of the two may be the case, we say a firm 'no' to it. Where there are legal uncertainties, they must be eradicated, issue by issue and sector by sector.

That, of course, means a lot more work, but I am sure in my own mind that only the sector-by-sector approach can do justice to the European ideal of subsidiarity in the single market in which we all share.

This is not an area where Europe should lay down criteria of cost or quality. Defining services of general interest, funding them and organising them, must continue to be in the hands of the regions, for it is they that have political responsibility for them.

**Robert Goebbels (PSE).** – (DE) Madam President, what I wanted to ask was whether the Committee on Regional Development is firmly in the grip of the European People's Party, for what we heard from Mr Pieper was nothing more than the PPE line, and not the position taken by the Committee on Regional Development.

**President.** I am sure that we, as this Parliament moves into the second half of its term, will again have to give some thought to the need for rapporteurs for lead committees, and also the draftsmen of opinions for others, to do that to which Mr Langen has just referred. Irrespective of the group to which they belong, they reflect the mind and the voting behaviour of the committee. I am convinced that all of them have done so today, and anyone who is in any doubt about that can re-read the reports. I have to say that I, as an outsider unfamiliar with the subject-matter, did wonder when I heard some of the speeches, but this is something we will be able to return to during the life of the next Parliament – perhaps as part of a reform of this House.

Mrs Stauner will now have the opportunity to be the last to put her committee's point of view.

**Gabriele Stauner (PPE-DE), draftsman of the opinion of the Committee on Legal Affairs and the Internal Market.** – (DE) Madam President, Mr President of the Commission, ladies and gentlemen, even though it has been enshrined in the European Communities Treaty ever since Maastricht, the subsidiarity principle leads a shadowy existence, yet subsidiarity must always apply except where power resides solely at the European level.

Such is indisputably not the case as regards the services we are discussing today, so any European regulation in this field would be a flagrant breach of the subsidiarity principle, and, moreover, of the principles – integral to the rule of law – of necessity and proportionality if there was any interference in the functioning structures that the Member States have developed over the years.

If, though, the EU has no powers in this area, it follows that there can be no Europe-wide definition of these services either, and that only those who enact national or regional laws can define what they are. Quite apart from that, the White Paper's attempted definitions of them – which I regard as artificial and cumbersome – reveal themselves as impractical and incomprehensible by the public.

No strategy – be it of Lisbon or of anywhere else – is capable of being a substitute for a legal basis, whether one is dealing with principles and targets such as competition, or with economic and social cooperation.

The only possible outcome of this debate, then, is a call to have nothing to do with any European regulation on services of general interest, quite simply because there is no European legal basis for one. I ask you to endorse the position of the Committee on Legal Affairs, which makes for a Europe that is close to its citizens, transparent and understandable.

**Marianne Thyssen (PPE-DE).** – (NL) Madam President, Mr President of the Commission, we know that we in this House invariably end up in politically sensitive waters if decisions are taken with the intention of correcting the market or have the effect of doing so. Very often, the same degree of sensitivity will kick in and the ideological bias is never far away when we want to apply the principles of subsidiarity and proportionality in specific situations. Despite this, Mr Rapkay has managed to compile a balanced report, for which I should like to offer him my sincere congratulations.

I am delighted with the knowledge that first of all, the importance of the availability of services of general interest is underlined and secondly, that the common position on the Services Directive has been confirmed, namely that it is up to the Member States to determine what services of general interest are. Thirdly, I welcome the fact that the question as to legal certainty is taking up a central position.

I have no problems with what some people here refer to as the rapporteur's ambiguous wording. I would rather call it a wise, if not diplomatic, approach, but in any event one that can help us further in our quest for solutions. A framework directive is not specifically what we want. This report recognises the sectoral differences. If this report meets with approval, we will demonstrate beyond any doubt that we set greater store by essence in terms of substance than by the discussion as to the form it should take. That is what it should be about for us, after all.

Let us then stick closely to Mr Rapkay's report, since the Commission will then know where Parliament's broad majority lies and where there are still differences, and then we, pending what will emerge from the Commission communication, will be able to take further steps towards the balanced approach that the public can expect from us.

**Harlem Désir (PSE).** – (FR) Madam President, Mr President of the Commission, I believe that the time has come for legal and political clarification of this issue of services of general interest.

On the political front, because the debate on public services overshadowed the rest of the European debate, it poisoned the debate on the Constitutional Treaty, and it was blighted by the initial proposal for a directive on services in the internal market, since that proposal included a vast range of social services and services of general economic interest within its scope.

The distrust generated by the risk posed to public services by the actions of the Commission or the interventions of the European Union has a long history. It is warranted in many respects, one reason being the failure to strike a fair balance between the rules of the internal market and the preservation of the general public interest; another is the impact of a number of single-sector directives that have not delivered the promised or expected results. I am thinking, for example, of energy-price trends and of certain fears that have been confirmed with regard to postal services.

Clarification is also required on the legal side. You emphasised this point yourself a short time ago, Mr President of the Commission, when you listed the legislative initiatives that the Commission has taken recently to try to stabilise the interpretation of the law and the treaties with regard to public funding and the regulation of state aid, passenger transport, financing and compensation, etc.

I therefore believe it is wrong to set the need for sectoral initiatives against the need for a general framework in today's debate. Single-sector initiatives are needed – you referred to some of these yourself – in areas such as health services or social services of general interest, and cross-cutting initiatives are needed too. Why? Because, as you said, one of the principles on which we must base our actions is respect for the right of each Member State and its local authorities to continue to define what they understand by services of general interest and by services of general economic interest. The interpretation of these concepts certainly varies from one Member State to another. The ways in which these services are organised and funded as well as the contours, the delineation, of public service are not the same in all our countries and sometimes even differ between regions within our countries or between local communities.

In the absence of legislation, it has fallen to the Court of Justice, and sometimes to the Commission, to interpret the Treaties. The fact is that these interpretations have generated an inconsistent and fluctuating body of case law, which has created legal uncertainty for local authorities, service providers and users. It has also kindled fears that the provision of services of general interest will be jeopardised by a kind of predominance of the forces of the internal market, competition and private operators. That is why we have taken this rather unusual step for a group in the European Parliament of proposing, as a symbolic gesture but also as a political measure, an initiative for the drafting of a framework directive designed to safeguard services of general economic interest.

We wanted to demonstrate that, given the necessary political will, a basis could be found in the Treaties and a directive could be formulated to answer the questions that now confront us. From this point of view, may I say the following to Mrs in't Veld: I believe this is precisely the legal framework we need if we are to protect subsidiarity, and that is what we have demonstrated with this draft framework directive. I invite Mrs in't Veld to familiarise herself with this initiative, which is intended to define and protect public services and services of general interest and to guarantee their long-term future.

I believe it is up to the legislature to establish the rules at this juncture. It is normal that the European Parliament, representing the people, and the national governments, representing the Member States, should be able to state openly, on the basis of a public debate, how Article 86 of the EC Treaty is to be interpreted and to draw the demarcation line that safeguards the general public interest from the forces of the internal market and competition. Public services, as you said, Mr President of the Commission, are at the heart of the European social model. People are attached to them because they not only enhance their quality of life, enable them to enjoy their fundamental rights and contribute to economic and social cohesion but also make our continent and its territories more competitive.

It is therefore a legal as well as a political imperative to show today that the European Union is not hostile to public services, that it is not trying to stifle them, but that it seeks, on the contrary, to preserve, encourage and develop them.

### IN THE CHAIR: MR MAURO

*Vice-President*

**Bernard Lehideux (ALDE).** – (FR) Mr President, Mr President of the Commission, during the debate on the social model, I pointed out that our fellow citizens want a Europe responsive to their urgent and practical concerns. The guarantee of the existence and quality of services of general interest is one of these concerns. In Europe today, the legal status of these services is much too fragile. It is not healthy that services that are crucial for the social cohesion of our societies should be entirely dependent on the case law of the European Court of Justice. Judges, as we are all aware, never have this much power unless politicians fail to take responsibility. It is therefore our duty to develop a legal framework at Community level, setting out the procedures and objectives for the organisation of services of general interest.

Mr Barroso, if not everyone is convinced, that does not prevent us from being more specific about things, quite the contrary. I am among those who are asking the Commission to propose a framework directive on services of general interest as soon as possible. Allow me to reply frankly to those who oppose this and defend the choice of a sectoral approach. This is not an alternative. It is a trap. Our fellow citizens are not blind. They understand full well that to favour this approach would in reality mean delaying the establishment of the legal certainty that they so earnestly desire for services of general interest and for social services of general interest in particular.

What is more, it is clear that a legal framework does not prevent us from taking account of the particular features of certain sectors, quite the contrary. Clearly, defining a framework does not mean standardisation. Mr President, ladies and gentlemen, let us not evade our responsibilities. A legislative project awaits us and it will prove that the Union is the best guarantor of a high level of solidarity and social cohesion.

*(Applause)*

**Pierre Jonckheer (Verts/ALE).** – (FR) Mr President, Mr President of the Commission, may I too say how delighted I am to see you and thank you, Mr Barroso, for attending this debate.

For many years now we have been discussing transsectoral European legislation in the field of services of general economic interest. The European Parliament pronounced itself in favour of such legislation in 2001 and 2004, and the European Commission – which at the time was the Prodi Commission – did not take the matter further, putting forward the legal argument of the lack of legal basis and the political argument of the lack of the political majority in the Council needed to make progress. On this last point, the reference to Article 322 of the draft Constitutional Treaty illustrates at the very least, unquestionably, that there was a political agreement within the European Council to move forward.

Today, we are faced with a proposal for a directive on the internal market in services which partly covers services of general economic interest, a directive which many experts predict will not prevent numerous appeals to the European Court of Justice and which we have reason to fear will make it harder to achieve the aim of greater legal certainty in the field of the internal market in services.

Also today, as other fellow Members have pointed out, we are faced with a European Parliament resolution which will be voted on tomorrow and which does not in fact go as far as the resolutions of 2001 and 2004. For this reason we have incorporated a number of amendments aimed at clarifying things.

However, the real political development, I believe, is that in addition to the Socialist Group in the European Parliament, which has had legal experts draw up a proposal for a framework directive, the European Trade Union Confederation has also put together a proposed text. A number of associations – I am thinking in particular of the European Liaison Committee on Services of General Interest, which has an in-depth knowledge of these issues – have also drafted proposals of a legal nature which amount to saying: yes, a proposal for a framework directive is not unthinkable, and, moreover, must be consistent with the four principles that you mentioned in your introductory speech.

For this reason, Mr Barroso, on the basis of Article 192 of the current Treaty, we ask you clearly to move forward and not to content yourself with responding to us in a few months time with a new consultation paper or a new white paper.

I would like to finish on a more political point. I believe that we must not underestimate the genuine or imagined concerns of a number of our citizens who feel there is a flagrant imbalance between, on the one hand, the implementation of competition law which, in its general provisions, is a horizontal law, and on the other hand, the protection of services of general interest at European level. Also, as some Members have said, Mr President, the significance of a framework directive for the Council and the European Parliament is that it provides them with an opportunity to show the Commission and, ultimately, the European Court of Justice, what kind of general provisions they want for European services of general interest. I believe that this is in fact what is at stake politically in this whole debate. Though I wish the political majorities were different, they are what they are for the moment.

**Sahra Wagenknecht (GUE/NGL), – (DE)** Mr President, ladies and gentlemen, crude and heedless deregulation has been the order of the day in Europe for a decade now, with fundamental services such as energy supply, great swathes of the transport sector, not to mention education, health, housing and hospitals being made subject to the rule of the markets and of profit, in part under the *aegis* of deregulatory legislation from Brussels, in part under pressure from the ECJ, and in part on the initiative of neo-liberal governments, the claims being made that it will bring more jobs, with competition bringing lower prices for consumers and inducing private investors moving their money around more efficiently. The record of deregulation over the past decade itself demonstrates how false these neo-liberal claims are; in the energy and postal sectors alone, hundreds of thousands of jobs have been wiped out, and those who still have a job generally find themselves working under worse conditions. You can rejoice in that and call it increased efficiency, or you can call it what it is – coercion and exploitation. Rarely have the consumers benefited from falling costs; in Germany, for example, electricity has never been as expensive as it is today.

That the report by the Social Democrat Mr Rapkay should transfigure this record into one of success and call for the deregulation of more sectors testifies ignorance of past experience and to an irresponsible attitude towards those who have to endure the consequences.

Those who call for services of general interest to be made subject to the rules of the internal market are seeking to turn health, education and mobility into saleable goods that only the affluent can afford, for capitalist markets, rather than meeting demand, respond only to those who not only have demands but also the ability to pay, that being the only way to turn a profit. That may be the sort of Europe that the rich and big business dream of, but the Left is dreaming of other things, and we, together with Europe's social movements, shall not cease from resisting this sort of unfettered capitalism.

**Jens-Peter Bonde (IND/DEM), – (DA)** Mr President, there were no scholarly books in my childhood home. My family were farmers and craftsmen. Competent teachers in my state school and free book loans in a well-stocked public library opened up the world of books to me. In this report, book loans, education, care, nursing, water, security, hospital treatment and welfare are referred to as 'services of general interest' as opposed to the more specific 'services of general economic interest' involved in going to the hairdresser or buying a house. Teeth, glasses and personal care fall somewhere in between. The Court of Justice, through numerous judgments, has created an internal market for many services. At the very heart of representative government, however, is the idea of not merely voting with your pockets, like at the market, but also choosing, through one's votes, what facilities society is to enjoy. Do we want private hospitals and expensive medical bills; do we want to pay for book loans; should the price of public transport be reduced; should grannies get their daily wash in their care homes; should our infants be taken care of by discount nursery schools, or should they be educated by trained teachers? The June Movement supports the internal market for goods and services and we oppose national discrimination, but we also want to allow voters in each Member State to define the boundaries between the market and society and to determine the level of quality and service, as well as consumer rights.

We also want to safeguard the Danish 'agreement model', whereby wages and working conditions are agreed in accords and then respected, and our social model, whereby we pay high taxes in order to provide social civil rights to all. This is a case where representative government should be able to control the market so that there are also services of general interest for those not born with silver spoons in their mouths. We wish to continue to be able to sing with Grundtvig 'And thus in wealth we have progressed far, when few have too much and fewer too little'.

**Leopold Józef Rutowicz (NI).** – *(PL)* Mr President, the Commission's White Paper on services of general interest is certainly necessary in order to create a common market. In the future, these services and the way in which they are provided should be more precisely defined. We should bear in mind that at the moment, the provision of these services is, to a large extent, based on solutions drawn up in individual states and national legislation. We can only include these services in common European regulations once we improve the system of services in the European Union. Further action should specify the legal status of services of general interest and of measures to protect consumer interests.

Mr Rapkay's report, for which I would like to thank him, clearly describes the current legal situation and the scope for further action. We must make use of this report.

**Alexander Radwan (PPE-DE).** – *(DE)* Mr President, Mr President of the Commission, it is a wide-ranging area that we are discussing today. Although it was of the municipal graveyard that Mr Schulz chose to remind us, municipal organisations can also reach the size of major corporations – such is the extent of this spectrum, and it is open to question whether such big structures are always right.

Why, though, are we actually discussing this? The reason is that we are balancing the rules of the market, on the one hand, against subsidiarity on the other. That can certainly be a thorny issue, and what comes out at the end is not always rigorous. I am very much in favour of subsidiarity, of locally-made rules, but a standardised definition in a Europe that may well – to pre-empt today's decision – end up with twenty-seven Member States would be a mess of standardised pottage, and that I reject. Europe, though, must always be asking itself what added value accrues from action at the European level, and in what way it benefits the public. Why, then, are we putting such effort into discussing the idea of a framework directive, when the rapporteur himself says that his report is not calling for one in this area? The impression I get from some speakers is that they are doing no more or less than attempting to use this debate as a means of creating competition-free zones that will have a derogation from the services directive. Quite apart from the abolition of market rules, the risk is that we end up with a European standard-issue concept of what services of general interest are, and Europe is too heterogeneous for that to be our goal.

What the public, communities, and local politicians need, though, is legal certainty. They want to know what is possible and what is not, and that is where there is great confusion. Take, for example, Munich, the city where I was born. There, at the moment, four major hospitals are being brought together in one company, and nobody knows what has to be submitted to the Commission and what does not. This is where the Commission must work together with Parliament, for what is very disturbing, not least to my own group, is that the Commission still retains a degree of 'licence', in the sense that it always takes decisions on the basis of what it thinks right and does not consult the voters or their representatives in the manner to which they are entitled. What is crucial with regard to the latter point – and this is where these debates in this House are actually long overdue – is that the public must understand why what we do is for their benefit. In this field in particular, that is not always clear to them, and what we do in this place is perceived in a quite different way. This is an area where the communications strategy might accomplish something.

**Robert Goebbels (PSE).** – *(FR)* Mr President, ladies and gentlemen, Article 5 of the Treaty establishing the European Community says, and I quote: 'Any action by the Community shall not go beyond what is necessary to achieve the objectives of this Treaty'. This is known as the principle of subsidiarity, the importance of which has just been highlighted by President Barroso.

Yet it is clear that the common objective of social cohesion in particular requires sustained political action if quality public services are to be offered to all citizens. It is local councils, local authorities, that are closest to citizens. It is local councillors who are best placed to judge the services needed for the well-being of their fellow citizens, and the weakest among them in particular.

Logically, for decades the Union has not concerned itself with these public services. However, with the implementation of the large internal market, there have been more and more court cases brought by private competitors against towns and local authorities. The judgments of the European Court of Justice have not always been pleasing and have sometimes even been contradictory. In the Court's defence, it must be said that the concept of public service is not easy to define.

There are significant differences between national practices in the 25 Member States. President Barroso has just emphasised the need to respect the diversity of national, regional and local circumstances. It is

for this reason that the Socialist Group in the European Parliament has been fighting for years for a clear legal framework allowing services of general interest to flourish.

This is all that the Socialist Group in the European Parliament wants. We want the greatest possible certainty for all operators of universal public services. The Luxembourg judges must not become the arbiters of the quality of public services to be provided. According to President Barroso, these services represent 7% of European GDP and 5% of jobs, which serves to highlight their efficiency. It is for voters, for citizens to decide the universal services they want. Former Commissioner Lord Cockfield, who was, together with President Jacques Delors, one of the architects of the internal market was fond of saying:

‘the Commission has to help governments to save taxpayers’ money.’

– (FR) He was wrong. It is not the Commission that should decide how public monies are used but, ultimately, the taxpayers themselves. It is for the sovereign voters to decide whether their local authority or region is making good use of their money or not. That is called democracy.

Those who believe in the unbridled free market will argue that the Treaties oblige the Commission to remove public aid that distorts competition, but Article 87 of the Treaty stipulates clearly that this aid is only prohibited, and I quote: ‘in so far as it affects trade between Member States’. Now, it is difficult to argue that public services supplied locally by public authorities distort trade between Member States.

Mr President, you have just announced that we will receive a communication before the end of the year. I share the opinion of my fellow Member from the Group of the European People’s Party (Christian Democrats) and European Democrats, Mr Langen, that we have had too many texts that have been well written but that have lacked real political significance. Please, President Barroso, submit a legislative proposal to us or as many such proposals as you wish, but finally allow Parliament to do its job as colegislator in a field that lies, in your own words, at the heart of the European social model.

**Danutė Budreikaitė (ALDE).** – (LT) Mr President, ladies and gentlemen, today we are discussing the White Paper on services of general interest, published by the European Commission more than two years ago. It is regrettable that liberalisation of the services market has so far been truly inadequate. The White Paper provides only a very abstract definition of services of general interest and services of general economic interest. The concept of public services has not been defined at all, and therefore it is not used in the Paper, which instead refers to ‘public service obligations’ covering air, railway, road transport and energy sectors, which are also designated services of general economic interest. Thus it is difficult to understand what we are actually talking about, while the principal result expected from the White Paper was to draft a legal act regulating and enabling the enforcement of one of the major freedoms of the EU internal market, that of free movement of services.

The situation regarding services of general interest is very close to the Services directive, which originally was meant to cover economic and common interest services, which currently, with a number of exceptions, excludes transport and postal services, and exempts electricity, gas and water supply from the principle of origin. Thus most of the services in the EU can hardly be considered compatible with the principles of the internal market, competitiveness, representation of consumer interests, and the free movement of services. Market protectionism will not only lessen the competitiveness of the economy but currently is preventing and will continue to prevent providing consumers with services of appropriate quality at the right time. This is evident when travelling through the countries of the European Union.

As to services of general interest, the prime task is to clearly define them; this is to avoid any ‘free interpretations’ in individual Member States in order to protect the markets. It is necessary to draw up a legal act governing such services, duly considering the principle of subsidiarity and opening services markets to competition for the benefit of each country’s own citizens and enhancement of EU competitiveness. I do admit that regional local governance is an important factor in the provision of services; however, quite often this is used to disguise market protectionism, whereas services are basically ‘big business’.

**Elisabeth Schroedter (Verts/ALE).** – (DE) Mr President, services of general interest are at the heart of the European social model. Mr Barroso may well have said that in his first sentence, but he went on, in the same breath, to praise the efficiency of the market – rather than solidarity, universal access or fundamental entitlements – as the primary motive for such services.

What the public expect of the European Union, though, is the certainty that the services they need in order to live will be provided as a guaranteed and fundamental right, and universally, that is to say without regard to their social status or where they happen to live. We can gain people's trust only if services of general interest are intrinsically protected against market interests and kept separate from them. I have to tell Mr Barroso that, if he tries to combine public services with the efficiency of the market, he will end up dissolving the core of the European social model. You, Mr Barroso, may well rejoice at the demands made in this House for a sector-by-sector approach that would give you all the power you need to deregulate basic services, but it is abundantly clear from the latest examples given in your communication that it redefines basic social services as economic activity, so what you are doing is reinterpreting the definitions given in European court rulings.

Your proposals on health services, in which patient mobility is to be treated as more important than basic care, have their own tale to tell; they show how illusory is the belief that the market can guarantee fundamental rights. The only way to guarantee these services of general interest is by means of an explicit framework directive, one that does not impose the rules of European competition law on basic services, these being the sort of services that ought, self-evidently, to be able to receive state subsidies, which exist in order to guarantee basic amenities and ought not to give priority to the demands of the market. Those services of general interest that are economic in nature can also meet basic needs, and universal access to them, too, must take precedence over the interests of the market.

It follows that any such framework directive must go hand in hand with the services directive, precisely in order to guarantee that protection. That, as things stand at present, is the only way to find a solution, for, as a consequence of the services directive, services are already on the market, and so this is a fictitious debate staged by the Right, who believe that one can only look backwards and that the matter would be resolved either by adopting a sector-by-sector approach or by not having a Europe-wide definition at all.

**Kartika Tamara Liotard (GUE/NGL).** – *(NL)* Mr President, we scented victory when services of general interest were excluded from the scope of the controversial Services Directive. The public sector was set to remain safe from Bolkestein, but that may have been no more than a Pyrrhic victory; after all, it is only now that services of general interest are being defined. When a directive on services of this kind is being hammered out, it is necessary to settle what belongs to the domain of the market and what does not, as also and above all, the question of who is best placed to decide on this.

We will fight tooth and nail for our interpretation of general interest and against liberalisation and market forces in such areas as education, health care and culture: we have experience of them and have had it with them! When areas that, strictly speaking, do not belong to the market, but to society are being liberalised, Europe comes across to us as a greedy little pig which, given the chance, will grab every opportunity with both hands.

This is already apparent in the Commission's fresh attack on care. In our view, this directive will, above all, become an instrument for citizens, pupils, patients and consumers to stand up to this greedy little pig of an ever-liberalising Union. The directive must spell out the fact that it is the Member States and their citizens who determine what services of general interest are, for, if they do, it will bring politics closer to the public once more, where it should be.

**Johannes Blokland (IND/DEM).** – *(NL)* Mr President, in the nineteenth century, governments took over many tasks that originally did not fall within their remit, for example, education, access to health care and the regulation of working hours; that was necessary as a response to market failure, and indeed still is whenever the market fails.

The distinction between services of general interest and services of general economic interest is academic. To draw that distinction is therefore intended to make services public and to restrict government interference. To curb government interference is a commendable objective in areas where citizens can be expected to display self-sufficiency and responsibility. Drawing that distinction should not, however, mean that public access is restricted.

I would therefore call for caution in making services of general economic interest open to the market. Society is well served by a government that does justice to the weak and guarantees access to services that are essential to day-to-day life.



**Othmar Karas (PPE-DE).** – (DE) Mr President, Mr President of the Commission, ladies and gentlemen, I think that we, in this debate, are indulging in too much shadow boxing and not showing enough respect to the law and the public.

Let us take our own laws seriously; according to the constitutional treaty, the European Union is united in diversity, and one expression of this diversity is to be found in the many forms that services of general interest take. We are united in the internal market, so let us not cause diversity and the single market to be mutually contradictory.

Secondly, in that we do not see the market as an end in itself, we are in favour of the social market economy. The market possesses sustainability and its own social responsibility; precisely where its boundaries lie is a matter for those with political responsibilities to decide. Where the market cannot do all the things that the common good requires, or guarantee that they will be done, services of general interest must be allowed to play their part. They do not operate in opposition to the market; many general interest organisations compete with one another and comply with market criteria.

Thirdly, we affirm our belief in subsidiarity. Far from running counter to the European Union, subsidiarity is an essential element of the model for it. The reason services of general interest are not included in the services directive is that the definition of them is delegated to others by subsidiarity, and now we are debating whether this issue is soluble only by saying ‘yes’ or ‘no’ to a framework directive. We are in favour of social security, security of supply and quality being guaranteed to the public at affordable prices, and of policymakers shouldering responsibility for relations between the market and the private sphere, between which there needs to be a new partnership, expressed in the form of services of general interest.

**Bernadette Vergnaud (PSE).** – (FR) Mr President, Mr President of the Commission, ladies and gentlemen, I should like to pay tribute to the work of our rapporteur, Mr Rapkay, which has helped to revive this debate on services of general interest. I support completely his proposals to create greater legal certainty for social services of general interest. I also support those on the provision of high quality services throughout the EU at optimal cost, respecting social balance and guaranteeing lasting security of supply.

I am however much more sceptical when it comes to asking the Commission for clarification on applying rules regulating competition and the internal market to public services. Mr Barroso, whom I would like to thank for attending the debate, has just confirmed for us the supposed benefit of this competition for consumers.

As the rapporteur has pointed out to you, since public services lack a clear legal framework, their funding and management are dependent on uncertain circumstances offered to us in turn by the Commission and the European Court of Justice, which change hats as they see fit and act interchangeably as judge, legislator and executive.

For at least 15 years now Parliament has been asking the Commission to legislate. What have we achieved? The Commission is proposing a choice between a simple communication to strengthen the legal certainty of these services and a multitude of sectoral directives.

Personally, I want a framework directive: a legal framework giving services of general interest a positive and not simply dispensatory status, and one that the market competition rules will then be bound to respect. Key sectors such as education, health and water must not be liberalised, and mixed circumstances must be allowed for where social, economic and environmental concerns are interlinked.

Services of general interest reinforce citizens' feeling of belonging to Europe. They are a key element of solidarity and play a part in pursuing social rights. I do not want a Europe in which the European model is based only on fiscal and social competition between states. With this framework directive, I want to take Europe beyond the mere market, towards a society in which all public services are guaranteed as key factors in social and territorial cohesion.

**Ian Hudghton (Verts/ALE).** – Mr President, before I was elected to this Parliament I was the leader of a Scottish local authority which was, if I may say so, a very successful one in terms of both value for money and meeting local aspirations for public service provision in the County of Angus.

It was then, and remains today, the predominant interest of local government to protect its right to local self-government. It is therefore vital that in any new EU initiative we put an end to uncertainty. Let us

not be satisfied with woolly wording in relation to vital public service. Let us not interfere in any way with the principle of local self-government. Let us distinguish clearly between private enterprise, which is subject to EU competition law, and public service: services of a local nature provided for the public good, which have little or no cross-border effect and should be provided free of EU competition rules.

The setting of standards in general interest services should also be subject to local decision. Some local authorities are sceptical of the need for new EU legislation. I say that if we are to have a framework directive, let us have one that gives cast-iron guarantees of the rights of local authorities to define, organise and finance public services in the way they see fit.

I recognise that significant economic benefits to business will arise from removing barriers to commercial service provision, but let us not further alienate public opinion by interfering with or undermining the provision of essential local public services.

**Roberto Musacchio (GUE/NGL).** – *(IT)* Mr President, ladies and gentlemen, if there is one thing that points to the existence of a European social model, it is precisely services, which must be safeguarded since they represent elements of citizenship. We have been asked to say whether there should be services of general interest befitting all Europeans and, if so, how.

In the wake of the Bolkestein Directive, there was some confusion regarding the difference between commercial services and general services. Therefore, we must now clarify what comes under the heading of the market, on the one hand, and of rights, on the other. To do this, in a series of amendments we have taken on board proposals submitted by the ETUC, which maintain that all services of general interest, including economic ones, that is, those for which Europeans pay directly or indirectly – so, nearly all of them – should come within the public, government sphere, and be characterised by their universality, accessibility, collectability and quality. In other words, they should be services and not goods, that is, they should be Europe and not North America.

We call on you all to support these amendments, which uphold the trade unions' position. We also ask you to support them in order to clarify what the aim of a possible framework directive is, that is, to understand what Europe thinks about its social model and what it is proposing to its Member States in relation to services of general interest, whether services of general economic interest or otherwise.

**Patrick Louis (IND/DEM).** – *(FR)* President Barroso, Mr President, ladies and gentlemen, this report refers, quite rightly, to the principle of subsidiarity as the legal basis for issues relating to services of general interest. It has been only vaguely defined. We have moved from a substitution principle to a principle of delegation. For this reason, services of general interest can only be defined at the expense of particular circumstances and national needs.

Once again, we have to lament the fact that the unmistakable warning sent to you by the French and Dutch people should be treated with such contempt. I would remind you that services of general interest are only of concern to the European Union from the very disputable point of view of competition. The freedom of Member States to define the duties they intend to entrust to public service, in accordance with the will of their people, is being seriously undermined in this instance.

No, it is not appropriate for countries that, historically, do not have a culture of public services to prevent those that do have such a culture from having public services when they have deemed them necessary. If you respected the principle of subsidiarity in its true sense, you would admit that public services, essential to the life of our societies, should be defined, organised and managed as close to citizens as possible at national level.

We believe that only a strong public power is capable of ensuring a future that is viewed not in terms of the mere quarterly profitability of shares, but over decades in the fields of education, health, transport, energy and the environment.

*(The President asked the speaker to conclude)*

The only rule we have need of is that of sovereignty, which means that each State should be free to decide on its public services and that public service obligations take precedence over Community competition law.

**Malcolm Harbour (PPE-DE).** – Mr President, I would like to get this debate back, as my colleague Mr Karas said, to the people who really matter in all of this: our citizens receiving public services. We

know that in many cases those public services are not good enough, not efficient enough and are delivered at much too high a cost.

Mr Barroso, whom we are delighted to see here this morning, made an important point in his principles for the promotion of good-quality public-service delivery. He mentioned the crucial factor of how technology is now enabling those services to be transformed and new models of organisation and delivery to be sustained. Those are the things we should be talking about. We should be thinking about the diversity that is engaging the best minds, the best technology, the best people and the best managers involved in delivering those services.

However, the debate we have had, principally from that side of the House, has mainly been concerned with organisational models and protectionism. With the Services Directive in place, thanks to our efforts, more of those minds can be unleashed on delivery of services. We have work to do on public procurement from recent hearings in our committee. We have work to do on competition law. If those are included within Mr Barroso's idea of consolidation, that is fine. However, we do not want a directive of the kind set out here, which is a naked political directive. They gave the game away in their interventions. Mrs Schroedter said that it would protect against liberalisation. That is what it is all about, Mr Barroso! Have nothing to do with it. Tell us today that you will take it off your agenda. I have asked in my committee, but with no reply, what problems for our citizens this directive is intended to solve. When those on the Left give us a comprehensive analysis of those problems, we might consider it, but we have far more important things to do today than to talk about their political declaration.

*(Applause)*

**Ieke van den Burg (PSE).** – Mr President, as the coordinator of the PSE Members of the Committee on Economic and Monetary Affairs I asked to be the last speaker on the PSE Group side, precisely in order to remove some of the prejudices and misunderstandings about this debate. So I hope I can eliminate some of those misunderstandings.

Firstly, I want to thank Mr Barroso for his speech and to say that we in the PSE Group fully understand his four principles and his view that it is necessary to create more legal certainty for the service providers, whether they are public or private or something in between, for the Member States and the decentralised public authorities, and for the citizens. As Mr Harbour rightly said, that is the crucial element.

I think Mr Barroso has correctly interpreted the report that Mr Rapkay prepared on behalf of the Committee on Economic and Monetary Affairs and that we voted for by a large majority in the committee. We have not expressed a preference for any particular form of legal instrument, but have made it clear that legislative initiatives are needed and that we should have a full political process of decision-making on this, in which Parliament and the Council can participate fully. Codecision is the right way to deal with these political issues. That is the message of the report. The report does not say that there should be a horizontal instrument or sector-specific instruments only; it leaves the options open and says that both methods can be used in parallel.

It will be clear from the debates that preferences differ, but also that there are a lot of prejudices about the options and preferences we promote. In my political group, I chaired a group of legal experts who drafted a text. Unfortunately I have the impression that many did not read this text, because if Mr Harbour had read it he would see that it is not a political statement but a clear attempt to reconcile the rules of the market, of competition, the subsidiarity that we want to guarantee for local authorities, the quality aspects and the importance of public service and services of general interest and economic interest for the citizens of Europe. This is not ideological; it is a concrete attempt to reconcile these. The draft is open for debate and we hope you will participate in discussing it. But it is up to the Commission to come up with real proposals and then we can set to work on the legislative methods and formulations.

For the vote on this report, again I state that we have agreed to disagree on the issue of which instruments would be preferable. There are amendments now from both sides, from the ALDE Group and from the Verts/ALE Group, to try again to force a decision on the preference. I do not think that is wise. I agree fully with Mrs Thyssen that it is wiser to stick to the agreement that we had and to leave this issue open. It is the Commission that has to decide and if one of those amendments is adopted the only result will be that whole report would fall. That would be a pity because, as everyone has said, Mr Rapkay and the Committee on Economic and Monetary Affairs have produced a good report.

**Jiří Maštálka (GUE/NGL).** – (CS) I should like to thank Mr Rapkay for his report. I must say that, after reading a great deal of detail on the subject, and following the lengthy debate on this issue, I strongly back the idea of establishing a general directive on services of general economic interest (SGIs). I welcome the creation of this directive, which will guarantee SGIs as one of the main pillars of the European social model. The directive should also deliver legal certainty, through a legal basis established on general principles such as equality of access, high quality services, reasonable costs, universality and security. A balance has to be struck between the market on the one hand and the public authorities responsible for public services on the other. Furthermore, the report raises fresh questions. Will we actually be able to ensure that the framework directive will have sufficient substance to uphold the aforementioned principles? Will the directive actually protect services of general interest?

**Karsten Friedrich Hoppenstedt (PPE-DE).** – (DE) Mr President, Mr President of the Commission, ladies and gentlemen, I will start by thanking the rapporteur for his good cooperation in the Committee on Economic and Monetary Affairs, which, I hope, will continue into tomorrow. I also have cause to be grateful for the way in which the significance of this report as one that determines the future of municipal services – or, to put it another way, of services of general interest – has been highlighted. That is also made clear by the amount of time allotted to the debate.

Those of us who have spent many years in local and regional politics will be aware that, as far as the public are concerned, politics begins at their own front door, and so subsidiarity requires that the right of communities to manage their own affairs, and hence the powers of local authorities, should not, despite the complexity of European structures, be tampered with. It follows from that that municipalities must play a major part in defining and organising services of general interest, and that, in essence, must involve, seeking by every avenue available to offer these services to the public at as reasonable a price as possible, and must, of course, also mean that public and private service providers must be brought in as partners together.

We should continue to urge all the interested parties to take the line that limited market activity within the remit of local authorities should not be required to be subject to all the European rules and regulations in order that local authorities should not be deterred from entering into public/private partnerships that are, in fact, beneficial to the public. What is needed is the sort of legal certainty that encourages municipal authorities to be creative in performing their services, that does not overburden them with bureaucracy and makes long-term forward planning possible. Creativity and the guaranteed right, founded upon legal certainty, for municipalities to govern themselves, can be crucial in facilitating locally-based contributions to Europe's economic growth.

**Corien Wortmann-Kool (PPE-DE).** – (NL) Mr President, the text of the resolution manages to strike the right balance as regards the freedom that the Member States should retain in future in terms of, on the one hand, the organisation and definition of their public functions and, on the other, the observance of internal market rules. Europe's focus – and the text of the resolution does not leave us in any doubt in that respect – must be on legal clarification and a sectoral approach where ambiguity creates problems.

We demand legal certainty, provided it does not get in the way of competition and protectionism. We also demand legal certainty to help local and regional authorities, but we should be acutely aware that those selfsame local authorities want to retain their freedom of choice and do not want additional rules imposed from above.

We must, above all, provide room for diversity, and refrain from freezing this diversity in a horizontal regulatory framework. If Europe is to be ready for battle, it must retain its dynamism. President Barroso, I very much appreciate your personal attendance in this debate. We demand clarity from you, but you can expect the same from us. The Group of the European People's Party (Christian Democrats) and European Democrats will therefore vote against the Socialists' amendment which requests framework legislation.

Mrs van den Burg mentioned the prejudices and misconceptions in respect of the intentions of the Socialist Group in the European Parliament. Your group chairman, Mr Schulz, however, is feeding those prejudices himself by saying that we must, at European level, guarantee social standards, quality standards and quality of services. That I regard as taking matters too far, and I will therefore be voting against framework legislation, and, for that matter, a horizontal regulatory framework.

**Malgorzata Handzlik (PPE-DE).** – (PL) Mr President, I would like to congratulate the rapporteur on his excellent report and to thank him for his considerable readiness to negotiate and discuss. It is thanks

to the rapporteur's approach that this report is a well-balanced compromise between various political alternatives. The report is a very important step towards defining the legal status of services of general interest.

It should be highlighted that, in terms of European Union legislation, a framework directive on services of general interest is unnecessary. These services should be dealt with by focusing on specific sectors and not on a general basis. We should allow Member States to define what they consider to be services of general interest, according to their regional characteristics. However, this right must not be used by the Member States to infringe the terms of the Treaty, especially in terms of free competition, state aid or public procurement.

Thus, the Member States should be able to define services of general interest within their territories but they should not be able to abuse this right, as they frequently tend to do. Services of general interest are often used as an argument for protecting the public interest from the principles of the internal market. In my opinion, a framework directive will not provide a satisfactory solution either for the European economy or for the consumers, namely the citizens of Europe. We should deal with the problem by using a sectoral approach.

**Zita Pleštinská (PPE-DE).** – *(SK)* Globalisation is confronting us with greater market openness, greater competition and ever more rapid innovation, all of which call for greater flexibility and adaptability. Public services, being part of the social model, therefore need to continually adapt to new developments in globalisation, to democratic changes and to advances in science.

The European Parliament approved the Services Directive on the first reading and defined its scope. Services of general economic interest were included in the scope of the Services Directive. The approved draft Directive does not apply to services in the public interest, healthcare services and transport services. In the 25 Member States of the European Union, services in the public interest have evolved in ways that reflect distinct regional traditions. For this reason I would like to emphasise that it is absolutely imperative to comply with the subsidiarity principle. In accordance with this principle, each and every Member State decides for itself which services will be provided by public institutions and which sectors will be liberalised.

In Slovakia, local and regional authorities elected and controlled by the public have done a good job in providing services for the common good and they are capable of continuing to secure rights relating to codecision, consumer protection and public welfare. The competent public authorities should have appropriate instruments made available to them so that they will be able both to foster competition and to ensure consumer protection. It is important to strengthen the powers of Member States to monitor the efficient fulfilment of public policy goals such as affordable prices and high-quality norms.

With a view to these considerations, I am convinced that it is not necessary to give the European Union additional powers in the area of services provided for the benefit of the public. My position is clear – there is no legal basis for a framework directive on services in the public interest. In conclusion, I would like to thank the rapporteur, Mr Rappkay, for his work.

**Andreas Schwab (PPE-DE).** – *(DE)* Mr President, Mr President of the Commission, ladies and gentlemen, I would just like to start with warm thanks to the Members whose input was crucial to the process of working through this issue, namely Mr Szájer from the Committee on the Internal Market and Consumer Protection, Mr Rapkay as the House's principal rapporteur, and our shadow rapporteur Mr Hökmark.

What you, Mr President of the Commission, said this morning struck me as a perfectly adequate response to the concerns to which the Socialist Group in this House is giving expression by bringing in its own draft for a framework directive. While we take – and continue to take – the view that this framework directive is not needed, it has to be said that it does address three areas in which there is conflict between the grass-roots interests of communities on the one hand and the interests of an effective European internal market on the other. Irrespective of how clear-cut Members of this House might want the demarcation lines of the internal market to be, it has to be said that it is, in certain areas – whether in the tendering for and award of contracts, or in the law on competition or subsidies for municipalities – not an unmitigatedly bad thing. What is needed, though, is to establish greater legal certainty in these areas. It remains to be seen whether the communication, the prospect of which you have held out, will be sufficient for this purpose, but I do in any case believe that a communication is a more adequate way of addressing the problem than a framework directive in terms of its effects.

The fact is – as Mr Radwan has already said – that we have to consider the market versus subsidiarity dilemma far more from the point of view of the citizen, and the European social model, too – although I always wonder how people can keep on invoking it without having anything to say about what it actually is – envisages citizens and consumers being offered the best possible value for services wherever they are in Europe; that is where Mr Hudghton is very definitely right when he speaks so highly of the Scottish local authorities that are able to offer their services at very reasonable prices in line with the market. If they want to carry on doing that in future, they will need to be given the legal certainty that will enable them to do so, but that does not mean that this is an area from which the market should be excluded.

**Alexander Stubb (PPE-DE).** – Mr President, I should like to make three points.

Firstly, I think services should be open to competition. That is why we are here and why we have European integration. It is clear that Member States cannot sustain their welfare systems without the help of the private sector. This whole debate is about having specific public services of general interest. It has happened in a country near my own, Finland, formerly the Soviet Union. It is absurd to think that services of general interest can be provided only by the public sector. I should therefore like to promote public-private partnerships. We should draw some lessons from the debate we had on the Services Directive.

My second point, then, is: *no framework directive!* There is no basis for it. I do not want the Commission to come up with anything, not even a consolidating document. It falls within the competence of the Member States. It adds no value whatsoever. Face the facts: the Commission's study makes it clear that there are huge differences between what we consider to be a service of general interest in Finland, for instance, and what is considered to be a service of general interest in France. This debate is a smokescreen for monopolies and for protectionism. That to me is completely anti-European.

Finally, I wish to second what my Polish colleague Mrs Handzlik said. What is the right solution? It is clear that we must have a sector-specific approach. We have to go sector by sector, focus on cooperation and have clear priorities: healthcare, postal services, water and gas services and so on, but without a directive. Let us stay clear of it.

**Roselyne Bachelot-Narquin (PPE-DE).** – (FR) Mr President, fellow Members, you usefully referred, Mr Barroso, to the four basic principles that need to guide our thinking about services of general interest. Paradoxically, it might be thought that you have reopened the debate on the need either to have a framework directive on services of general economic interest or to choose sectoral initiatives in relation to social or health services.

The vote on the Services Directive altered the parameters in favour of the second solution since the real dividing line lies not between services of economic and non-economic general interest but – within services of general economic interest – between social and health services and other services. This development was reinforced by the detailed and legally painstaking work done by the rapporteur, Mr Rapkay, and our colleague, Mr Hökmark, who constructed a legal bridge between the Services Directive and the sectoral instruments.

Indeed, a framework directive on services of general economic interest raises three difficulties. Firstly, the Treaty on European Union offers no legal basis, as has been pointed out on many occasions. Next, this directive would be incompatible with the scope of the Services Directive, as voted on at first reading on 29 May. Finally, it in no respect meets the need for legal certainty expressed by the players and, at the same time, it threatens the subsidiarity called for by Member States and local authorities.

Whatever the instrument selected and the ideological choices that will help determine the option we choose, these are not what matter in the end. The work of legal clarification needs to be continued in the field of social and health services of general interest. That, Mr Barroso, is the practical problem faced by the actors on the ground.

**Eoin Ryan (UEN).** – Mr President, this is an extremely interesting debate. As you know, the Commission published a White Paper on the issue, recommending that a framework directive be put in place to cover services of general interest. However, I do not agree with that approach; I believe that we should support regulations governing specific economic sectors. I would certainly agree with the idea in principle, but I believe that an overarching directive would cause enormous confusion in the debate, especially in the debate in Member States. It could lead to hysteria if people do not understand exactly what it means.

That is why I believe we have to be far more specific and look at the directive sector by sector, at the existing providers of services. What we are trying to do here is improve services for the citizens of Europe so they will understand exactly what has been proposed; so that consumers will not be frightened that a directive which comes from Europe could privatise or undermine existing services within their country. It is very important to approach this with clarity so people can understand exactly what has been proposed by both the Commission and Parliament.

The EU has competence over matters such as telecommunications, transport and energy, but it does not have competence under the EU Treaties to legislate in a broad capacity on matters governing the operation of social services, health and education within the different Member States. The debate boils down to the powers of the EU institutions versus the competence of Member States. We must be very careful with regard to that issue.

It surprises me that some Members are against that, whereas they are very much in favour of tax harmonisation between Member States. To my mind that seems to contradict what they are saying in this debate. I do not believe in tax harmonisation. I believe that Member States should control their own tax systems. That would encourage competition within the Union.

**Jean-Claude Martinez (NI).** – (FR) Mr President, Mr Barroso, fellow Members, education, health, postal services, water and transport are at the heart of a society's life. What is essential to the management of public services designed to benefit the public is a public legal system.

It is in Europe that countries like France have invented this cooperative method of administering the shared dimensions of what is owned by society as a whole. This is precisely a time when this intelligent technique for making services generally, indeed universally, available could inspire audacious solutions to worldwide problems in relation to water, basic medicines, education and all the shared dimensions of what is owned by the world as a whole, yet the European Commission is reducing the scope of this tool for guiding human societies, if not actually destroying it.

This mess consists in the destruction of what had worked for a century, and behind it is the belief that the market is supreme, that knowledge is its prophet and that all services need to be privatised, as the World Trade Organisation wants to see happen. Such services include those in support of our own sittings – organised by ourselves in the European Parliament as a social squat in which 300 people work without social papers.

Mr Barroso, beyond the technical problems explained by our fellow Members, such as Mr Désir who spoke just now, the problem is a cultural problem and a problem of choice. Either we manage human societies according to the law of the market, which is to say the law of the jungle, or we manage them according to the law of reason.

Mr Barroso, do you want to continue in this haphazard manner, forever lauding the market while courting the International Monetary Fund one moment and the WTO the next, or do you want to sit down quietly and deal in reasonable terms with problems amenable to reason?

**José Manuel Barroso, President of the Commission.** (FR) I should like firstly to say to you, Mr President, fellow Members, that I have greatly valued this debate. I have found it really very interesting and I believe that it will be extremely useful. We have not wasted our time, and I have been able to construct a much more specific idea both of your feelings on the subject and of the consequent difficulties in taking the matter forward.

In point of fact, the debate has confirmed the ambiguities that remain and to which a number of you have referred. The Rapkay report is obviously wise and intelligent and seeks to establish a balance. It is also the case, however, that it does not fully engage with a number of issues, and this ought, moreover, to give you a better understanding of the difficulties that the Commission has experienced for years in defining the matter and supplying more precise definitions. That is because this is a complex matter. Let us acknowledge the fact. Even considered in a specific spatio-temporal framework, the issue is a difficult one because it involves reconciling principles that sometimes appear contradictory. That is the way it is when it comes to the principles of the internal market and of competition – principles that are essential to our Community, that are inscribed in the Treaties and that the Commission is – let us be clear - absolutely obliged to respect, as it is obliged to respect the principles of state intervention and of the general interest.

If, however, the issue is already difficult in itself, it proves to be still more complex when placed in the developing context of space and time. As a number of you have emphasised, the fact is that time constantly moves on, what with structural changes to our markets, increased pressure from international competition and major technological change. In territorial terms, too, the situation varies a lot from one Member State to another, and there may indeed be big differences between levels of intervention at national, regional and even local level. The issue is therefore extremely complex, which is why it is so difficult, or even impossible, to come up with a standard response according to the 'one size fits all' principle.

Does that mean that nothing can be done at European level? I do not agree. On the contrary. How, though, are we to approach the matter? Let us look first at what must not be done. I believe that there are two extreme approaches that must be avoided at all costs. The first consists in saying that services of general interest fall completely outside Europe's remit. They are none of its business. That is not the case. Services of general interest are, in fact, our business because they are at the heart of our social model, and we want to preserve them. Europe therefore has something to say about the matter.

The other radical approach consists in saying go ahead and regulate matters, as it will enable us – and people have been quite candid about this – to resist what is stated in the Treaties, the idea being that the Treaties tend rather to focus on liberalisation whereas the time has now come to question that perspective by enacting regulations opposed to the rules of the single market and of competition. That is something that we cannot accept. The single market is our great strength and one of the great successes of European integration.

If, however, we avoid these two extreme positions – which is to say that of absolutely minimum European intervention and that of a very high degree of intervention to offset the effects of the market - what can we do? Having followed this debate, I think that the principles that I stated at the beginning and to which, moreover, the Rapkay report refers provide us with the solution. I would therefore put the following suggestion to you, ladies and gentlemen. Instead of focusing on an abstruse debate on the usefulness or otherwise of a framework directive about which, as the debate has shown, there is obviously no consensus, why not focus on the substance, as the majority of Parliament seems to want to do? What is the agreement about? It is about subsidiarity, the desirability of which we all accept. I believe that the national and local levels should be respected where this subject is concerned. Compatibility between the internal market and the public interest must be ensured in every case where an apparent contradiction is noted.

Moreover – and this is, in my view, perhaps the most important point – there is the issue of what are the essential features of public services. We all want them to be of high quality, to have a good quality-price ratio and to be accessible to all. The need to modernise public services can therefore be accepted as a matter of principle, but without forgetting these essential factors. Finally, mention must be made of the need for increased legal certainty.

Having met the various groups and heard the speeches by Mr Rapkay, Mrs Thyssen and many others, I think I can say that, if we agree about these four points, we do have a basic consensus on this matter and prospects for compromise. I think it is possible to take this matter forward while sticking to those principles of ours that define our European model: those of the internal market, respect for the rules of competition and defence of the general interest. The communication we shall present will be along those lines, and I believe that the debate and my presence in this House today will help us fine-tune our ideas. We shall propose something that will demonstrate that we have made progress in our thinking and, I hope, in our decisions concerning such an important subject that is at the very heart of what matters to Europe and to our fellow citizens.

*(Applause)*

**Robert Goebbels (PSE).** – *(FR)* Mr President, I believe we are all more or less in agreement with what Mr Barroso has just said. He is promising us a communication. We are waiting impatiently for it. But can the President tell us whether he will be asking his services to propose legislative texts as well so that Parliament can at last debate them as co-legislator?

**José Manuel Barroso, President of the Commission.** *(FR)* Mr President, what I can say at this stage, having listened to the various views expressed, is this.



As I said, we will by the end of the year be presenting a communication that will be an advance on previous thinking.

So far as legislative texts are concerned, it seems to me that the debate has made it clear that we are a long way from a consensus on a framework directive. Having said that, there will of course be legislative initiatives for different sectors. Having said that, too, I think we need to give some thought to what can be done on a more general level; I and my services will be doing so – after all, the Commission is not just a set of services, the College and the President have ideas too. I cannot at this stage say what our proposal will be, but – and now I am anticipating without committing the Commission, because it is a question I have to put to the College myself – it seems to me from the debate that it would be possible to adopt an approach combining the principles we have mentioned here, taking into account the need that many of you have voiced to avoid splitting Parliament and Europe today on the appropriateness of regulation, especially where the principle of subsidiarity is involved.

I believe that is possible and I would like to conclude with a comment of a political nature. I am speaking to you as the convinced Europeans you are. If we want to make progress on this dossier, it is essential that we avoid the polarisation we had with the services directive. Just as Parliament and the institutions managed to find a positive political balance on that directive, it seems to me that we need the same kind of approach for this question. If we become split between two extreme positions over whether or not there should be overall regulation of the issue, I think we will be heading towards a confrontation that will not be in the overall interests of Europe as we understand it.

Let us therefore concentrate on the substance. There is after all enough in the Rapkay report that we agree on. Then we will find a solution on the decision-making instruments.

**President.** The debate is closed.

The vote will take place on Wednesday at 12 noon.

#### 4. PROGRESS (debate)

**President.** The next item is the recommendation for second reading of the Committee on Employment and Social Affairs on the Council common position for adopting a decision of the European Parliament and of the Council establishing a Community Programme for Employment and Social Solidarity – PROGRESS (06282/3/2006 – C6-0272/2006 – 2004/0158(COD)) (Rapporteur: Karin Jöns) (A6-0300/2006).

**Karin Jöns (PSE), rapporteur.** – (DE) Mr President, Commissioner, ladies and gentlemen, a happy outcome is worth waiting for; we will, today, be adopting the European Union's biggest-ever action programme in the fields of employment and social policy. As its name indicates, PROGRESS stands for progress and social solidarity, and that is why this House saw it as important that it should be rolled out, as planned, at the beginning of January 2007, and that is what we are, by this vote, going to be able to do, now that the Council has accommodated our wishes.

I therefore want to thank all those who have played a part in making PROGRESS what it now is, namely a really comprehensive and, above all, well-funded strategic instrument that really can put the fight against unemployment, poverty and social exclusion on a more sustainable footing.

I must, though, also reiterate my thanks to our budget specialists from all the groups, who, in the triilogue negotiations, had a hard-won fight to get PROGRESS' funding increased by almost 20%, which amounts to doing the impossible.

It was, in the past, repeatedly lamented that the previous multiannual programmes – which addressed the labour market, social integration, anti-discrimination and equality of opportunity – would not be enough to actually push through our social agenda in the way it had been planned for, that is to say, to facilitate a real and rapid exchange of political approaches, concepts and measures among the Member States and to bring them together in developing further indicators and more effective measures.

It was agreed that what was more needed was an exchange that was organised differently and better structured, together with more rigorous cooperation, and it is precisely this approach that PROGRESS takes, and it does so by not merely bringing the existing programmes together, but also by improving the structures of cooperation and involving policy-makers at all levels. This, for example, involves the

promotion of networking and mutual learning not only at the European level, but also across borders, and at the national, regional, and local levels.

I am very glad that we eventually managed to persuade the Commission and the Council to continue fostering cross-border sharing of experiences, for where else are we going to get the European added value for which we are constantly crying out? In order, though, to circulate more rapidly the results of studies and analyses, experience gained and best practice, there will also, in future, be a forum tasked with the evaluation and implementation of the social policy agenda, which will also be involved in the further development of strategies and the setting down of new priorities.

I also see it as vitally important that we succeeded in giving the social partners and non-governmental organisations a considerably bigger role than the Commission had originally envisaged, so that they are now involved in the constructive monitoring and further development of the strategies rather than being limited in their functioning to merely pursuing the European objectives.

We have also extended Parliament's influence, in that we are fully involved not only in implementation but also in evaluation, with, for the first time, the Commission's reports on implementation being sent not only to the programme committee but also to us.

Finally, I would like, in particular, to thank Commissioner Špidla, without whose support we would not have managed to incorporate in all language versions the concept – which is in fact more than a mere concept – of gender mainstreaming, as satisfactorily as we have now done.

**Vladimír Špidla, Member of the Commission.** (CS) Mr President, ladies and gentlemen, the June agreement on the financial perspective raised hopes for a rapid and successful conclusion to the negotiations on the Community Programme for Employment and Social Solidarity – Progress, which is the main political instrument for supporting the implementation of the ambitious objectives that the Union set itself in the Lisbon Strategy. Reality has borne this out. Today you are preparing to announce the decision on which this programme is based.

I should like to take this opportunity to thank, in particular, the members of the Committee on Employment and Social Affairs for their outstanding work and for their efforts throughout the negotiation process. I should especially like to thank most warmly Mrs Jöns, Parliament's rapporteur on these matters, along with all of the shadow rapporteurs, without whom it would not have been possible to reach such a positive conclusion.

This text uses concepts based on the agreement reached between the institutions. The questions that Parliament raised in 2005 when it assessed the proposal at first reading have been taken on board. The distribution of the budget between policy areas relating to our programme meets your expectations. We have responded to your desire for greater prominence to be given to the area of gender equality. This has also been the case with social inclusion and social protection. Parliament will be closely involved every year in voting on the sums needed to implement the actions arising from the programme. This was a point on which Parliament and the Commission share the same opinion. We both believe that this must be done in a completely transparent way. I am pleased to note that the Council has finally adopted this approach, which also paved the way for the negotiations to reach a speedy conclusion.

Lastly, I should like to thank the Members of Parliament, whose efforts and determination have helped bring about this excellent outcome.

**Robert Atkins (PPE-DE).** – Mr President, can you explain or give any good reason why the votes have been arbitrarily postponed to 11.40, when previously they were announced for 11.30? There was no need to start this debate at the time it did start. Yet again, the administration of this Parliament is putting the convenience of the Presidency before the interests of Members. It is not good enough.

**President.** The debate is continuing because of delays in the voting process.

**Jan Andersson, on behalf of the PSE Group.** – (SV) I do not wish to prolong this debate by much. First and foremost, I would like to offer particular thanks to Mrs Jöns, who has done some outstanding work on the *Progress* programme. Her work has made it possible for us to quickly achieve a solution and for this solution, in contrast to what happened on the last occasion, to come into effect very quickly indeed. *Progress* is an important programme, a combined programme for dealing with employment and social issues, promoting equality and combating discrimination. We have backed this idea of a combined programme. One of the solutions was for us here in the European Parliament to make efforts to have

more money appropriated to the programme within the framework of the long-term budget, since this is a matter relating to the social Europe about which we so often speak. The agreement to provide more money for the *Progress* programme also facilitated agreement about the programme as a whole. There was a certain degree of discord in relation to the issues of equality and social integration, but these issues have since been resolved. These areas of the programme have received extra resources in order to provide greater equality, social integration and social protection. This has not been done at the expense of other areas. Resources have instead been taken from the reserve. I believe that this will be a very good solution and I believe that *Progress* will play a role in the construction of the social Europe of the future. I would like to thank Mrs Jöns once more for her excellent work.

*The debate on the item was suspended for voting time. It was to be resumed at 9 p.m.*

#### IN THE CHAIR: MR COCILOVO

*Vice-President*

### 5. Voting time

**President.** The next item is the vote.

*(For details of the outcome of the vote: see Minutes)*

#### 5.1. Housing and regional politics (vote)

#### 5.2. Housing and regional politics (vote)

#### 5.3. Request for the defence of Jannis Sakellariou's immunity (vote)

#### 5.4. Media and development (vote)

#### 5.5. The European dimension of school teaching materials (vote)

*Before the vote:*

**Christopher Beazley (PPE-DE), rapporteur.** – Mr President, I have a very brief textual clarification, which refers to paragraph 1. The final clause reads: ‘... to prepare them’ – that is to say school students – ‘for their roles as future citizens and as members of the European Union’. I propose that we delete the word ‘future’ so that it will read as follows: ‘... to prepare them for their roles as citizens and as members of the European Union’.

*(The oral amendment was accepted)*

#### 5.6. Cleaner air for Europe (vote)

*(The sitting was suspended at 11.55 a.m. and resumed at 12 noon)*

#### IN THE CHAIR: MR BORRELL FONTELLES

*President*

### 6. Formal sitting – Liberia

**President.** Madam President, the European Parliament is delighted to welcome you to its plenary sitting, and it is an honour for me to welcome the first woman to be elected President of an African country, as well as the delegation of Ministers and Members of Parliament accompanying you.

*(Applause)*

I must tell my fellow Members of the European Parliament that the President's delegation contains more parliamentarians than ministers.

I would like to remind this House that you were also the first woman to become Finance Minister in your country in 1979, 27 years ago now.

Unfortunately, your country suffered a coup d'état in the following year. In 1980 there began a quarter of a century of violence in Liberia, a 14-year civil war, the systematic plundering of the country's resources and a mass violation of the human rights of its inhabitants.

The results of this horrendous and long war – as long as the old religious wars of Europe – could not have been more tragic: 250 000 victims in a country of three million people – almost 10% of the population. A million people had to leave their homes – some of whom are now returning – and there was a mass rape of women – more than 25 000. During that era, three quarters of the population were 'living' – if it can be called living – on less than one dollar per day, and up to 85% of the population were unemployed. In other words, there was no economy in the sense that we understand it in the developed Western societies.

Madam President, under those circumstances it cannot be an easy task for any politician to take on the presidency of a country.

Our Parliament is delighted with the role that the Economic Community of Western African States (ECOWAS) played in the peace talks in 2002 that led to the presidential elections that you won last November.

The European Parliament sent observers to those elections, and the head of the delegation, Mr van den Berg, made it clear in his report that, despite a few small incidents, the elections had taken place in accordance with the rules governing them.

We are therefore receiving you today as a symbol of the rule of law, of peace, of democracy, of women's rights and of the fight against corruption and impunity.

If you read the President of Liberia's biography, you will see how often she has resigned from her posts because she disagreed with the ways governments were tackling the problem of corruption in her country.

You will also remember that last April, here in plenary, I had the opportunity to express my satisfaction at the arrest and extradition of Charles Taylor, which the European Parliament had called for in various resolutions and which were finally carried out at the request of the President. This represents progress in the fight against impunity for war criminals throughout the world. It is therefore something that we welcome, and I wished to say this today while you are here.

After so much suffering, we want to offer you our support.

It is good that the guns have fallen silent. As soon as the guns fall silent, however, the task begins of reconstructing the country – a task that is of less interest to the television cameras – and the danger is that it may be forgotten now that the battlefield has been abandoned.

This would not be the first time that, having found peace, a society has not found the road to reconciliation and the economy has not found the road to development. In travelling along that road, Madam President, you will find that Europe will be there to help you in order to ensure that Liberia continues to be that symbol of liberty that it was at its birth.

Our hope and desire is that you can build a future of hope for all of the people of your country which will serve as a symbol for the whole of Africa.

You have the floor, Madam President.

*(Applause)*

**Ellen Johnson Sirleaf, President of the Republic of Liberia.** Mr President, honourable Members, it is with a deep sense of gratitude that I and my delegation join you today on the occasion of your formal sitting. On behalf of the Government and people of Liberia I extend warm greetings and felicitations to you, honourable Members, and through you, to your respective governments and peoples. I am honoured by the opportunity to make a few remarks.

It has been barely eight months since the full responsibility of rebuilding post-conflict Liberia was passed over to us, following our victory during the democratically held 2005 elections. We accepted the responsibility fully aware of the magnitude of the challenges that our country faces after 14 years of civil war and destruction. The damage and negative consequences have been enormous, deepening the state of poverty throughout the country. Today, GDP per capita at USD 163 (2005) represents a 90% decline as compared with the pre-1980s pre-war levels due to sanctions and cutbacks in activities in productive sectors such as agriculture, forestry and mining.

Exports declined similarly by over 95% for the same period. Our huge external debt estimated at USD 3.7 billion represents 800% of GDP and 3000% of export earnings while domestic debt and non-salary arrears are estimated at USD 700 million. Our budget, just passed recently, at USD 129 million, although increased by over 50% from the previous fiscal year still accounts for less than 30% compared with two decades ago.

When we took office there was no electricity and no water. Schools and clinics had crumbled, roads were impassable. Institutions of governance had completely collapsed and corruption was rampant. HIV/Aids rates had soared. Few children were in school and many were dying of curable diseases. Today, well over three-quarters of our people live below the poverty line of USD 1 per day. An overwhelming majority of those people, mainly the youth, are either unemployed or employed in the informal sector.

Yet, I am pleased to tell you, Liberians are resilient people. For even after everything they have endured, the people of Liberia have faith in new beginnings. They are counting on me and our administration to create the conditions that will guarantee the realisation of their dreams.

Their dreams are not complicated. They just want the simple things that most people take for granted: to live their lives in peace, get a good education and to be able to provide for their families. Those things are not too much for Liberians to dream about.

But time is pressing. As you all know, the risks of regression to war in post-conflict societies is high when the government and the international community are not able to make strong efforts at key moments and sustain them over time.

Liberia today is at one of those key moments. Our efforts, joined by those of our partners over the next few months, the next year and beyond, will determine the future course of our nation. If we wait too long to introduce the policy changes and reforms that are needed, or if our international partners wait too long to ramp up its support, then we may lose the best chance Liberia has had in a generation to end the conflict permanently and build the foundations for growth and prosperity. We cannot afford to let that happen.

*(Applause)*

We must quickly consolidate the potential dividends of Liberia's hard-won peace and arrest the economic and financial haemorrhaging. We must respond to the deep wounds of the civil war, and enhance national governance, while quickly introducing new measures of structural reform. We must base our approach on the core principles of democracy, accountability, free enterprise, good governance, respect for human rights, and equitable distribution of our natural resources.

So with everything said and done, what must we do first? Poverty reduction strategies are at the core of both averting a return to conflict and establishing the foundation for sustained development. We are basing our strategy on four pillars of reconstruction and development.

The first pillar is enhancing security and consolidating peace in our country. Without peace and security there can be no development or prosperity. We must redouble our efforts to train our forces, not just in security matters but also in being accountable to the people. Our security forces over the years have been quite corrupt and largely dysfunctional. They have lacked the trust of the population and have been used to terrorise the population and to intervene in political processes without respect for due process or law. We want to change that. We must develop a clear national strategy that will take into account the gradual withdrawal of UN peace-keeping forces.

We have already started the process. We have completed the deactivation of members of our armed forces and are well on the way in recruiting a new army comprising 2000 soldiers to be adequately trained and well equipped. With the strong help of UN agencies and other partners, we have facilitated

the return of 70 000 refugees and 50 000 internally displaced persons since the inauguration. Our police force and other security units are being restructured and trained. It is important that we find the means to resettle them in productive endeavours.

Second, we need to revitalise our economy. We need to focus strongly on agriculture, both in food and cash crops with emphasis on the rehabilitation of our traditional rubber industry. We also expect rapid growth in our forestry, mining and other natural resource-based industry, based upon policies that aim at creating an investment climate that will encourage investment in activities in which Liberia can compete internationally. These activities will create jobs to tackle the 80% unemployment which we face, particularly among our youth.

Towards this end, we cancelled all non-compliant forestry concession agreements and are in the midst of establishing a new concessions framework for our natural resource products, to ensure the strong growth of these sectors. We have taken an aggressive stance in collecting revenue owed to the government, and already revenues have jumped by over 20%. We have reached agreement with the International Monetary Fund on a Staff Monitoring Programme, and by all accounts our performance to date has been strong. We are concluding our Interim Poverty Reduction Strategy which articulates priority interventions over the period July 2006 through December 2007. This builds upon our 150 day Action Plan under which 70% of our desired results were achieved.

The third element of our vision is improving democratic governance. The over-concentration of power and a closed political system bred corruption, restricted access to the decision-making processes, limited the space for civil society participation in the processes of governance, and fuelled ethnic and class animosities and rivalries over time. We are working through statutory and policy changes to revise these constraints on democracy and development.

We are determined to fight corruption, which has eaten away the fabric of our nationhood and society. We are well along the way to developing a strong anti-corruption strategy and a supporting legal and regulatory framework. Our weak judicial system is under reform and being strengthened. We are working towards decentralising decision-making and allocating appropriate resources to county and municipal governments to support their own identified programmes and projects. We are placing emphasis on empowering the people, especially the poor and vulnerable, to become participants in the development process.

*(Applause)*

The fourth and final pillar of our agenda is revitalising our social and physical infrastructure. Education is central to renewal and reconciliation. Our vision of education for all – young and old – demands that we enforce the policy of full universal primary education and introduce literacy programmes in communities throughout the country with our resilient market women as key targets.

*(Applause)*

We recognise that no nation can develop under conditions of a 70% illiteracy rate. We must respond particularly to our war-affected youth, providing them with opportunities for school and skills training programmes.

We must also rehabilitate health facilities that have been partially or completely destroyed. Only 10% of our population today has access to healthcare. This must increase to at least 50% within the medium term. We must confront the growing HIV/AIDS problem, and fight malaria, parasites, malnutrition and other diseases that kill so many of our children.

Our roads are in a terrible state. Without a decent road network it will be nearly impossible to consolidate security, encourage new economic activity and strengthen local governance. We must also improve other social infrastructure, such as water and sanitation facilities. In what we consider one of our most important achievements, in July of this year we were able to turn on electricity and water to parts of our capital city, Monrovia, for the first time in 15 years.

*(Applause)*

We are proud that we were able to achieve in six months what previous governments had failed to do over so many years. We should like to thank the European Union through the European Commission for all they have done to support us in these first beginnings. But that accomplishment is just a beginning.

Our mission is to make the Liberian Government work again and be more responsive in delivering quality services to the Liberian people. The associated challenges are so daunting and the needs and expectations of our people so massive that our Government cannot satisfactorily respond by itself. There is a critical need for forging and building strong strategic partnerships. To this end, let me use this opportunity to express our deep appreciation for the continued assistance we have received over the years from the European Community collectively as well as from individual Member States.

*(Applause)*

The Government and people of Liberia appreciate this concerted support and we are keen to harness it for the recovery, reconstruction and development of our country. We take interest in the ongoing reforms within European Union development assistance to African nations, as well as the new European consensus on development towards poverty eradication. It is our desire to work with our colleagues to conclude the ongoing Economic Partnership Agreement negotiations, bearing in mind the need to arrive at a consensus on bringing into an equitable balance the development imperatives usually derived from such partnership agreements. Furthermore, the anticipated European Development Day celebration will no doubt enhance the content and results of your partnership with our countries. We welcome this innovative initiative and look forward to its good results.

In summary, we are off to a good start. For that we are grateful to the Liberian people and to the international community, including the European Union and the European Commission, which are key partners in this regard. It is just a start. In the next few months, we will be engaged in serious planning for our Partnership Conference, which is to take place in the first quarter of next year, and in developing our medium-term poverty reduction and growth strategy. We will continue our strong start in the budgetary process and adopt appropriate fiscal regulations with the GEMAP framework.

But it is critical that in the next few months Liberians begin to see steady, tangible progress. I would like to ask all our partners to work closely with us in the next few weeks so that we can make sure that the many activities that need to be implemented during the upcoming dry season are ready to go on time. We cannot afford to waste any time, and in many projects we need to speed the process of disbursement and implementation. We specifically ask for your support for this objective through the European Commission.

I also want to make sure that we do not face gaps in critical support during the transition between our emergency programmes winding down and longer-term development programmes getting started. In too many countries, this transition does not go smoothly and critical momentum can be lost.

Finally, I want to make sure that the efforts of Government and partners are fully synchronised and harmonised. To best prepare for the Partners Conference, we need to make sure that partners are supporting the most important initiatives, that there is not undue overlap and duplication, and that together with both strong planning and rapid and effective implementation we can be assured that we will take advantage of this critical moment in Liberia's history to put the conflict to rest and speed the process of reconstruction and development.

We are glad that our nation has been blessed. Liberia is not a poor country, but a country that has been poorly managed. We are committed to change that; to pursue those goals that will move us from the crisis of the past to the opportunity of the present. We are committed, as a people, to build a new Liberia from the ashes of an old turbulent past to a future of hope and promise. We are committed to strategic partnerships based upon mutuality of respect and benefits. We thank you all, collectively and bilaterally, for the support provided so far. We thank you, President Borrell Fontelles, for the opportunity of being here and we look forward to working with each and every one of your countries in the coming months and into the future. Thank you.

*(The House rose and accorded the speaker a standing ovation)*

**President.** Madam President, I would just like to thank you briefly for your words.

I am sure that your presence here in the European Parliament and the words that you have addressed to us will help to make the whole of Europe fully aware of your country's problems and to commit itself to development in Africa.

We are all aware of the extent to which Europe is now concerned about immigration from Africa and we all know that it is only by overcoming the problems that you have described that we will be able to establish the relationship of cooperation that you have talked about today.

Thank you very much, Madam President.

*(Applause)*

*(The formal sitting was closed at 12.30 p.m.)*

## **7. Voting time (continued)**

**President.** We shall resume the vote.

### **7.1. 2004 discharge: Section I European Parliament (vote)**

**IN THE CHAIR: MR COCILOVO**

*Vice-President*

### **7.2. European Quality Charter for Mobility (education and training) (vote)**

### **7.3. Key competences for lifelong learning (vote)**

### **7.4. Thematic strategy on air pollution (vote)**

### **7.5. Thematic strategy on the urban environment (vote)**

*Before the vote:*

**Gyula Hegyi (PSE), rapporteur.** – Mr President, I should like to request a roll-call vote for the next two amendments, Amendment 3 (paragraph 7) and Amendment 4 (paragraph 25), because those amendments are totally against the spirit of my report.

**Renate Sommer (PPE-DE).** – *(DE)* Mr President, as I see it, it is fundamentally wrong to demand roll-call votes immediately before we proceed to vote. Although we have no fears when it comes to appending our names to this, I do see this as setting a precedent, and therefore believe that there are fundamental reasons why it is wrong.

*(The request was not accepted)*

### **7.6. A European Qualifications Framework (vote)**

**President.** That concludes the vote.

## **8. Explanations of vote**

- Report: Mavrommatis (A6-0264/2006)

**Jean-Pierre Audy (PPE-DE), in writing.** – *(FR)* I voted in favour of the excellent report by Mr Mavromattis on the important subject of relations between the media and development. Enshrined in Article 19 of the Universal Declaration of Human Rights adopted by the United Nations in 1948, freedom of expression and information is recognised as a fundamental right. Freedom of the media is essential to the good governance of public or private bodies and contributes to the achievement of the Millennium Development Goals of creating a safe, poverty-free world by 2015.

Freedom of the media is essential to access to knowledge and to transparency and it must be entirely independent. It makes a great contribution to combating ignorance, that ancient scourge of humanity, and it prevents corruption. Although I regret that the issue of the responsibility of authors, holders, users



and distributors of information has not been better incorporated, I welcome this report's significant contribution to freedom, peace and democracy in the world.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV)** In his report, the rapporteur discusses the important role played by the media in a country's development. A democracy requires freedom of expression and of the press. Good access to the media for all groups in society is also required if a society is to function well.

There are, however, some elements in the report to which we are strongly opposed. Clearly, we remain solidly behind our view that aid should not be managed at Community level. It is a matter for the Member States. Moreover, the EU should likewise not be carrying out information campaigns within the Member States.

On the whole, however, we believe that the content of the report is sound. We have thus voted in favour of the report in today's vote.

**Daniel Strož (GUE/NGL), in writing. (CS)** I should like to comment on the Mavrommatis report, on which we voted without holding a debate beforehand. Although it offers a series of indisputably interesting ideas and conclusions, the report contains a great deal of empty, superfluous waffle that not only fails to reflect what is actually happening in EU Member States but also fails to contribute towards solving the problems that the Union should be addressing in this area.

I should also like to highlight the fact that in some Member States there are no media that one might remotely call independent or professional. The media in those countries are categorically not a 'vital and fundamental process for human development', to quote the words of the report. In the Czech Republic, for example, the media are merely components of the market and clearly an instrument of political manipulation used to misinform the public. It is no secret that the key media in the Czech Republic belong to foreign concerns and that the regional press belongs to a German publishing company.

One characteristic feature of this state of affairs is the marginalisation of, in the main, left-wing opinions, the treatment of whole sections of the population as criminals and pariahs, and the downgrading of the role of journalists to that of mere hired hands, who are forced unquestioningly to respect and defend the editor's political platform. There are no restrictions applying to editors in respect of the concentration of media power.

The empty lip-service that is paid to ethics and humanity is clearly deeply naive and tantamount to turning a blind eye to the real problems facing the media sector in the EU.

#### - Report: Beazley (A6-0267/2006)

**Tomáš Zatloukal (PPE-DE). – (CS)** I supported the Beazley report on support for initiatives to complement national school curricula providing appropriate support measures to include the European dimension. It is clear that the inclusion of European history, shared cultural heritage and a grasp of European current affairs must go hand in hand with the development of other areas such as support for multilingualism. I welcome the fact that Mr Beazley mentioned the education portal European School net and its activities. I should also like to highlight the eTwinning project, which is charged with linking up educational institutions from different European countries in order to set up joint projects. Over 17 000 European schools have signed up to eTwinning. This own-initiative report is a good way to help Member States incorporate European topics into their education systems.

**Jean-Pierre Audy (PPE-DE), in writing. – (FR)** I voted in favour of the excellent report by Mr Beazley on initiatives to complement school curricula providing appropriate support measures to include the European Dimension. In terms of European construction, everybody knows how crucial it is to instil a European culture amongst the citizens, particularly young people: it is essential to the success of the European project in terms of creating a humanist civilisation. In addition to learning languages, the history and geography of the European Union should, together with the arts and citizenship, be disciplines whose European dimension should be brought to the fore. I entirely agree with this report's suggestions, particularly on involving teachers with incorporating the European dimension into education. I believe that there should be a similar process for universities and for lifelong learning.

**Ilda Figueiredo (GUE/NGL), in writing. (PT)** Whereas, on the one hand, we accept that there are differences between and within the Member States as regards the inclusion of the European dimension

in education, and that, given the crucial importance of languages, the COMENIUS and LINGUA programmes should be awarded more substantial Community funding, we disagree, on the other hand, that there is a single vision of so-called European history and values.

Each country has its particular characteristics and each people its own history, and yet even this can be viewed from different angles depending on one's perspective.

We feel that Europe's richness comes from its diversity of its cultures and languages, and this is something that must be preserved. Any standardisation must be avoided.

Accordingly, although the report highlights some positive points as regards language and other skills, following up previous reports and existing Community programmes, we are opposed to any attempt at standardisation to which it might lead. Hence our abstention.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV)** The June List has previously pointed out in the European Parliament – and now does so again – that the Member States have sole responsibility for the organisation of teaching and the content of education systems. The European Parliament has previously stated that, amongst other things, it wishes to get involved in language teaching and the adjustment of education systems to areas such as new technology and digitalisation. Now it is the European dimension that is to find its way into curriculums.

How is the European dimension in the common history and cultural heritage of Europe to be defined, however? And by whom?

We must act in accordance with the principle of subsidiarity. It is for the Member States themselves to advocate democracy and tolerance in Europe when devising their school curriculums and addressing their citizens. These matters must not be regulated at EU level.

We have therefore voted against this report.

**Timothy Kirkhope (PPE-DE), in writing.** This own-initiative report does not seek to interfere with national competences regarding education. Essentially, this report seeks to ask for clarification as to what is the 'European dimension'.

There are a number of programmes that exist for teacher exchanges and for students such as the ERASMUS/SOCRATES programme. However, in the UK there are large numbers of students who are not aware of these opportunities and the UK is falling behind other countries in sending students abroad.

Since the Labour government made GCSE languages non-compulsory, the number of students studying French and German this year alone was 14% less than in the previous year.

Due to the language of the oral amendment which is ambiguous, British Conservatives were not able to accept this report in its entirety.

**Bairbre de Brún and Mary Lou McDonald (GUE/NGL), in writing.** Our support for the Beazley report reflects our desire to see a strong emphasis on the teaching of languages to inculcate a culture of multilingualism within our education systems in Ireland. We also believe that all citizens should have access to detailed and unbiased information about the European Union and how it affects their lives.

Sinn Féin's support of the Beazley report (A6-0267/2006) 'The European Dimension of school teaching materials' should not be viewed as an endorsement of an increased role for the European Union in the education system of Member States. Education is a responsibility for each Member State and should remain so.

**Luís Queiró (PPE-DE), in writing. (PT)** The debate on the European dimension in schools could easily pass by unnoticed. Yet this is a debate that raises some fundamental issues.

We must not forget that any decisions we take in the area of education will have a decisive impact on future generations, and on their lives and their worldview.

I therefore feel that Mr Beazley's comments on language skills are extremely apt, and would reiterate that the European Indicator of Language Competence must not give the wrong idea: to foster the widespread learning of just a few European languages would be counterproductive.

It is vital that we promote other European languages outside Europe. This is a treasure trove of knowledge that the whole of Europe should be promoting.

In this regard, we should be following the example of certain countries such as Austria, Spain, Portugal and Slovenia. The European dimension has a well-established place in the education systems of these countries, and people are encouraged to learn European languages.

The European dimension in schools must not be neglected, especially in view of Europe's place in the world, the new challenges of economic growth that we face and the objectives of policies on cooperation with the rest of the world.

**Alyn Smith (Verts/ALE), in writing.** I congratulate our rapporteur on his initiative. Education is and must remain a Member State competence. Indeed, we in Scotland control our own education system and have for centuries. However, our rapporteur makes the very fair point that often our youngsters leave school ill-equipped to participate as citizens, and often know little about the EU or other governments which work for them. The steps set out in this report make interesting homework for teachers across the EU.

**Geoffrey Van Orden (PPE-DE), in writing.** While I support initiatives to enhance the study of foreign languages, to improve knowledge of the culture and history of the many European countries and to stimulate genuine debate about the nature of the EU, including its many fundamental flaws, I am strongly opposed to measures designed to inculcate support for the EU project of political integration and to construct some false identity of 'European' citizenship. The report confuses these various aspects. I therefore abstained.

- Report: Krahmer (A6-0234/2006)

**Richard Seeber (PPE-DE).** – (DE) Mr President, it is no doubt true that clean air is a crucial issue for all of us, and we also have to bear in mind the certainty of the expense resulting from poor air quality in Europe being higher than the implementation costs incurred by business and industry, but the derogations and potential extensions contained in the compromise document are too complex and likely to present serious administrative problems, and it is for that reason that the delegation of the Austrian People's Party has largely rejected these compromises. They also need to be considered in the light of 'better regulation', something that they cannot be said to achieve. It is for that reason that the whole package was largely worthy of rejection; we would prefer the Council position.

**Joseph Muscat (PSE).** – (MT) My vote with regard to the Krahmer and Corbey reports was in favour of higher levels for the quality of air and for stricter controls in this area. The main motive for my decision is the way Maltese and Gozitan citizens are at present being treated by the country's authorities. We are in a situation where not only are European standards not being respected, but people are not even being given the information they have a right to if they are to protect their health and the environment. A concrete example of this was the fact that it was only after an intervention on my part that the authorities publicly admitted that European directives regarding emissions from the country's power-stations were being breached. Moreover, we have reached the stage where the equipment which gauges pollution from the Marsa and Delimara power stations has not been functional for months after it was reportedly hit by lightning. The Maltese daily *l-orizzont* yesterday revealed that we are still not taking adequate measures, given that the new apparatus has not been purchased yet. This is not acceptable and it is incumbent on the responsible authorities and the European Commission to follow this breach more closely.

**Jean-Pierre Audy (PPE-DE), in writing.** – (FR) I voted in favour of the report by Mr Krahmer on the draft legislative resolution, at first reading, on the proposal for a directive of the European Parliament and of the Council on ambient air quality and cleaner air for Europe. This proposed directive is going to replace five different legal instruments and contribute to the 'better lawmaking' process, and that is a very positive step. Combating atmospheric pollution is a duty we owe to future generations and, in view of recent developments in science and health issues, it is perfectly natural to revise and simplify the current texts. We must welcome the efforts of transport manufacturers and firms that have applied rules that are sufficiently strict to meet the challenges facing us; not least the health of our fellow citizens. We must ensure that the Member States transpose the rules and apply them rigorously.

**Jens-Peter Bonde (IND/DEM), in writing.** (DA) We support common minimum standards for air pollution. The Directive has a solid enough legal basis in Articles 175 and 176, which state that the

Member States may retain or adopt provisions with a view to ensuring more extensive protection. However, Article 176 also states that such protection must be notified to the Commission, and must not be in contravention of the treaties. The limit values for air pollution may be in conflict with the internal market, for which reason we do not believe that a directive with Articles 175 and 176 as its legal basis is of itself a sufficient guarantee of the ability of the Member States to retain or adopt provisions with a view to attaining higher levels of protection.

We are nonetheless voting 'yes', as we find common minimum standards desirable, and we shall therefore be putting forward proposals during the second reading in Parliament providing a legal basis in the directive to safeguard the right of the Member States to adopt more stringent provisions and to make it clear that they have this right.

**Anne Ferreira (PSE), in writing. – (FR)** Clean air for the citizens, their health and their quality of life is a good intention.

Unfortunately, the report which we have just adopted is not up to the task.

This text falls short of World Health Organisation recommendations and lacks the necessary urgency.

PM2.5 are the finest particles and the ones most dangerous to the body; that is why the limit should not be more than 12 micrograms.

Moreover, the implementation periods, extending as they do to 2015, do not reflect the seriousness of the problem and it is unacceptable that there should also be exemptions.

I also deplore the fact that this first reading was the direct result of compromise between the political groups, preventing Parliament from working properly and locking us into a position that falls far short of our political objectives.

Lastly, this report does not reflect the ambitions we have nevertheless clearly expressed in environmental matters, both in the international arena and to the European public.

**Ilda Figueiredo (GUE/NGL), in writing. (PT)** The high level of air pollution in particular in urban regions and centres in the EU with high population density is, among other factors, responsible for countless respiratory diseases and for causing serious damage to ecosystems. Most at risk are children, the elderly and people living in the most populous cities or close to busy roads.

The pollution limit values put forward in the Commission's first proposal were a step backward in relation to what was agreed in 1999, that is to say, in Directive 1999/30/EC. In this regard, I particularly wish to highlight fine particulate matter limits (PM2.5), which are very high and which exceed those set by the World Health Organisation.

The proposals tabled by the Confederal Group of the European United Left/Nordic Green Left were unfortunately rejected in the debate in Parliament.

Accordingly, the document that has just been adopted is limited in scope, although it does contain some welcome proposals aimed at striking a degree of balance as regards combating pollution, albeit in watered-down form. Hence our abstention.

**Robert Goebbels (PSE), in writing. – (FR)** I abstained on the Kraemer report, the main parts of which are impossible for ordinary mortals to understand, including the legislature that is supposed to make the law. If Parliament wants to commit itself to ambient air quality, it should be content to set the broad principles and the general framework, leaving it to the experts to set the limits.

**Vasco Graça Moura (PPE-DE), in writing. (PT)** Ambient air quality is a vital factor in the health and quality of life of Europe's citizens.

This proposal is therefore of the highest importance. As part of the drive to simplify environmental legislation, it brings five of the existing provisions on air quality under one single directive. It also proposes more ambitious targets than the existing provisions.

We therefore endorse the introduction of new objectives for PM10 and, above all, the setting of target values for PM2.5, which is considered the most harmful particle matter to human health, but which is yet to be covered by European-level legislation.

We tabled a number of amendments introducing measures such as a five-yearly review of the Directive in order that the most up-to-date scientific findings can be taken on board, air quality guarantees, the exclusion of certain areas that we do not consider relevant because they have little public access or are already subject to proper checks, and, lastly, the simplification of roadside measuring criteria.

The Portuguese Social Democrat MEPs support the Kraemer report, with the above amendments.

**Sebastiano (Nello) Musumeci (UEN), in writing. (IT)** The high number of respiratory diseases and of human lives lost due to a high level of air pollution demonstrates the urgent and pressing need for another Community legislative measure on health protection that will further limit emissions that are harmful to humans.

The abnormally high percentages of birth defects in some industrial regions of the European Union are of particular concern.

The case of the Sicilian petrochemicals plants is typical: of the 13 000 babies born between 1992 and 2002, almost 1 000 have heart, limb and digestive tract defects, while the mortality rate among males with stomach cancer is 57% higher than the Italian national average.

In some urban areas, too, such as in the city of Messina, which absorbs traffic day and night in the form of vehicles leaving Sicily bound for the European continent and vice versa, the situation has become unbearable.

The Union for Europe of the Nations Group's position in favour of the Kraemer report is a further incentive for the fight against air pollution in Europe to be stepped up in the years to come.

**Frédérique Ries (ALDE), in writing. – (FR)** Air pollution is a major public health concern. For example, the fine particles given off by some human activities are thought to shorten European life expectancy by around nine months. In Belgium alone, nearly 13 000 people die prematurely every year as a result of particles given off by diesel engines in particular. All these respiratory diseases can be avoided and the legislators ought to send out a simple message: clean air for Europe necessarily means stringent pollution standards.

That is not the message the European Parliament has sent out today by adopting Holger Kraemer's report on the CAFE directive. I deplore the fact that in a matter of such importance to the public, the impact of pollution on human health, my fellow Members have lacked ambition, seeking in particular not to hit certain industries. I still hope that the European Parliament will rectify the matter at second reading, be more receptive to the arguments of environmental health experts and avoid the pitfall of setting standards that are not as strict as those in force today. With this vote, California has never seemed so far away.

**Bart Staes (Verts/ALE), in writing. (NL)** It is positively scandalous that today sees Parliament considerably weakening existing air quality regulations. For the first time, this House is even adopting a weaker position than the Council. Despite this, there is sufficient scientific evidence to suggest that fine dust particles in air pollution account for some 3.6 million lost life years, which translates into 348 000 premature deaths.

By 2020, air pollution caused by ozone and fine dust will cost Europe EUR 189 to 609 billion annually! This House's position is considerably less ambitious than the recommendations issued by the World Health Organisation, and those levels proved attainable in large cities in industrialised countries. What is worse, Parliament is offering Member States the opportunity of extending the number of calendar days during which the limit value for PM10 dust particles per calendar year can be exceeded from 35 days to 55, which is tantamount to burying your head in the sand. The USA, by issuing an annual limit value of 15 µg/m<sup>3</sup> for PM2.5 since 1997, has demonstrated that a stricter approach is feasible. The limit must be attained by 2010 at the latest. The State of California, incidentally, is taking matters even further, for a limit value of 12 µg/m<sup>3</sup> has been in force there since 2003. The European Parliament stands by its promise to attain 20 µg/m<sup>3</sup> by ... 2015! If the Council does not offer enough in the way of counterweight against this weakening measure, the Commission will have no choice but to withdraw the proposal.

- Report: Ferber (A6-0280/2006)

**Richard James Ashworth (PPE-DE), in writing.** British Conservatives note with approval the Court of Auditors' observation that progress has been made with regard to the integrity of the EU accounts. We are dismayed to note, however, that the auditors have indicated that there are continuing weaknesses in supervisory and control systems and we support the rapporteur's opinion that those weaknesses should be addressed as a matter of utmost priority.

With regard to the European Parliament's lease of the Strasbourg parliament buildings, we acknowledge and approve the fact that the report states that the parliament authority behaved correctly but that the City of Strasbourg had failed to act in good faith. However, we believe that the continued occupancy of two seats by the European Parliament represents poor value for money to the European taxpayer and, therefore, we can not support any proposal to purchase the Strasbourg parliament buildings.

For these reasons the British Conservatives have abstained on the final vote on the Ferber report.

**Robert Goebbels (PSE), in writing.** – (FR) I voted in favour of discharge, but I abstained on the resolution because the Committee on Budgetary Control insists on mixing issues that are real with those that are not. Parliament cannot change a seat established by treaty simply by adopting a resolution.

The Committee on Budgetary Control has got it all wrong on the question of the rents paid and the purchase price of the buildings in Strasbourg. In a market economy, it is impossible to speak of a fair rent because all rents and all purchase prices are negotiated between the owner and the lessee or the purchaser. Even if the way Strasbourg behaved may be considered discourteous, there was no illegality or misappropriation. That is precisely what some Members and some of the media have claimed, obviously without a shadow of evidence. I wish to disassociate myself from these unsavoury individuals.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing.** (SV) The June List is of the opinion that discharge should not be granted to the President for the 2004 financial year. There are two main reasons for this.

The first of these is that we believe the leadership of the European Parliament is just as responsible as the city of Strasbourg for the fact that, for years, too much rent has been paid for the premises in Strasbourg. This has cost EU taxpayers large amounts of money, and Parliament should, in this case, take a strong line to ensure that the excess rent is repaid. Since, as things stand, there is still a lack of information as regards the size of the excess payments (see paragraph 19 dash five of the draft report), we also believe that we have still not got to the bottom of this matter.

The second reason is that we believe that the European Parliament as an institution should not be made responsible for the shortfall in the MEPs' additional pension scheme. The pension rights accruing to MEPs must be linked to the investment performance of their pension fund. That is how it works for ordinary citizens throughout the EU, and MEPs ought not to be given a special luxury perk in this respect.

**Silvana Koch-Mehrin (ALDE), in writing.** (DE) The vote on the report on the discharge of the budget for 2004 (European Parliament) was postponed in order to look into the circumstances surrounding the lease of the Strasbourg building. Subsequently, the European Parliament has paid the City of Strasbourg up to EUR 60 million in additional payments, and there is no possibility of compensation for the losses it has suffered.

In addition, a lack of honesty, transparency and decisiveness has been noted. Despite these facts, we should make a decision on purchasing the Strasbourg building. The FDP in the European Parliament is of the opinion that it is wrong for Parliament to purchase the building in Strasbourg, because it would be irresponsible for it to tie itself to Strasbourg for the long term.

We have therefore rejected the corresponding amendments. The FDP supports the establishment of the European Technology Institute in Strasbourg, and advocates a single seat for Parliament in Brussels.

**Kartika Tamara Liotard and Erik Meijer (GUE/NGL), in writing.** (NL) This report is about more than rubberstamping the bill pertaining to the 2004 financial year. Without Amendment 9, it also gives this House's Bureau licence to spend the reserve on the purchase of buildings in Strasbourg.

We have nothing against the calculation that shows that a purchase will prove more beneficial in the long run than extending the rental agreement. We would vote in favour if that were the only issue

involved. More importantly, it makes a significant contribution to our being able to carry on the monthly part-sessions in Strasbourg in a sustainable manner.

These are now setting us back EUR 200 000 000 or more annually. In September 1999, the Dutch Parliament unanimously spoke out against the European Parliament continuing to sit in two different cities. As a result, the Dutch representatives across all EU bodies were urged to put an end to this practice at the earliest opportunity. That reflects what is being said in the Dutch media and the opinion which the public has held on this matter for years.

Whilst the Netherlands considers the purchase of buildings in Strasbourg as one of this House's key decisions, the issue, that is concealed in the purchase authorisation, is not addressed separately after this item on the agenda. That is why we will be voting against.

**Astrid Lulling (PPE-DE), in writing. – (FR)** The chief virtue of the Ferber report is that it ends an argument that has gone on for only too long. That is why I am voting in favour of discharge.

I am not happy about a number of things it says, however. While it is settled that the City of Strasbourg has not committed any legal irregularity, the charge of discourtesy is too convenient an excuse for some Members who simply want to take advantage of the occasion to raise the question of the seat again.

Having followed the matter of the buildings in every detail, it is clear to me that it has been dominated by bad faith. When the European Parliament, whose Members were inadequately informed about a complex legal arrangement, says it was not in the picture about the subletting of the buildings, that is quite simply untrue. It was never the City of Strasbourg's intention to 'fleece' this Assembly.

Finally, the proposed purchase of the three buildings is good news for the European taxpayer.

I am sad to note that the Members' pension fund has been the subject of unjustified attacks on the principle of 'slander as much as you like, there will always be something left'.

**Cecilia Malmström and Anders Wijkman (PPE-DE), in writing. (SV)** We have today chosen to vote in favour of Mr Ferber's report on the discharge for implementation of the European Union general budget for the financial year 2004. It has not been possible to confirm that any unlawful activities have taken place in connection with the renting of two of the buildings used by the European Parliament in Strasbourg. At the same time, it seems clear that the principle of 'sound financial management', as defined in the Financial Regulation, has not been fully respected.

To buy the current buildings is a good business deal in the long term, from a strictly financial point of view. Despite this, we believe that, given the current situation, it would be desirable to delay such a decision, especially in the light of the fact that Parliament's twin seats are a much-debated topic. One million EU citizens have signed the citizens' initiative aimed at ending the travelling circus between Brussels and Strasbourg. We wholeheartedly support the call for Parliament to have a single site, namely Brussels.

The report also deals with important issues such as MEPs' allowances, secretarial allowances and the voluntary pension scheme. We have chosen not to join the pension scheme. In our opinion, it is unreasonable for European taxpayers to have to help fund a scheme completely regardless of whether it yields profits or not.

**Véronique Mathieu (PPE-DE), in writing. – (FR)** We can only be delighted at the signing of the framework agreement that will allow Parliament to buy the WIC, SDM and IPE3 buildings outright for the sum of EUR 143 125 million. All the same, it will be hard for that agreement to dispel the suspicion and loss of confidence that have marred relations between Strasbourg and Parliament.

There are several lessons to be drawn. First of all, there must be no property transactions involving several players, because that entails highly complex legal and financial arrangements which are contrary to the principles of transparency. Likewise, Parliament's property policy, and that of all the European institutions, should be thoroughly reviewed and a European Buildings Authority created with clearly defined tasks and powers.

So far as the current debate about a single seat is concerned, it should be pointed out that the relevant reference is still Protocol 12 to the Treaty of Amsterdam and that Parliament therefore has no competence in the matter.

Finally, it seems to me essential that the use of the secretarial assistance allowance should be more transparent and in particular that a statute for our staff should be proposed quickly to regulate working conditions and tax and social security matters. Social Europe starts with us.

**Luís Queiró (PPE-DE), in writing. (PT)** The issue of where the seats of the institutions are located is not merely a geographical, logistical or economic issue. When a particular city is chosen as the seat of a Community institution, there are always political factors involved, too, which is totally justified, although it does not follow that any political decision is valid, irrespective of its economic or logistical rationale.

In the case of the European Parliament, the choice of Strasbourg was based on historical factors, but nowadays, in terms of economics and practicality, it is no longer viable. Although this is not the issue at hand, it is worth bearing it in mind.

One might have expected that the City of Strasbourg would pull out all the stops to help Parliament to settle in the city, even by bearing some of the costs, as the rules of hospitality in such circumstances often dictate. However, what we find – or rather, suspect, given that the authorities in question are not helping to clarify matters completely – is that having Parliament in Strasbourg is just a piece of real estate business from which the authorities earn a profit they do not deserve. The lack of good faith, decent hospitality and fairness that this reveals is something we should condemn outright and should be taken into account when decisions are taken as to where Parliament should be located.

**Alyn Smith (Verts/ALE), in writing.** I voted against the suggestion that the European Institute of Technology should be sited in Strasbourg, because I think this is a silly idea. The EIT proposals are ongoing from the Commission, and worthy of serious consideration, they should not be used as an excuse for us to solve our own dilemma getting out of Strasbourg. The Parliament should have one site, in Brussels, and the EIT idea should progress further. The two are distinct issues and it is irresponsible to attempt to link them in this way.

**Catherine Stihler (PSE), in writing.** The petition of one million signatures to have one seat for the European Parliament in Brussels must be welcomed. As it is the only parliament in the world which has no say over where it sits, the Council of Ministers must, once and for all, put an end to this situation. The people of Europe have spoken. Their voice must be recognised. The European Parliament must have one home and that should be in Brussels.

On a separate issue, I would like to put on the record my opposition to the second pension scheme. As Amendment 5 was rejected, I cannot back the report and will have to vote against it.

**Jeffrey Titford (IND/DEM), in writing.** Given that the report describes this Parliament as “the democratic representative body in the EU”, let everyone be clear about just how little it deserves that description.

We do not have debates in this institution, but tightly controlled and orchestrated speaking time, without the opportunity for reply. We simply go through the motions in what is a pale shadow of a parliament.

There can be no better example of this than the one million-signature petition calling for an end to the utterly pointless and grotesquely expensive monthly pilgrimage to Strasbourg. Ignoring this entreaty from the people we are supposed to represent, this Parliament is seriously considering purchasing these buildings and making this bizarre arrangement permanent.

It is all very well for this report to question the City of Strasbourg’s ‘good faith’, but the reality is that this city worked out the best deal it could get for itself. This Parliament tamely signed it, without bothering to verify the terms or attempting to negotiate more favourable conditions. In other words, they saw us coming!

**Helga Trüpel (Verts/ALE), in writing. (DE)** We voted in favour of the Ferber report today, even though it forms a basis for the purchase of the Parliament building in Strasbourg. However, our approval does not constitute a prior decision regarding the seat of the European Parliament. Along with more than a million other Europeans, we have supported the OneSeat.eu initiative, and, together with the citizens, we will also continue to advocate relocating Parliament’s activities from Strasbourg to Brussels.



**Lars Wohlin (IND/DEM), in writing.** (SV) There is every reason to criticise some of the European Parliament's activities. Nonetheless, it has not been possible to prove that any unlawful actions have taken place.

MEPs' voluntary pension schemes are a form of supplementary pension insurance in addition to the basic MEPs' pension. Under this system, European taxpayers have to pay for two thirds of all contributions (currently EUR 2 088 per month per MEP who has chosen to join this scheme). The remaining third has until now been paid from MEPs' secretarial allowance, despite the fact that the Court of Auditors criticised this arrangement as long ago as 1999, stating that contributions should be made on an entirely private basis in order to prevent accusations of 'public funds being used for private pension contributions'. This remark may in itself be considered peculiar, since the system is based on two thirds of all contributions being made from the EU budget. I believe that the whole system should be phased out as soon as possible.

Moreover, I have voted in favour of those amendments that will prevent Parliament from buying the parliament building in Strasbourg. In the short term, purchase of the building would lead to financial savings, but, in such a case, the aim would have to be to fund the purchase by selling the parliament building in Brussels. The most important thing is for the seat of the EU to be restricted to one site.

#### - Report: Prets (A6-0255/2006)

**Andreas Mölzer (NI), – (DE)** Mr President, study abroad and distance learning are becoming increasingly popular, not least thanks to millions of Euro worth of EU subsidies. On the one hand, this is of great benefit to the students themselves, who gain the opportunity to develop their personal skills in addition to obtaining a specialist qualification, but, on the other hand, domestic universities have increasing numbers of foreign students. However, I find it quite astounding that, in Austria for example, despite the low percentage of the population with degrees, they form such a high proportion of the unemployed. In this connection, it would be worth considering whether we should provide greater support for practical internships abroad, and also extend opportunities for in-service training and distance learning. That is why I voted in favour of the Prets report.

**Tomáš Zatloukal (PPE-DE), – (CS)** I backed the report on transnational mobility because of the bearing this activity has on the skills and competences acquired by students, and also because it is an important precondition for the successful implementation of these skills and competences in the workplace. I welcome the fact that the report includes principles that, if properly implemented, will enhance the effectiveness of all kinds of organised mobility in the area of education. Through the Europass, educational institutions and employers will obtain transparent information on the progress and quality of student work experience and specialist practice. The report is a welcome contribution to further support for general and specialist education.

**Christopher Beazley (PPE-DE), in writing.** Given the significance of Mrs Prets' report concerning transnational mobility within the Community for education and training purposes, the British Conservative delegation of the EPP-ED Group will vote in favour of the report.

However, the delegation maintains its opposition to the wording 'political integration' referred to in Amendment 3 to Recital 1a (new), as this implies a constitutional settlement in the EU, which does not reflect the current position and which has not received the assent of the 25 Member States.

**Edite Estrela (PSE), in writing.** (PT) I voted in favour of the Prets report (A6-0255/2006) on the European Charter for Mobility because I am a strong advocate of adopting measures aimed at delivering a significant increase in mobility, which is an integral part of European citizenship.

The European Charter for Mobility should help to raise the overall quality levels of European mobility, develop recognition of periods dedicated to education or vocational training and the recognition of titles, qualifications and social security benefits, and establish mutual trust so as to improve and strengthen cooperation among the authorities, the organisations and all the stakeholders in mobility.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing.** (SV) The June List is strongly in favour of increased mobility in Europe, particularly within the education and training sector. There are always questions to be asked, however, when officialdom gets hold of a good cause. We are voting in favour of the compromise, but we object to Amendment 47. This amendment makes the following addition: 'The Charter, in the respective languages of the recipients, should be furnished to all students and persons

undergoing training by the authorities, organisations and other stakeholders involved in mobility in countries of origin and host countries, and should be treated as a basic reference framework.’

We believe that it is the responsibility of the individual Member States to perform the tasks they have undertaken to perform.

**Sérgio Marques (PPE-DE), in writing. (PT)** I wish to congratulate Mrs Prets on her timely report on the proposal for a recommendation of the European Parliament and of the Council on transnational mobility within the Community for education and training purposes: European Quality Charter for Mobility, to which I lend my full backing. I particularly welcome the amendments aimed at encouraging the public authorities in Europe to implement measures to improve mobility in Europe and facilitate the mobility of researchers, students and teachers in the EU.

Mobility in education and vocational training will, above all, help people to feel a sense of belonging to Europe and thus to develop a European awareness. Furthermore, it will provide a boost for European citizenship and for the creation of a society based on knowledge, innovation and entrepreneurship.

**José Albino Silva Peneda (PPE-DE), in writing. (PT)** When Europe's citizens take to an EU project, it is a sign of the project's success. This has clearly been the case with the programmes aimed at fostering mobility among students. So many have joined up that people are already referring to the ‘Erasmus generation’, and numbers continue to grow year on year.

Indeed, it is this kind of success that makes one believe in the notion of European citizenship.

That being said, the EU's political initiative was quickly overtaken by the success of Community programmes. It is now necessary to make up for lost time and adopt a series of measures aimed at removing the last remaining (legal, administrative and financial) obstacles, thereby deriving the maximum benefit from mobility in education and training.

I welcome this report because it advocates the adoption of a European Quality Charter for Mobility, which places the accent not just on increasing mobility but on improving its quality, and, in so doing, developing human resources to the full.

There is no doubt that any improvement in mobility in education and training will help achieve a knowledge-based economy conducive to creating jobs and sustainable development, which are the cornerstones of the Lisbon Strategy.

#### - Report: Trüpel (A6-0262/2006)

**Andreas Mölzer (NI).** – (DE) Mr President, I abstained on the Trüpel report, because the acquisition of so-called key competences presupposes basic skills such as reading, writing, arithmetic and logical, critical thinking. As the PISA study shows, though, we have problems in this area. A high proportion of foreigners in school classes causes major problems in the acquisition of these basic skills.

If we do not soon lay down upper limits for the proportion of foreigners in classes, then those classes will not only continue to suffer from preconditioned conflicts between the various groups and cultures, but also find it increasingly difficult to acquire key competences.

**Jean-Pierre Audy (PPE-DE), in writing.** – (FR) I voted in favour of the report by Mrs Trüpel on the proposal for a recommendation, at first reading, of the European Parliament and of the Council on key competences for lifelong learning. It is crucial to the European citizens that, through training, they may have a reasonable guarantee of employability in the knowledge-based society defined in the Lisbon Strategy. I am pleased to note that the spirit of enterprise is one of the eight key competences that all Europeans should have available to them. Everybody should be aware that, while qualifications are necessary, they are no longer sufficient and ‘entrepreneurship’ must be instilled. That will be a considerable asset for those people who acquire it as a result of the Member States’ application of this recommendation.

**Christopher Beazley (PPE-DE), in writing.** Given the significance of Mrs Trüpel's report concerning key competences for lifelong learning, the British Conservative delegation of the PPE-DE Group will vote in favour of the report.

However, notwithstanding its support overall for the report, with reference to Amendment 1 to Recital 4, the delegation does not agree that the setting of percentage targets for employment levels is an effective exercise in helping to achieve increased employment rates, but is aware that this amendment is merely a restatement of the European Council's position.

**Sérgio Marques (PPE-DE), in writing. (PT)** I wish to congratulate Mrs Trüpel on her report on a proposal for a recommendation of the European Parliament and of the Council on key competences for lifelong learning, to which I lend my support. I particularly welcome the reference to the need to increase investment in education and training.

I also feel it is very important, in this regard, to offer Europe's citizens the tools needed to adapt to the kind of labour market that is characteristic of a knowledge-based society.

**Zita Pleštinská (PPE-DE), in writing. (SK)** Globalisation is increasingly confronting the EU with new challenges, which require that all European citizens constantly improve their knowledge and skills, as well as broader competences, both in their private lives and in their public and professional lives. The need for access to the key competences that constitute the basis of personal development, social inclusion, active citizenship and employment is dictated by the growth of the knowledge-based society in the context of the Lisbon Process and is associated with labour market placement.

For these reasons I have voted for the Trüpel report, including the Commission's recommendations, as it constitutes a European reference instrument for key competences and suggests ways of ensuring access for all European citizens to these competences, by way of lifelong learning. This document makes an important contribution to the attainment of the Lisbon Strategy goals for growth and employment and, in particular, the implementation of the Education and Training 2010 work programme.

**José Albino Silva Peneda (PPE-DE), in writing. (PT)** Coming, as I do, from a country in which there are still high levels of illiteracy and long-term unemployment, and in which 50% of pupils do not finish secondary education, I supported this report, which puts lifelong learning high on the agenda in the reform of labour markets.

The pressure of globalisation and new technologies has clearly highlighted a number of gaps in a range of key skills, which make it more difficult for workers to adapt to increasingly flexible labour markets.

With the adoption of a European reference framework, this becomes both an upstream action – insofar as it supports educating and training young people to give them the key knowledge they need to start their working lives – and a downstream action, developing and updating the key skills of workers by means of lifelong learning. The action is thus aimed both at acquiring the skills and at developing and subsequently updating those skills.

This initiative forms part of the Lisbon Strategy objectives of investing in growth and employment, and is to be funded by the new generation of Community programmes (2007-2013), such as the European Social Fund, of which lifelong learning is one of the priorities.

I welcome this report as it promotes a modern social policy, taking account of the new realities of the society in which we live and work.

- Report: Corbey (A6-0235/2006)

**Richard Seeber (PPE-DE).** – (DE) Mr President, I support the strategy elaborated by the rapporteur, but I would make two criticisms: first of all, the European strategy on air pollution has no mandatory targets, and it should do; and secondly, the Community should allow the Member States and regions to decide for themselves how to achieve those targets. This freedom of choice is restricted by a huge number of Community provisions: think, for example, of the Infrastructure Costs Directive, which does not allow tolls to be charged for heavy road vehicles in areas where there is serious environmental and air pollution.

**Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV)** In her report, the rapporteur discusses the Commission's thematic strategy on air pollution.

The June List believes that cross-border environmental problems represent an issue that should be dealt with at Community level. Air pollution is an example of just such a problem.

Paragraph 25 calls on the European Parliament, the Commission and the Council to strike an interinstitutional agreement in which they express their dedication to the air quality targets. The June List clearly also wishes to see better legislation, but we believe that this will be difficult to achieve if the legislature and the executive power have agreed in advance which regulations are going to apply in the future. We have therefore voted against the report in today's vote.

- Report: Hegyi (A6-0233/2006)

**Péter Olajos (PPE-DE)**. – (HU) Mr President, two-thirds of the population of my country, Hungary, live in cities. They are the ones who are most exposed to environmental damage caused by industry and transport. This in itself is sufficient reason for us to make special efforts to improve the urban environment.

The situation in Budapest is particularly bad, and therefore I considered it important to support this report, although it contains several objectionable elements. Mr Hegyi expects EU standards in quite a few areas which fall exclusively within the sphere of competence of the Member States or of local authorities. I understand his reasons since, like me, he lives in Budapest, where nothing has been done in recent years to improve the quality of the environment.

EU requirements can indeed serve as important incentives, and their observance needs to be monitored strictly. We cannot, however, expect the Union to solve the environmental problems of European cities with standards outlining detailed, specific programmes. This is the task of territorial local authorities, and Strasbourg or Brussels cannot compensate for their failures.

**Edite Estrela (PSE)**, *in writing*. (PT) I voted in favour of the Hegyi report (A6-0233/2006) on the thematic strategy on the urban environment, because it is vital to boost the overall environmental performance of cities in Europe by reducing bureaucracy, by enhancing the efficiency of environmental policy implementation, and by encouraging long-term environmental planning.

Some 80% of Europe's citizens live in urban areas, but their needs and interests are often under-represented in the Union's funds, projects, initiatives and strategies. Consequently, with a view to raising the quality of life of Europe's city-dwellers, Community law needs to go further, by adopting sustainable urban management and transport plans.

**Ilda Figueiredo (GUE/NGL)**, *in writing*. (PT) The report that has just been adopted in Parliament has some positive points that we support; for example, the more widespread use of more environmentally-friendly transport, encouragement to use public transport, reduction in the density of construction, more green spaces in urban areas, the renovation of run-down buildings and, more importantly, of historic centres, and better environmental performance of buildings in terms of insulation and the use of renewable energy sources.

It is also important, as the report says, to promote the exchange of best practice at Community level as regards sustainable urban management strategy and planning, and the increased involvement of the citizens in public debates at the planning stage.

Nevertheless, all of this presupposes that increased Community funding has been granted, which unfortunately is not the case. Far from it, in fact; the EU has been introducing more obligations and requirements without creating the appropriate financial resources, which may exacerbate the inequalities between the wealthiest countries and regions and other areas that lag behind.

**Luis Queiró (PPE-DE)**, *in writing*. (PT) Accessibility is a key factor in sustainable development, and, as such, transport is at the core of any debate on urban policy.

Given that there are a number of ideas aimed at solving environmental issues and the congestion that our cities suffer are beset with, I feel that we should be channelling our efforts into addressing the impact on public health and the quality of life, in terms of socio-economic dynamism.

The idea of sustainable urban transport plans is undoubtedly important, yet we must not overlook the need to use this instrument flexibly and in a way that is appropriate to the specific characteristics of each city.

The use of environmentally-friendly means of transport and technologies is a key factor in achieving a cleaner environment. It will only become widespread, however, if local and national authorities exchange experiences and good practice.

It therefore strikes me as clear that in order to foster an integrated approach to urban policy, it is crucial to promote private-public partnerships and to effectively manage existing Community instruments to support urban policy.

Only with measures that are appropriate to the actual situation in each Member State will we be able to deliver a sustainable future for our cities and the harmonious growth of our societies.

**Carl Schlyter (Verts/ALE), in writing. (SV)** I am voting in favour of this report despite the fact that it contains negative points such as, for example, green areas per capita and how music from domestic sources is to be reduced in the urban environment, these clearly being local issues that should be decided at local level. The positives within the report, such as congestion charging, reduced car use and local sustainability plans outweigh the negatives, however, and conservative governments may very well need a push from the EU when it comes to such matters.

That being said, the content of the report ought to remain advisory in nature and not give rise to comprehensive legislation.

**Renate Sommer (PPE-DE), in writing. (DE)** As the shadow rapporteur for the Group of the European People's Party (Christian Democrats) and European Democrats on the report on the thematic strategy on the urban environment, I called on the members of my group to abstain from the final vote today.

The report tries to destroy the subsidiarity principle.

Nevertheless, I considered it unjustified to completely reject the report, because the majority of it describes existing regulations, calls for the sharing of experience between cities and simply calls on the European Commission to issue guidelines. Particularly in the new Member States, it is absolutely vital to improve the urban environment by means of such measures.

**Gabriele Stauner (PPE-DE), in writing. (DE)** I abstained from the vote on the report on the thematic strategy on the urban environment.

The report tries to destroy the subsidiarity principle.

Nevertheless, I considered it unjustified to completely reject the report, because the majority of it describes existing regulations, calls for the sharing of experience between cities and simply calls on the European Commission to issue guidelines. Particularly in the new Member States, it is absolutely vital to improve the urban environment by means of such measures.

**Thomas Ulmer (PPE-DE), in writing. (DE)** I voted against this report, not because I wish to denigrate Mr Hegy's work, but because subsidiarity is being treated with contempt and the EU and its institutions are interfering in national matters. I do not think that this is justified. This tendency for Europe to continually interfere in the daily lives of its citizens, even when it is not necessary, is one of the primary reasons why people are becoming so disenchanted with Europe.

- Report: Thomas Mann (A6-0248/2006)

**Ilda Figueiredo (GUE/NGL), in writing. (PT)** Given the importance to people seeking to move to other countries of mutual recognition of qualifications between the different EU Member States, a European Qualifications Framework could prove beneficial.

I share the report's view that the setting of prescriptive criteria for learning pathways or for the duration and location of education and training courses must be rejected. We also welcome the idea that the organisation and validation of lifelong learning are a matter for the Member States and cannot easily be brought within the purview of the EQF.

Yet we must focus on the form in which the EQF is developed, the foundations on which it is based and the objectives that we are seeking to attain.

In this regard, the report contains some contradictions, for example, the attempts to bring the EQF into line with the so-called Bologna process and the so-called Lisbon Strategy, which as we know, is aimed primarily at pandering to the interests of the economic and financial groups. Hence our abstention.

**José Albino Silva Peneda (PPE-DE), in writing.** (PT) I support this report because I firmly believe that the creation of a European Qualifications Framework (EQF) will make a contribution towards the employability and geographical mobility of the workforce in the EU.

I welcome a European approach such as this because it meets the fresh challenges posed by a knowledge-based society head-on and seeks to address the new requirements of the European labour market. The underlying philosophy of the EQF is, after all, to promote the competitiveness of the European economy and social cohesion, in line with the objectives of the Lisbon Strategy.

I warmly welcome initiatives that will bring to the top of the agenda the citizens' ability to gain employment, by encouraging professional mobility by means of the recognition, comparability and transferability of professional qualifications in the Community area.

I regret, however, that this initiative does not sufficiently reflect what is actually happening in the labour market and overlooks the importance of vocational training, focusing, instead, mainly on academic training.

## **9. Corrections to votes and voting intentions: see Minutes**

*(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)*

### **IN THE CHAIR: MR BORRELL FONTELLES**

*President*

## **10. Approval of Minutes of previous sitting: see Minutes**

## **11. Accession of Bulgaria and Romania**

**President.** The next item is the Commission Communication on the accession of Bulgaria and Romania.

**José Manuel Barroso, President of the Commission.** Mr President, the Commission has just adopted its final report on the accession of Bulgaria and Romania. Our conclusion is that both countries are in a position to take on the rights and obligations of European Union membership on 1 January 2007.

*(Applause)*

The accession of Bulgaria and Romania will mark an historic achievement: the completion of the fifth enlargement of the European Union, which further pursues the reunification of our European family.

On this occasion, I would like to congratulate the peoples and authorities of Bulgaria and Romania for all the efforts they have produced in order to fulfil the conditions for accession to the European Union. I would also like to thank you, honourable Members, for the constructive role played by Parliament. The European Parliament has always been a staunch champion of the political, economic and cultural benefits of enlargement. Your support has helped to spread peace, stability and prosperity in Europe.

The most recent enlargement, like others before it, has proved to be a great success. It has confirmed that the enlargement of the Union, if carefully managed, produces a win-win situation for both the existing and the acceding Member States. Enlargement stimulates economic growth and social cohesion and reinforces the role and influence of the European Union in the world.

The readiness of Bulgaria and Romania is a direct result of the sustained progress both countries have achieved over the last few years and particularly since our last report in May. The Commission takes its responsibility as guardian of the treaties very seriously. First and foremost, we must protect the functioning of the European Union. This endorsement of the 2007 accession date for Bulgaria and Romania is based on a rigorous, fair and objective assessment, as Commissioner Rehn will explain in detail in a few moments.

Bulgaria and Romania have found the right answer to our strict conditionality by addressing the areas we highlighted in May. In doing so, they have achieved considerable progress. However, today's report also outlines some areas where both countries need to achieve further progress by sustaining the current

reform drive until accession and beyond. The Commission has drawn up a number of measures to accompany the accession of Bulgaria and Romania.

In particular, the Commission will set up a mechanism for cooperation and verification of progress in the areas of judicial reform, the fight against corruption and organised crime. The mechanism contains specific benchmarks that have to be met. The Commission will report regularly to Parliament and to the Council on the progress achieved. On that basis, the Commission may, if necessary, invoke the safeguard measures set out in the Accession Treaty.

The Commission has further accompanying measures at its disposal, which will ensure the proper functioning of the Union up to and beyond the accession of both countries. European Union rules provide us with a comprehensive set of measures that allow us to combat potential risks in acceding and in current Member States and to address concerns such as food safety or the management of European taxpayers' money.

The rigorous application of these accompanying measures underlines the emphasis we have placed on conditionality throughout the accession preparations for those countries. We are therefore convinced that, once again, enlargement will proceed smoothly in a way that will strengthen, not compromise, the functioning of the European Union.

It is important to ensure that, as we enlarge, we are still able to function efficiently. I should like to use this opportunity to state my position concerning future enlargements. After the completion of this fifth enlargement, with the accession of Bulgaria and Romania, I believe that an institutional settlement should precede any future enlargement. This is the way to ensure that our enlarged Union will function in an efficient and harmonious way. In any case, the Nice Treaty already requires us to adapt our institutional set-up following the accession of the 27th member. Last June's European Council conclusions have set the course for that institutional settlement and I hope that by the end of 2008 we will succeed. In following that timetable, we will respect our commitments towards countries for which we have opened up the possibility of accession and fulfil our strategic goal of consolidating peace, democracy and prosperity on our continent.

We are looking forward to Bulgaria and Romania's historic achievement of European Union membership in 2007. I expect both to contribute energetically to the process of European integration.

*(Applause)*

**Olli Rehn, Member of the Commission.** Mr President, I would like to join President Barroso in congratulating Bulgaria and Romania on their historic achievement. Over the past months, both countries have demonstrated their readiness to join the European Union. The key to this success was a combination of substantial Bulgarian and Romanian efforts with the strong encouragement and support of the Union. Let me also join President Barroso in thanking the European Parliament for its continuous support for the gradual and carefully managed accession process to the Union.

The Commission's assessment is based on an even more rigorous system of conditionality than the one applied in the past. Over the past two years in particular, Bulgaria and Romania have responded strongly to our system of conditionality. This has resulted in a remarkable transformation, with reforms in several sectors peaking over the past three to four months. Thus, the strategy we devised together last May has worked well, to the benefit of Europe, Bulgaria and Romania.

Today's report focuses on those areas which required further progress in May. The majority of Bulgaria's and Romania's overall preparations had already been completed by that time.

In terms of the political criteria, Bulgaria has continued the reform of the judiciary. The legal framework has improved, for instance, through the adoption of rules that establish objective procedures for the appointment and evaluation of magistrates, which is very important for the independence of the court systems. The ongoing preparations of constitutional reform in that regard are also very welcome.

Efforts to combat corruption have resulted in more officials having to declare their personal assets and in the establishment of internal fraud inspectorates. The Prosecutor General has continued to be proactive in terms of requests for lifting the immunity of members of parliament.

In the fight against organised crime, more specialists have been recruited and some successful actions have been registered against criminal networks. However, at the moment the number of successful prosecutions is still low and the implementation record still needs to be improved.

Romania has made further progress in reforming its justice system and the results are tangible and positive. The interpretation and application of the law is being further harmonised and staffing levels in the judicial system are increasing.

There has been definite and tangible progress in the fight against corruption. Criminal liability has been broadened to legal persons and rules on financing for political parties have been tightened. This has led to further non-partisan investigations and indictments of high-level corruption.

The report outlines a limited number of areas where we need to see further progress in the months leading up to accession and beyond. Therefore, this report also spells out accompanying measures which the Commission will initiate upon accession, unless the remaining concerns have been remedied.

The Commission will set up a mechanism for cooperation and verification of progress in the areas of judicial reform and the fight against corruption and organised crime. For this purpose, as President Barroso said, benchmarks have been established which refer to the particular circumstances of each country. The mechanism allows the Commission to help the countries to continue the reforms with vigour and rigour, and to verify that the expected progress is taking place on the ground.

The Commission will also ask both Bulgaria and Romania to report bi-annually on progress in addressing these specific benchmarks until they have been met. The first report should be submitted by the end of March 2007. We will then report to the European Parliament and to the Council by June 2007. The Commission will also apply the safeguard measures of the Accession Treaty if either country fails to address the benchmarks adequately. The report also underlines that EU rules contain the necessary guarantees for the proper management of EU agricultural and structural funds.

The new regulation on structural funds provides the mechanisms to ensure that these funds, which are of course EU-taxpayers' money, are spent properly. Payments can be interrupted, suspended or cancelled, if the Commission suspects or detects cases of irregularities or fraud, including corrupt practices. Moreover, further to this range of safeguard measures for the EU funds, financial corrections can take place if individual or systemic irregularities are found in the regular financial controls.

There is still a risk that preparations for the management of agricultural funds may not have been completed by the time of accession. As a precaution, we have adopted specific provisions to ensure the proper management of these funds by Bulgaria and Romania.

This gives both countries time to complete preparations in 2007. At the same time, failure to do so will enable the Commission to reduce the payments in 2007. Of course, we hope that we will not have to resort to this mechanism, which should be seen as an incentive for both Bulgaria and Romania.

As to the third safeguard measure, food safety, some measures are currently in place because of animal diseases. These will be maintained after accession. Restrictions may also need to be applied upon accession on the use of certain animal by-products. Non-compliant food establishments in the milk, meat and fish sectors will be denied access to the internal market, but will be allowed to produce for the national market bearing a specific label. After three years, they will have to comply with EU rules or close down.

I have outlined the sufficient guarantees offered by the *acquis* and the Accession Treaty. I am therefore confident that Bulgaria and Romania will enrich the Union without compromising the proper functioning of EU policies and institutions. The interests of the EU and our citizens can be assured and EU taxpayers' money protected.

Overall, Bulgaria and Romania should be commended for their far-reaching efforts and achievements to adapt their legislation and administration to the laws and rules of the European Union. On the basis of the progress made, our report shows that both countries will be ready to join the Union in 2007. The suggested accompanying measures will ensure the continuity and irreversibility of the reforms in the two countries.



I trust that we can count on your support for facilitating a swift and successful ratification of the Accession Treaty in the remaining Member States. Bulgaria and Romania have undertaken remarkable efforts to join us in the European Union and they deserve our congratulations and a very warm welcome.

*(Applause)*

**Paula Lehtomäki**, *President-in-Office of the Council*. (FI) Mr President, ladies and gentlemen, Bulgaria and Romania are an essential part of the fifth enlargement of the European Union. It is well known that it has been our aim to welcome both countries as Member States on 1 January 2007. In this respect, the communication from the Commission can be greeted with satisfaction.

During the entire enlargement process, the views of the European Parliament on how well prepared Bulgaria and Romania are to join the Union have been taken into consideration. On behalf of the Presidency, I wish to thank the European Parliament for its considerable input with regard to both countries' accession to the Union.

The European Union has closely followed the progress that both countries have made in finally adopting reforms and meeting their membership obligations under the Treaty of Accession. While the European Council that met in June commended Bulgaria and Romania on the reform measures they had recently implemented, it appealed to both countries to make even more of an effort to solve, decisively and without delay, the problems still remaining, which were mentioned in the Commission's last progress report produced in May.

The Finnish Presidency has encouraged both countries to deal with unsolved issues. These include in particular the reform of the judiciary, organised crime, corruption and administrative initiatives in several key areas. The meetings of the Association Council have been an opportunity to evaluate the progress made with respect to the *acquis communautaire* and have clearly demonstrated that the reforms that are needed must be finally adopted and implemented immediately. The meetings of the parliamentary joint committees have also had a key role in this work.

The Presidency notes the recommendations in the Commission's reports. We would like to commend both Bulgaria and Romania on their endeavours to fulfil the demands of accession. Bulgaria and Romania should now address all outstanding problems without delay. I know that these countries are already trying to resolve these problems.

The Council notes the Commission's plans regarding protective measures and stepped-up monitoring that may be introduced on the basis of Articles 37 and 38 of the Accession Treaty, should there be insufficient progress in these areas.

The Council now proposes to undertake a thorough examination of the Commission's communication and recommendations and a comprehensive assessment of the main issues. In undertaking these tasks, the Council will of course also take account of the views expressed by the European Parliament.

The Accession Treaty's ratification process itself is now well underway, and we trust that it will be completed on time.

Mr President, although the Union's future enlargement has more to do with the next topic on the agenda, I would like to say here that the European Council confirmed in June 2006 that it would adhere to existing commitments. The Finnish Presidency will act on the basis of these decisions.

*(Applause)*

**Hans-Gert Poettering**, *on behalf of the PPE-DE Group*. – (DE) Mr President, Mr President of the Commission, Commissioner Rehn, Madam President-in-Office of the Council, ladies and gentlemen, the Group of the European People's Party (Christian Democrats) and European Democrats welcomes the Commission's proposal that Bulgaria and Romania should join the European Union on 1 January 2007. Bulgaria and Romania are two major nations with a European culture, and on accession they will become members of our European family. Our group – like the others – already has national Members from Bulgaria and Romania: the Bulgarians are represented by Mrs Cappone, and the Romanians by Mr Marinescu, and over the past few months we have developed a good level of cooperation.

On behalf of the PPE-DE Group, I should like to express our appreciation to both Bulgaria and Romania – to the governments, but in particular to the people in both countries – for the huge efforts they have

made since the fall of Communism. When a country was ruled by Communism for forty or fifty years, when there was no rule of law, no administration governed by it and no independent judiciary – when we look at all these facts, we can see just how much work both populations, just like those of the other former Communist countries, had to do. When we in so-called 'old' Europe take a critical view of these countries, I sometimes wish that we would remember, and express our recognition of, the huge achievements of their people.

*(Applause)*

All in all, we consider the proposal that you have submitted, Mr Barroso and Mr Rehn – and I would particularly like to thank Mr Rehn for his very honest efforts over recent years – to be a balanced one. On the one hand, membership is planned for 1 January 2007, but on the other hand we must not lose sight of the fact that there is still much work to be done. It would be irresponsible, not only with respect to the people of the current European Union but also with respect to Bulgaria and Romania, to gloss over all the work that still needs to be done.

Both Mr Barroso and Mr Rehn stated that there were still major deficits in the use of European money, that there was a risk of corruption and that there were still major problems in the fight against organised crime and with internal security. Indeed, Commissioner Rehn specifically said that the implementation of criminal prosecutions needs to be improved. In other words, the laws are in place, but they still need to be enforced. Serious breaches of the law must also be pursued through the courts, and those responsible must be held to account. We will be reminded of this by the fact, amongst other things, that both countries will have to present a progress report in six months' time.

Commissioner Rehn was, in my view, very wise to say that the 'safeguard clauses' – which could also be described as transitional provisions – will hopefully not need to be invoked. Whether or not they are invoked depends on the progress made in the reforms. If these reforms, which must be continued with full commitment after 1 January 2007, are not made, then the safeguard clauses will come into effect. We must bear this in mind at all times.

To the people of Bulgaria and Romania I have to say, in the midst of all the joy at accession, that the European Union you are joining on 1 January 2007 is not some kind of heaven on earth. We have seen in other countries how, once they have become Members of the European Union, their enthusiasm has waned considerably. Of course, you do not have to be enthusiastic about Europe, but you should always stand by it, and we must all be aware that we in the European Union can only have a shared future in the 21st century as a Union based on shared values that is capable of taking action. I hope that this awareness will never be lost in the two countries that are now joining, Bulgaria and Romania, or in the other countries of the European Union.

Mr Barroso quite rightly spoke of the institutional consolidation of the European Union that must precede each enlargement. On behalf of the European People's Party element of our group, I would like to say 'yes' to institutional consolidation, but we have great ambitions in this field. We want the principles and substance of the constitutional treaty, including its values, to become a legal and therefore political reality. That is the main agenda for the months and years ahead of us, so let us work together to that end. In this spirit, we would like to extend a warm welcome to Bulgaria and Romania.

*(Applause)*

**Martin Schulz**, *on behalf of the PSE Group.* – (DE) Mr President, ladies and gentlemen, when people in my electoral district ask me why I support the accession of Bulgaria and Romania despite the fact that there are so many problems, that we have not yet been able to cope with the previous enlargement, that the Constitution has not been adopted, that there are so many unresolved issues in the countries themselves, I do not try to respond by referring to the various problems. That is the job of Commissioner Rehn, and he has done it today. There are still several issues that need to be resolved in Bulgaria and Romania. Several problems need to be described that require the governments to work towards a solution, and to convince the people that reforms are needed. All of this is being done and all of it is necessary. The shortcomings must be remedied.

This is not the time or the place to discuss the various problems, however. The accession of Bulgaria and Romania to the EU on 1 January 2007 will continue the integration in Europe that is unparalleled in the world. Our grandfathers and grandmothers were proud of Western European integration. Why can we not be proud of the pan-European integration we are furthering with today's debate? Bulgaria

and Romania are part of Europe, and I agree with Mr Poettering when he says that we should welcome them. On behalf of my group, I say 'yes, they are welcome'.

*(Applause)*

What is at stake is nothing less than putting an end to the division of our continent that ran counter to its historical development, and became bitter reality after the Second World War. I was born in Western Europe. I was born in a country that was divided, and that was overjoyed when it managed to restore its unity: and rightly so, as Germany had deserved it.

What Germany deserved, the whole continent has deserved. The men and women who fought against the communist dictatorships in Bulgaria and Romania, the people there who, over the last sixteen years, have had to go through a process of transformation harder than the burdens faced by people in Western Europe in recent years: for all of this, these two countries have deserved to be rewarded with a welcome into the EU. After all, what problems would become easier if they remained outside? Which of our concerns would be easier to solve if they did not join? The answer is that nothing would be better if we left them outside. The reverse is true: the uncertainty in these countries and the whole Black Sea region would increase if we did not let them join. For this reason, it is also common sense to welcome them into our ranks.

Everything that has been achieved in European history, that has had to be fought for, has been achieved in the face of scepticism. I am fairly sure that there was no standing ovation in store for the Heads of State or Government of Belgium, Luxembourg, the Netherlands and France when, in 1950–52, they told their people of the need to include Germany in the European Coal and Steel Community, as it was then. There were very many people who said: Germany has just destroyed our country twice, and now we are supposed to welcome it into our Community? Now we are supposed to give it money? Yet the Heads of State or Government firmly believed that Germany's integration into the European Community would bring peace and economic growth, and that integration would help to overcome the hatred and enmity – and it has.

What we are doing now is no different. The people of all our countries are asking whether we are taking on too much, whether we are spending too much money on this, whether this is costing too much, whether all of this is too uncertain. We can only reply that our goal is to increase economic strength and social cohesion, and to export the integration of culture and peoples as a peace-building project. It is to extend what was realised internally in the old Europe to those countries that have been unable to benefit from it before now. All this cannot be achieved by signing a treaty, but must be fought and worked for – and we have to start somewhere. This also means having the courage to speak out in the face of all the scepticism and opposition and say that European integration is the right course to take in Eastern as well as Western Europe, because this integration brings peace, economic growth and greater scope for economic development in the internal market. Every country we welcome into the EU enriches our internal market. It creates social cohesion, and it helps Europe attain the proportions it needs as an economic area to withstand intercontinental competition in the long run.

On the whole, there are plenty of small things we could find fault with: such and such a thing has not been put right, more reform is needed here, administrative reform is needed there, judicial, police and agricultural reforms elsewhere. All of this is true and it all needs to be done, but this does not change the fact that Bulgaria and Romania should be welcomed among us, as we need them.

*(Applause)*

**Graham Watson**, *on behalf of the ALDE Group*. – Mr President, there is a Romanian proverb: *Unde-s doi puterea creste*. It means where there are two or more, we are stronger. Well, there are two: Bulgaria and Romania recognise that they will be stronger in the European Union and the European Union will be stronger with Romania and Bulgaria.

Size matters. With the supranational challenges we face in today's world, the more countries that share our values and practise good government and democracy within our Union, the more able we will be to promote those values beyond it. So I salute the people of Romania and Bulgaria. I salute their governments, in which Liberals and Democrats are proud to play an important role. I salute, in particular, Meglena Kuneva and Anca Boagiu, who have conducted the detailed negotiations on behalf of their countries like a pair of swans, apparently gliding serenely across the surface of the water but with their feet paddling away ten to the dozen underneath.

I express my thanks to the European Commission, and in particular to Commissioner Rehn, for a difficult task imaginatively tackled and accomplished appropriately under a Finnish Presidency.

We all recognise that there is unfinished business. The European Union is a moving target with the *acquis communautaire* constantly evolving. Bulgaria and Romania are developing themselves. We know that democracies are sometimes run by crisis management: often problems are often not solved until they have to be solved. We acknowledge that there is only a certain elasticity in the management of public affairs. Moreover, we recognise that there is a need, as in previous enlargements, for transition periods and safeguard clauses.

I urge the governments and people of both countries to continue their reforms, but to those who doubt their readiness I ask, would they be better off and would we be better off with them outside? Should we say 'no' or 'not yet'? As the American commentator Mencken once said, that 'For every complex problem there is an answer which is clear, simple and wrong.' Leaving them outside the Union would be the wrong answer.

I am pleased, however, that the Commission draws attention in its report to the need for greater efforts in the fight against crime and the need for more serious efforts in improving the situation of the Roma people in both the countries joining us. The rule of law and social inclusion are fundamentals of our Union. More action needs to be taken by the governments of both countries and the Commission needs to monitor that action on our behalf.

What matters to the health of a society is less what it possesses than the direction in which its face is set. It seems to me that the direction of both countries is the right one. To quote from the hymn to St Cyril and St Methodius: 'March ahead, oh revived people, to your future march ahead, forge your destiny of glory ...'. Forge it with us.

There is work to be done in Romania and Bulgaria to make the European Union a reality. We build the European Union together. It will never be built purely from the top down. It must be built from the ground up. That was perhaps summed up by the Romanian writer Adrian Marino, when he wrote: '*Sa aducem Europa, din nou, la noi acasă*' – 'We must bring Europe into our homes'.

But there is work to be done in the European Union, too, to convince our citizens that the cost they are paying for the accession of Romania and Bulgaria is not a net negative. To explain to them, as the Špidla report showed us, that those countries which welcome new countries as partners gain economic benefits. To point out to them that unless we let low-cost labour come to where the investment is, then the investment will go to where the low-cost labour is. It is a win-win calculation in bringing new countries such as Romania and Bulgaria into the Union. We will all be winners.

There are some who ask whether this will be the last enlargement. I believe that our Member States will be obliged to sort out Europe's constitutional challenges before new countries are taken in. I hope that is what the Commission President meant when he said that this might be the last enlargement. We owe our citizens and the citizens of these two future Member States the duty of sorting our Europe's constitution before we take in further countries. In conclusion, let us welcome Romania and Bulgaria today, not in a spirit of triumph but in a spirit of satisfaction with work well accomplished.

*(Applause)*

**Daniel Cohn-Bendit**, *on behalf of the Verts/ALE Group*. – (FR) Mr President, ladies and gentlemen, seldom have I seen a more hypocritical debate in this Parliament than the one we are holding today.

Firstly, this Parliament has nothing more to say in any case. We decided to say yes a year ago. Well, you can say to me: 'they have delivered us 150 pages'. For my part, I can assure you that with the 100 pages we have here you would have said no a year ago, but you have to say yes today because you said yes in any case. This Parliament's hands are therefore tied and it is happy for them to be. Well done, the ball is in your court!

Secondly, Mr Barroso has just said something extraordinary: 'an institutional settlement should precede any future enlargement!' We said that when there were ten of us. We said it when there were fifteen! We said it at 17, we said it at 25, we are saying it at 27 and I am sure that when there are 30, 35, 40 or even 45 Member States we will be saying it will be the last time, and we will all be dead and it will be the last time, next year in Jerusalem.

I have had enough! I have had enough of hearing such lies because, with Mr Schultz's arguments, with Mr Watson's poetic arguments, how will you be able to say no to the Balkans? You have talked of peace, but it is obvious that the Balkans have a future in the European Union, it is obvious that Romania and Bulgaria have a future in the European Union. They must become European. The problem is: how? On what terms, how quickly and in what way? Poetry will not organise everyday politics, not poetry, and today I ask you one thing: to be serious. I say to you in all seriousness, if this report had been for Turkey, you would all have said no!

Whereas the arguments about peace, the future, the market, my grandmother, my grandfather would have been the same, but no ... because you have a very simple ideological bias, and one that is right: the European Union must enlarge. There is a funnel effect. The Commission and the Council decide, the Council decides, the Commission follows, Parliament does its yes man act, you get the funnel and everything slides, slides, slides and in it goes. No one can do anything any more because when you have a funnel effect you can no longer stop it ... and you have no way of raising political problems.

Just read: so far as the media are concerned, the conditions of fairness are not guaranteed, but it does not matter, it will come. In one case the judiciary is not independent, but it does not matter, it will come; the machinery for protecting minorities is not yet in place, but it does not matter, it will come. When and how will it come? How can you know it will come? The fact is, we have got problems.

Moreover, for the problems of immigration the Council is incapable of getting the justice and law policy through, of getting it through in the first pillar. Unanimity is not required. It will be much easier with 27! You will see, it will be much easier to get everything through with unanimity.

The German Government promises us it will all be sorted out with the Constitution. But how? How will you get this Constitution approved in the 27 Member States? No one knows, absolutely no one; but you will see what you will see.

For my part, I think we are hypocrites. Yes, Romania and Bulgaria have a European perspective. Yes, the Balkans, but as for us, we are incapable of making Europe a real Europe, and the worst thing, and I will finish with this, is that with enlargement as we are doing it we are heading towards a renationalisation of how States think, of politics and of practices. You saw that in the last Council; well, I say to you we are impotent, but as Parliament we are proud to be!

*(Applause)*

**Erik Meijer, on behalf of the GUE/NGL Group.** – (NL) Mr President, in 2004, Romania and Bulgaria were considered less ready than the ten states that joined at the time. There was no doubt that, given time, they would be treated as equal to them. The Confederal Group of the European United Left/Nordic Green Left has always backed them in their endeavour, being guided by the principle that those countries should not in the first place be assessed in terms of privatisations, cutbacks, good relations with internationally active large enterprises or of their NATO membership. Instead, our focus is on human rights, good democratic governance and good environmental policy.

In 2005, I voted to support, in principle, the future accession of Bulgaria and Romania. The question then remained as to when and how this enlargement could be achieved effectively. This House has insisted on Romania having the right to defer, whilst for Bulgaria, the application of that possibility was left entirely in the hands of the Council. That happened at a time when the disquiet surrounding shortcomings in Romania was at its peak and it was expected that Bulgaria would yield the least problems. Since then, in fact, it has been Bulgaria that has been the cause of increasing disquiet.

In both countries, the plight of the Roma people is worse than in most of the other states that have recently joined us. In a number of cases, the places they have called home for a long time have been declared illegal and they have been driven away. The people belonging to the Hungarian minority in Romania or the Turkish minority in Bulgaria also have problems to contend with, even though those to a lesser degree than in the recent past. The government is no longer intentionally putting those people at a disadvantage, but there is an attitude of apathy in respect of the discrimination by ultra-nationalists against those groups. Nor, indeed, has anti-Semitism yet ceased to be a problem.

During previous debates on this topic, my group tabled proposals for improvements, among others, further to the illegal payments that are demanded from EU residents of Turkish origin passing through Romania. It is unfortunate that a majority could not be found in this House to back these demands, although a majority did express concern about the use of a dangerous toxin in mining preparations in

Rosia Montana. In a communication issued by Romania on 23 September, it was reported that an environmental impact report had been launched and that its neighbour Hungary is being consulted in respect of the risks concerning toxic waste water moving in its direction. Since there is no outcome as yet, we will be unable, unfortunately, to incorporate it in this House's final verdict on Romania's membership on 11 October.

My group fears that, after accession, many problems will still need solving, and that in the event of any mishaps, a further enlargement of the European Union will be seen as ever more controversial by public opinion in the current Member States. Despite this, it looks like a majority of my group will, following preparatory discussions, be voting in favour of accession on 1 January 2007, an important argument in favour being that other Member States have joined before despite their unresolved problems, and that a year's delay will not yield any significant improvements.

Finally, I should share with you that the Dutch Socialist Party, to which I belong, has been led by these many problems to join, in the Dutch Parliament, with the Christian Democrats in speaking out against 2007 as an accession date. We think that a host of problems have yet to be resolved, but the real vote will be on 11 October.

**Brian Crowley, on behalf of the UEN Group.** – Mr President, I would like to welcome President Barroso, Commissioner Rehn and President-in-Office Lehtomäki and join with my colleagues in welcoming the very sensible decision on Romanian and Bulgarian accession on 1 January 2007.

Despite all the difficulties, what has actually been achieved in both those countries in the last 12 to 13 years is phenomenal: the change of culture, the change of attitude, the willingness to engage, the openness and transparency. The enormous sea change in legislation alone to comply with the *acquis communautaire* is something that no existing Member State could achieve in such a short time.

We can speak about the theoretical importance of this enlargement and the abstract and political arguments. But the most important argument of all is for the 7.5 million people in Bulgaria and the 22 million people in Romania to be given the same opportunities that all of us in the European Union have today, which we got when we were weaker or smaller countries or poorer economies with less developed judiciaries or economic and educational spheres.

Of course, there is more work to be done. Ongoing reforms are needed; constant vigilance is necessary against the ability of mankind to interfere with, interrupt or corrode public life. That is why the safeguard clauses are there. But let us celebrate what has been achieved so far.

I have only one small query and that concerns the ongoing difficulties in both countries with abandoned and orphaned children and children and young people with disabilities. They still do not get the levels of support, independence and protection they need.

Many years ago, a greater Irishman than I am said, 'Nobody or no group has the right to put a stop on the march of a nation'. We do not have the right to stop the reunification of Europe to correct the mistakes of history. Like all good families, we should encourage those within our family who are trying to achieve more to pursue common ideals, goals and standards.

We should welcome Romania and Bulgaria, congratulate their officials, their governments and their people for what they have achieved so far, remember the horrors that they have come through and look forward to the bright future that lies ahead for them and for us.

*(Applause)*

**Vladimír Železný, on behalf of the IND/DEM Group.** – (CS) Mr President, those of us from the post-Communist countries that are now Members of the Union suddenly find ourselves facing the kind of temptation that has all too often proved irresistible to the original, old, advanced – call them what you will – western countries. We are inside the ramparts, able to look down patronisingly on the newcomers trying to get inside the EU castle of which they have been dreaming. We peer at them and lecture them. Luckily, we in the Czech Republic have very recent direct experience of this degrading, patronising behaviour and of having to face a constant stream of pointless new conditions and quotas, as well as one-sided restrictions. For this reason, we are able to express our solidarity with both of these countries. We also know that many of the problems that beset Romania and Bulgaria are not of their own making, but the result of half a century over which, like us, they were deprived of natural development, of market economics and of free, representative democracy. Like us, they were handed

to the wrong half of Europe by the decision of the post-war powers, and the people of both countries went through hell under the Communist dictatorship.

We believe that this is why we in the Czech Republic have resisted the temptation to impose more humiliating restrictions on them concerning movement, employment and services. This is clearly what the protectionist western EU Member States are seeking. I believe that our relationship with them will be the same as we expected from the 15 western countries when we became fully-fledged Member States. We are still second-class Member States, and I feel that, for this reason, we will not turn the two new countries into third-class Member States. All the less so for the fact that while the EU is lecturing Romania and Bulgaria, two countries with European traditions, culture and values, it is at the same time playing a dangerous game over the accession of Turkey, turning a blind eye to Turkey's attitude to minorities, to democracy, to the plurality of faiths, to women's rights and to its own brutal history. I believe that these two most European of countries, Romania and Bulgaria will soon become fully-fledged EU Member States alongside the rest of us.

**Irena Belohorská (NI).** – (SK) – I am very glad that both the Bulgarian and Romanian governments, on the one hand, and the European Union on the other, have reached a consensus following constructive negotiations on the conditions for Bulgaria's and Romania's accession to the EU.

As an MEP representing Slovakia, a country that joined the EU just two years ago, I am pleased that on 1 January 2007 Rumania and Bulgaria will become members of the European Union, and I fully support their accession. It is also my wish that no one in the Union will regard these new Member States as inferior, and that their sound economies and democratic institutions will continue to show robust growth.

Regarding the shortcomings that have often been mentioned in connection with these countries, I would like to focus on Romania's new legislation banning international adoptions. International adoption is both a global and ethical issue. Trafficking in children under the mistaken notion that this is in the interests of the children is unacceptable in the European Union. A state which trafficks in its own citizens, who represent its future potential, is playing into the hands of organised international crime. Such a state must revise its priorities, and should do so not only on paper but in actual fact. It should think hard about the means for achieving these goals. The selling of children amounts to a counterproductive waste of a country's potential, undermining the very meaning of family support.

As a full member of the European Union with all of the rights that ensue from such membership, Romania should be in a position to take care of its citizens from the cradle to the grave, as the Romanian Prime Minister put it last week. It is necessary to improve social work and to train qualified professional staff for adoption counselling in Romania, as well as simplifying adoption within the country.

Despite several well-known problems concerning the implementation of this law, I consider its enactment to be a very welcome step in the right direction. This law can undoubtedly be regarded as complying fully with the standards for European legislation.

Our Romanian and Bulgarian friends are warmly welcome here!

#### IN THE CHAIR: MR ANTONIOS TRAKATELLIS

*Vice-President*

**Elmar Brok (PPE-DE).** – (DE) Mr President, Mr President of the Commission, Commissioner, Madam President-in-Office of the Council, a long period of discussion is slowly coming to an end in the Committee on Foreign Affairs on these two countries, whose accession to the EU we have supported from the outset. We should bear in mind that we had concerns about many accessions, yet all of them turned out to be political and economic successes. They turned into a win-win situation. There are also several transitional rules for the benefit of both sides, to enable accession to take place without great controversy from the point of view of the EU. Examples are rules concerning the free movement of workers, and the fact that border controls on persons have not yet been lifted, since these countries are not yet members of Schengen.

Whilst welcoming the new States, however, we must make it clear that each enlargement only works if the rules are observed. The Commission's statement today that benchmarking and monitoring processes are in place to resolve the issues of legal systems, corruption, money laundering and organised crime,

is very important. We shall then have to wait and see whether, if the need arises, these are actually used. The same goes for the legal conditions and controls for the Structural Funds and agricultural funds, and also for the opening of the foodstuffs markets.

The Commission bears a great deal of responsibility at this time, because only if this works and the Commission makes credible use of its mechanisms will the future of the EU be assured, and only then can we think about future enlargements, too. It is extremely important that we welcome these countries, but also that both sides comply with the rules, so that we are not faced with serious problems at the end of the day as a result of failure to do so. For this reason, I shall be monitoring very closely the way in which the Commission makes use of the possibilities it has mentioned today in practice.

The last thing I want to say is that the Constitutional Treaty was drawn up for the Union of 25, or rather of 27 following this enlargement to include countries that suffered so unspeakably under Communism. It is not the size of the EU that will enable it to play a role in this world, however, but only its inner strength. Size is not an indication of strength. I should like to remind the House at this juncture, therefore, that the EU has not yet done its homework.

**Geoffrey Van Orden (PPE-DE), rapporteur.** – Mr President, Commissioner Rehn and the staff of DG Enlargement, in particular Timo Summa and Mrs Bridget Czarnota, deserve our thanks for the very professional and dedicated manner in which they have conducted their work in regard to Bulgaria over many months and years. There is no doubt that Bulgaria and Romania have been subject to a degree of scrutiny probably unparalleled in EU history. The reasons for this are not just related to the countries concerned but are also a reflection of the growing scepticism about enlargement in certain political quarters. This is a pity. Enlargement is, I hope, a vehicle for reform and change in the European Union.

I very much welcome the Commission's confirmation that Bulgarian accession should take place on 1 January 2007. Postponement would have served no useful purpose. At the same time, we are under no illusions that much remains to be done. Continuing reform is needed in Bulgaria, not just because of EU accession but for the sake of Bulgaria and its people. The key word now is 'transparency' in every sector, whether it is public procurement, the appointment of officials and magistrates or whether it concerns the reasons why a particular investigation is suddenly stopped dead in its tracks. Citizens need to have confidence that those in authority are acting openly for them and in their best interests.

Of course, many measures are still being put in place by the Bulgarian authorities. I particularly welcome the recent announcement that the services of the Dutch former Prosecutor General have been enlisted to assist Bulgaria's own excellent Prosecutor General and I would encourage other countries to come forward with similar assistance.

On the subject of migration of workers, many of our countries, not least the United Kingdom, have seen the consequences of a decade and more of failed and catastrophic immigration policies, largely unrelated to the European Union. It is a pity that Bulgaria and Romania may now suffer the consequences of this.

It has been a colossal task for Bulgaria to recover from the effects of 50 years of communism. Now we see a stable democracy, a buoyant economy, 5% growth, record foreign direct investment, a factor of regional stability and a contributor to NATO. Well done Bulgaria – and welcome!

*(Applause)*

**Jan Marinus Wiersma (PSE), deputising rapporteur.** – *(NL)* Mr President, I am speaking on behalf of Mr Moscovici, our rapporteur for Romania, who is, unfortunately, unable to be here at this important moment in time. Allow me to start by extending warm congratulations to both countries on the conclusions which the Commission presented today on Romania's and Bulgaria's accession date. I should like to extend a warm welcome to both countries, but to Romania in particular. After everything that has happened, that country's history, 50 years of dictatorship, 15 years of hard work, it is now being rewarded by the European Union in the shape of membership.

My group has been consistently in favour of both Bulgaria's and Romania's accession. It is the different governments, not just the current ones but also previous ones, that have generated the dynamism in Romania which has, in turn, led to the Commission reaching its conclusion. It is an enormous achievement on the part of both countries, and an historic day in Bucharest and Sofia, in Bulgaria and Romania.

I am also pleased with the President of the Commission's remark that on the basis of permanent progress those two countries have made, it can now be decided against using this delay option, but simply to



make a start on 1 January of next year. The Commission has indicated that there is plenty of scope for it to cooperate with these two new Member States in ensuring that the outstanding issues will be carefully resolved in the next few years in a process of verification and cooperation between it and them, on the basis of clear and precisely formulated goals to which both the Commission and the two governments will commit themselves. The treaty provides plenty of guarantees that the Commission will be able to ensure that the EU's interests will be protected in that process. A year's delay would probably have meant that both sides would no longer make the effort and it would lead to automatic membership of some sort. Instead, the progress and dynamism present in both countries is now being drawn on in order to get what is left of the accession process out of the way in a thorough manner and to clear the desks as quickly as possible.

In short, congratulations, and thanks, to the Commission, thanks to Commissioner Rehn for all the work he has done over the last few years and congratulations once again to Romania and Bulgaria.

**President.** – The debate is closed.

The vote will take place on Thursday.

## 12. Turkey's progress towards accession (debate)

**President.** – The next item is the report by Camiel Eurlings, on behalf of the Committee on Foreign Affairs, on Turkey's progress towards accession [2006/2118(INI)] (A6-0269/2006).

**Camiel Eurlings (PPE-DE), rapporteur.** – Mr President, we are bringing to the final debate this report on Turkey at a special moment. This report is preceding the European Commission's progress report, and therefore provides a unique opportunity to influence and enrich the stance of the European Commission.

This does not mean, however, that there would be so much need to influence the Commission on this point, because the report as I have presented it to the Committee on Foreign Affairs, and as I present it now here in this sitting, has been prepared in very good cooperation with the European Commission and with Commissioner Rehn himself. I also think of Mr Rehn's words when I presented the report in the Committee on Foreign Affairs, words of welcome which were very clear.

The Committee on Foreign Affairs adopted the report by a large majority: 54 votes to 6. The report has been described as fair but tough: fair because it is based on facts and is constructive; tough because, unfortunately, there is reason for criticism of at least a strong push from Parliament.

The basic conclusion of the report is that we, as the European Parliament, regret that there is a slowdown in reforms. We had expected at the start of the negotiations in 2004, when we made a decision, that the impressive reforms of 2002-2004 would continue. Unfortunately they have slowed down. That is not to say that nothing has happened. I compliment the Turkish politicians on their ninth package of legislative reforms and the many proposals that were adopted by Parliament. I also compliment the Turkish officials for their professional work in the negotiations so that the first chapter could be provisionally closed.

So why then is there criticism? Because we would have liked to have seen more progress in the mainstream of further political reforms. I will mention a few vital areas. Firstly, on freedom of expression, we as a Parliament have already criticised some parts of the new penal code. Although it was a big improvement, some articles raised doubts – Article 301, first and foremost. Some people have been set free. However, the reconfirmation of the sentence of Mr Hrant Dink proves, as Ali Birand, the famous journalist, also stated so clearly, that Article 301 has to be changed or repealed. I ask the Turkish Government and the Turkish people to see the need for this. It is important for the freedom of the Turkish people, it is important for the image of Turkey in Europe and the wider world.

Second, a lot needs to be done as regards freedom of religion. I was in Turkey a few weeks ago. Until recently, monasteries and churches have been taken away, and the new proposed law on foundation, as the Commissioner said, is not good enough. So please let this stop. Give back the properties to the religious minorities and change the proposal of the law on foundation so that if they cannot be given back, then at least there is a good compensation for the minority churches.

Also, the training of clergy must resume. Since 1971 seminaries are closed, and for a country that wants to be European, it is very important that it should be as easy to build a Christian church in Turkey as it is to build a Turkish mosque in the rest of the European Union.

We said we want priority for these reforms because that is the European spirit. We ask it as a Parliament, and Turkey signed, in the revised accession partnership, a commitment to achieve the short-term priorities before the end of 2007, and then we as a Parliament asked Turkey to do what was agreed.

A third situation that worries us is the situation in the south-east. We strongly condemn the PKK and any terrorism. We strongly condemn it – there is never any excuse for terrorism; but at the same time we ask Turkey to try to find peaceful interlocutors, try to find a political way and invest in the social and economic development of the south-east.

A last major point: Cyprus. It was agreed at the start of negotiations that there would be no formal recognition ceremony by Turkey of Cyprus but that there would be an Ankara Protocol as a kind of normalisation of relations. The protocol was signed, the Council asked for it to be implemented before the end of 2006, and it is now a matter of credibility – also for the credibility of our institutions – that Turkey fulfils its commitments and implements a protocol before the end of 2006. As a Parliament, we also make it very clear that we want to see more efforts in the northern part of the island in terms of trade regulation. But once again, Turkey cannot just sign up to this: it should do what it promised to do.

I shall finish with one last point – I shall try to make it short. There was a vast majority in the committee for the basic line of the report and I thank the Members for it because with it we are giving an important signal. There was unease, however, because of an amendment on the Armenian genocide. Allow me in two sentences to make my position clear. In paragraph 50 of the report, as rapporteur I tried to put forward a position that is both strong but also realistic. It says that recognition as such is formally not a criterion, but for a country on its road to Europe it is indispensable to come to terms with its past and therefore we want committees, research, open discussion. I think that is a line that is strong but fair and beyond criticism.

I know that, with an amendment from Mrs De Keyser, another text has been voted in as well. It is of course the responsibility of every Member of Parliament to vote as he or she pleases, but if you ask for my opinion, the text in paragraph 50 is the best text and the one that takes us the furthest.

I have been speaking for too long. I want to thank Members once again for their support up till now and I just want to say that I hope, as the rapporteur for Turkish accession, that this signal – a tough but fair signal – will be perceived by Turkish politicians and the Turkish public as an encouragement to restart the reform process, to vigorously support those people who want it, so that I as rapporteur can be more positive in my next report than I have been here today.

*(Applause)*

**Paula Lehtomäki**, *President-in-Office of the Council*. (FI) Mr President, ladies and gentlemen, on behalf of the Finnish Presidency, I wish to thank the European Parliament, and particularly Camiel Eurlings, for what is a comprehensive report on Turkey's progress in the accession process.

Every debate is a good opportunity for us to get to know more about Turkey's accession process, to inspire both the citizens of the EU countries and Turkey to take an active part in this process, and to support the Turkish Government in its accession goals. Finland, the country holding the Presidency of the Council, will naturally take into consideration the views expressed by the European Parliament.

In early November, the Commission will be bringing out its annual report on Turkey's progress in the negotiations on its accession. The European Council will examine this report very carefully. In today's debate, I would like to focus attention on a few points in those negotiations.

The Presidency shares the European Parliament's concern regarding the reform process in Turkey. Turkey must accelerate the implementation of political reforms and the reform process generally. Full and effective implementation is vital to ensuring that the reforms are permanent and ongoing. We need concrete results.

We share Parliament's concern regarding the slow progress that Turkey has made in the crucially important areas of fundamental freedoms and human rights. Although the situation in Turkey has improved compared with five years ago, the country needs to continue making tangible reforms, especially

in the areas of freedom of expression, freedom of religion, cultural rights, women's rights and action against torture and ill treatment. Most of these issues have been described as priorities in the Revised Accession Partnership, and Turkey must implement the appropriate action without delay.

At present, the Presidency is awaiting the adoption of the Ninth Reform package regarding Turkish law, whose purpose it is to provide answers to some of the problems that I have just mentioned. The new laws must be fully compatible with EU standards.

The Council expects immediate action from Turkey on the matter of freedom of expression in particular, in order to avoid in future the kind of legal action that has been brought against people who have expressed non-violent opinions. As regards religious freedom, we expect legislation on the rights of the non-Muslim minorities to be fully implemented without delay, in accordance with European standards.

Like Parliament, we are concerned about the situation in South-East Turkey. The Presidency has condemned the recent bomb attacks in various places in Turkey, and regards them as senseless terrorist acts. Terrorist acts can never be justified. This is a multi-agency issue which we are following carefully as part of the reform process. Turkey quickly needs to evolve a comprehensive approach in order to reduce regional inequality. The aim here should be for Turkey to provide better opportunities for all its citizens, including the Kurds, and to strengthen the country's economic, social and cultural potential.

In addition to the Copenhagen criteria, Turkey's progress in the accession process is being judged within the context of the requirements of the Negotiating Framework, which include the implementation of the Additional Protocol to the Ankara Agreement. Progress here is essential for continuing the talks. Turkey must apply the Protocol fully to all the Member States of the European Union and remove obstacles to the free movement of goods, including transport restrictions. The initiation of talks fundamentally connected with this issue will depend on how Turkey discharges its contractual obligations towards the Member States. If it were to neglect these, this would have an overall impact on the progress of talks.

Progress is being monitored with regard to all the essential issues which were mentioned in the declaration of 21 September 2005 by the European Community and the Member States.

A spirit of enterprise and determination will need to continue if the European Union's standards and membership requirements are to be met. This determination is not just required of the applicant country, but also of the Union itself. This is why I want to say very clearly that Turkey's accession process is very important to us and the Finnish Presidency will do all it can to ensure that progress can be made in negotiations.

The Union supports Turkey in its aspirations to membership, but progress in the accession negotiations obviously depends very largely on Turkey's own actions. The accession process will continue while Turkey continues its process of reform and discharges its obligations accordingly.

**Olli Rehn**, *Member of the Commission*. (FI) Mr President, ladies and gentlemen, firstly I am sorry but, unusually in my case, I have to leave halfway through this debate, because I have a press conference with European Commission President Barroso at 4 p.m., 10 minutes from now, which I have to attend. Straight after that we are both leaving for Sofia, in Bulgaria, and Bucharest, in Romania, to communicate today's decision and the content of Parliament's debate to these two future EU Member States. I regret that I have to serve two masters, but the last debate overran slightly and I am afraid that I have no alternative.

Mr President, in the previous debate Mrs Lehtomäki made a statement on behalf of the Council on the future of enlargement. Like President Barroso, I welcome the statement and reiterate the Commission's commitment and our policy of a consolidated enlargement agenda, which covers south-eastern Europe apart from Bulgaria and Romania. It covers Turkey and Croatia and the other countries of the western Balkans. We are cautious about any new commitments, but we stick to our existing commitments to the countries of south-eastern Europe *pacta sunt servanda*. They have the prospect of joining the European Union once they meet the conditions, as promised for the countries of the western Balkans at the Thessaloniki Summit in 2003. While we prepare internally for a new institutional settlement, the gradual and carefully-managed accession process continues with these countries of south-eastern Europe. We cannot take a sabbatical from our responsibilities for peace, stability, liberty and democracy.

We expect the EU Member States to be able to agree on a new institutional settlement in 2008; hence the new institutional settlement should have been born by the time the next member is likely to join. If

Croatia, which is likely to be the next new member, pursues reforms with rigour and results, it should be ready to join the Union around the end of this decade.

Let me thank Mr Eurlings for his report, which includes useful elements for the assessment of Turkey's progress towards accession. I also thank the members of the Foreign Affairs Committee for their contributions.

Turkey's accession is a matter of constant debate. It is true that the momentum for reform has slowed down in Turkey in the past year. However, we should not lose sight of the progress accomplished in the last decade, nor of our commitments towards Turkey. The goal of the negotiations started on 3 October 2005 is full EU membership of Turkey, and by its very nature it is an open-ended process with no automatism.

This commitment stems from a solid understanding that integrating Turkey into the EU is of mutual benefit. In its own interest, the European Union needs a democratic, stable and increasingly prosperous Turkey. Turkey's strategic significance was once again illustrated by its decision to take part in the UNIFIL mission in Lebanon.

In the past twelve months, there has been a lack of progress in the reforms. It is important that new initiatives are taken and that tangible progress is still achieved before the Commission presents its report on 8 November.

First, freedom of expression is the cornerstone of the reforms. Journalists, authors, publishers and human rights activists still face judicial proceedings for violations of the notorious Article 301 of the Penal Code on the vague grounds of 'insulting Turkishness'. In July, the final ruling of the Court of Cassation in the case of Hrant Dink established jurisprudence on that notorious Article 301, which violates European standards. Thus, despite the acquittal of novelist Elif Shafak last week, freedom of expression remains under threat in Turkey.

The judicial proceedings have a chilling effect and damage the important work carried out by journalists, intellectuals and activists. I have repeatedly expressed my concerns about this, most recently last week to Foreign Minister Gül. Frankly, I am rather tired of repeating myself endlessly, but I shall continue to do so until the end of my term, unless this shortcoming is corrected. I cannot even imagine a Member State in the European Union which does not respect such a fundamental principle as freedom of expression. It is now high time for Turkey to amend the restrictive articles in the penal code and bring them truly into line with the European Convention on Human Rights.

This matters also as regards the internal debate on Turkey to which the rapporteur, Mr Eurlings, referred. An open and constructive exchange of views is needed in Turkey, including the most sensitive issues. That is necessary both for the democratic process in Turkey and for facing tomorrow's challenges, as well as for Turkey's reconciliation with its neighbours, including Armenia. Reconciliation is a principle that is both the origin and the outcome of the European integration process. I therefore urge Turkey to continue to take concrete steps in that direction.

Secondly, with regard to freedom of religion, I fully agree with the rapporteur and the Council on this important matter. The Law on Foundations currently debated in the Turkish Grand National Assembly should address the shortcomings. Restrictions applied to property rights, management of foundations and training of the clergy must be lifted.

There are also Muslim minorities that face discrimination. The Alevi, a community of 15 to 20 million people, face legal restrictions on establishing places of worship and receive no financial support from the State religious authority.

In the south-east, the spiral of violence undermines positive developments witnessed since emergency rule was lifted some years ago. Terrorism is our common enemy. Turkey and the EU unequivocally condemn the PKK, and I deeply deplore the loss of innocent lives in the attacks that have taken place throughout the year in Turkey.

However, a policy based merely on security considerations is not sufficient to address the problems of the region. The south-east faces an aggravated socio-economic situation, due not only to security threats but also to high unemployment and poverty. We expect Turkey soon to adopt a comprehensive strategy targeting all the needs of this region: economic, social and cultural.

Let me turn to the obligations which Turkey needs to respect. We expect Turkey to implement fully the Additional Protocol of the Ankara Agreement. That means that Turkey should remove obstacles to the free movement of goods, including those on means of transport, which are in breach of the Association Agreement. Hence Turkey should open its ports to vessels under flags of all Member States, including the Republic of Cyprus. As set out in the Negotiating Framework, progress in the negotiations also depends on Turkey meeting its obligations. Let me reiterate that Turkey's obligations under the Ankara Protocol are not linked to the ending of economic isolation of the Turkish-Cypriot community.

The draft report rightly calls on the Council to make renewed efforts to reach an agreement on the trade facilitation regulation concerning the northern part of Cyprus. The Commission fully supports the serious efforts of the Finnish Presidency to overcome the stalemate on the trade regulation, thus helping the Council and the EU Member States to live up to their commitments. It is also appropriate to underline the continuation of the constructive commitment by Turkey in finding a comprehensive settlement on the Cyprus question, acceptable to both Greek Cypriots and Turkish Cypriots, based upon the principles on which the EU was founded.

To conclude, it is in our mutual interest for Turkey to pursue its democratic, societal and economic transformation with the goal of joining the EU. If Turkey succeeds, with our consistent support, it can become an ever-sturdier bridge between civilisations, at a moment when the relationship between Europe and Islam is the greatest challenge of our time. Turkey is an important benchmark in this regard and it matters for our own future and for the future of our children and grandchildren.

While the Commission is prepared to support Turkey through the process, it is ultimately up to Turkey to carry it forward. The extraordinary parliamentary session convened last week to accelerate the adoption of the ninth reform package is a welcome step in the right direction. Yet a more resolute reform process is needed for Turkey to progress on the path to EU accession. In this process, we should remember that – as Prime Minister Erdogan suggested – the Copenhagen criteria should be called the Ankara criteria, since they are there, in the first place, for the sake of Turkish citizens and their rights, not merely to please the EU.

*(Applause)*

**Emine Bozkurt (PSE)**, *draftsman of the opinion of the Committee on Women's Rights and Gender Equality*. – (NL) Mr President, I should like to start by thanking Mr Eurlings for his hard work; it has not always been plain sailing. Unfortunately, the report as it now stands has, on account of the opponents of Turkish accession to the EU, become a cause for disappointment for many of us, including reform-minded Turks, those Europeans who want Turkey as an ally, and not least women in Turkey.

As rapporteur for women's rights, I have seen that Turkey is definitely making headway in the area of women's rights, partly as a result of pressure from the EU in general and the European Parliament, in particular. The enlargement strategy is effective in encouraging reforms in candidate states, but it only works if those reforms are also recognised. As Mr Eurlings' party in the Netherlands likes to put it, 'we need sweet after sour', in other words we need light after dark.

The Eurlings report fails to recognise Turkey's achievements to date. It is negative, not only in terms of substance, but also in its tone. That is a sure-fire way of sabotaging reforms in Turkey by undermining public support for them and by equipping Turkish eurosceptics with a powerful weapon for the forthcoming elections in Turkey. What we really want, surely, is for that criticism to be translated into action, for that will benefit everyone.

We could turn things on its head and mention reforms that have been successful, acquaint ourselves with the first steps that Turkey has taken in order to come to terms with its past and promote further attempts, but I urge you to remove acknowledgement of genocides as a condition for membership, for that does not form part of the Copenhagen criteria and has, in all fairness, never been put to any of the other Member States. All references to a privileged partnership should be deleted, for the objective of the negotiations is that a reformed Turkey should become a Member State. If these changes are made, we can keep the Turks in Europe, welcoming this secular state with its Muslim people as our ally in the fight against terrorism and extremism. If we fail to implement these changes, we will leave reformers in Turkey, millions of men and women, simply out in the cold.

**Elmar Brok**, *on behalf of the PPE-DE Group*. – (DE) Mr President, Commissioner, Madam President-in-Office of the Council, I do not know if the previous speech represented a personal opinion or the opinion of the committee responsible.

I should like to extend the warmest of thanks to Mr Eurlings for the very well-balanced report he has presented. A good deal of the criticism expressed by one or other group today has been raised by members of the group for the first time in this report. This, too, should not be forgotten, for example in connection with the issue of the media.

It is important to establish that the negotiations are under way and that both sides need to contribute constructively to these. We agree that the prospect of EU membership should be extended to Turkey, but we need to make it clear – as the Commissioner also said – that the pace of the reform process has slowed since 3 October. It is right and necessary to point this out, and to do so on the basis of a number of specific questions relating to human rights, minority rights and freedom of expression and religion. It is also important to make it clear that these are the preconditions for progress.

Parliament stated in a decision at the start of negotiations that the political criteria should be met at the start of negotiations and not at the end.

A number of things about this debate are bothering me – this is almost a problem of mentality – for example, that it is not permitted to mention facts in case this is taken as a criticism or misinterpreted in Turkey. Such negotiations cannot be conducted unless the facts are indeed mentioned. Only then can we make progress. After all, our job is to take our citizens with us on this path. If the conditions are not met and the facts are not clearly stated, we have a problem.

Only those who meet all the criteria, including the political criteria and the preconditions for the negotiations, can join the EU. This means that implementation of the Ankara Protocol must be set in motion once and for all, an endeavour that has failed up to now. The Cyprus issue must be resolved this year, as stipulated, and cannot be postponed further, as to do so would mean no one taking us seriously any more.

Incidentally, it must also be stated that the EU's capacity to cope with enlargement is of vital significance. This also means that the financial perspectives under the negotiating mandate do not permit negotiations on the chapters with financial implications any earlier than 2013. That, too, should be made clear, as these provisions in the negotiating mandate show that the EU currently lacks the capacity to cope with enlargement in view of its financial possibilities.

**Jan Marinus Wiersma**, *on behalf of the PSE Group*. – (NL) Mr President, today finds us debating a topic that concerns us all, namely negotiations with Turkey and Turkey's future in relation to the European Union. Turkey is a key partner in a crucial region. It is, now more than ever, evident that we must tie Turkey to the European Union and that we must support the reformers in that country. Turkey has committed itself to an operation by the United Nations Force in Lebanon. In that respect, we must assist Turkey to play a positive and constructive role in that region. We need a partner there as a matter of priority.

The negotiation process is the best way of developing a better and stronger relationship with Turkey, and, while we know that the negotiations will take some time, we remain of the opinion that a critical, yet constructive, dialogue is the best way of bringing that process to a successful conclusion. Consequently, this House's reports must be balanced and should not lose sight of the end goal, namely membership. We must build on the progress that has been made in recent years, whilst acknowledging that delays have hampered that progress.

Our group has tried, by means of a series of amendments, to make the report more balanced in a number of areas and, in response to what Mr Brok said, our group should not, of course, automatically accept what the Committee on Foreign Affairs produces. The process is not served by speculation about alternative forms of association; that is our permanent objection to Article 71 in the report. We should leave you in no doubt about that.

The negotiations are being held with a view to full membership. That is, fortunately, something that is clearly formulated in the Eurlings report, on which we are agreed, and I am in no doubt as to Mr Eurlings' intentions in that respect. What is clear, though – and I share Mr Brok's view on this – is that the present institutional frameworks will be unable to cope with the accession of new Member States following the accession of the two we have been discussing today. That too has, fortunately, been clearly spelled out

in the Eurlings report: without the necessary reforms in the framework of the institutional process, we will not accept any further decisions about enlargement.

I will now turn to the two key points in the report. First of all, with regard to the Armenian genocide, I share the view which Mr Eurlings has adopted in this respect. After all, the compromise that we had struck in the negotiations is namely exactly what we need. It is an appeal to the Turkish Government to recognise this genocide, and to have a good internal debate in Turkey, but without stipulating this as a condition for EU membership. I hope that tomorrow, we will manage to remove this section from the report. This whole issue does not, strictly speaking, form part of the Copenhagen criteria, and that is how it should stay.

Finally, as for Cyprus, we agree that the Ankara Protocol needs ratifying. At the same time, we also think that we should do something to help the Turkish Cypriots in Cyprus more. This evening, our group will again be discussing the voting list and, on that basis and on the basis of tomorrow's vote, we will pass our final judgment.

**Andrew Duff**, *on behalf of the ALDE Group*. – Mr President, I certainly agree with Mrs Bozkurt and Mr Wiersma that the resolution at present gets the balance wrong. Parliament's special role inside the accession process is surely to promote the growth of parliamentary democracy in Turkey. Our criticism should be constructive, designed to encourage Turkey's path to modernisation and not to block it.

We are correct to stress the existing impediments to freedom of expression, but we should not put up spurious blocks to the continuation of the process that we have started. We must pace the reaction, try to be consistent and, above all, be fair, especially on Cyprus and Armenia.

Turkey's candidature is a defining moment for the Union. Should there be a train crash in Cyprus there would be two trains involved. One of them carries the efforts of Turkey to create a viable form of European Islam, where the Prophet meets the Enlightenment. The success of that mission will drag both Islam and Christianity far away from the terrible certainties of the 14th century. The second train carries European efforts to develop a strong common foreign security and defence policy, a task towards which Turkey will make an extraordinary contribution.

Perhaps the involvement of Turkey's troops under French command in Lebanon will prove to be a turning point in the life of CFSP and a welcome sign of things to come.

Membership for Turkey will be a two-way process.

**Joost Lagendijk**, *on behalf of the Verts/ALE Group*. – (NL) Mr President, I have a big problem with the Eurlings report as it stands. I am not talking about the many critical paragraphs in which the Turkish Government is urged to do more and to implement reforms more quickly. An appeal has been made, with good reason, to the Turkish Government to remove the infamous Article 301, which has led to dozens of trials involving writers and journalists, from the criminal law as quickly as possible.

The problem I have with the report is the few paragraphs where the report is losing total control, particularly the paragraph in which the recognition of the Armenian genocide is considered as some sort of condition for accession, and the Cyprus paragraphs, in which Turkey appears to be the only guilty party. The original report, as submitted by the rapporteur, was critical, yet fair, and we in the Committee on Foreign Affairs have managed to reach sound agreements during our discussions, which means that the report can be improved with many amendments.

Where we went wrong is that in the closing stages of those discussions, clauses were added to the report by means of all kinds of oral amendments, which brought imbalance to a previously balanced report. Whilst this may have been a huge success for a number of lobby groups, this has considerably changed the report for the worse. What we want, what my group wants by tabling a number of amendments, is actually to return to the original Eurlings report, which was, in our view, both critical and fair.

I am therefore pleased to hear and also read in the interviews with the rapporteur in the Turkish press that he, on the basis that 'a fault confessed is half redressed', is prepared to support the attempts to restore the report to its original form. I will therefore be counting on his support during tomorrow's votes.

Why is it so important that the report should be critical and, at the same time, fair? I very much want the European Parliament to continue to play a role in the reform debate in Turkey by supporting those

groups and those people who, day in and day out, are fighting for the same things that we are. It is those very people who in the last few weeks have come up to us and told us that this report, in its current form, is of no use to them. It is only benefiting those in Turkey who are opposed to reforms, and I do not want to see Parliament helping those people who do not want Turkey to move forward.

If that report does not change, if that report stays in its current form, then that means that we are taking ourselves out of the equation, because then all the valid points made in the report will no longer be taken seriously, and that is not how I see Parliament's role. That is why the changes are necessary, and I am counting on your support and on that of the rapporteur. I really hope that the majority of this House is prepared to choose this path: constructive, critical, yet fair, rather than the *cul-de-sac* of the report as it currently stands.

**Vittorio Agnoletto**, *on behalf of the GUE/NGL Group*. – (IT) Mr President, ladies and gentlemen, the Confederal Group of the European United Left/Nordic Green Left has voted in favour of opening negotiations with Turkey, but we believe that those negotiations must centre on respect for human rights and democracy, and that such respect must be indissolubly linked to the political and diplomatic solution to the Kurdish question.

Last week, I took part in the Subcommittee on Human Rights' visit to Turkey, and I have come back with a very different impression to the one I had hoped for. In particular, we found a tragic situation in Turkish Kurdistan, that is, it was a completely militarised zone. It is one thing for us all to condemn terrorism, but it is quite something else to regard an entire population as terrorists, to imprison minors merely for giving the V-sign, to persist with the logic of torture and to dismiss those judges who, for example, investigate police officers held responsible for an attack.

We, as Parliament, must support the DTP's call for a ceasefire and we must call on the PKK to respond positively to that appeal. We must call on the Turkish Government to begin immediate talks with the DTP with the aim of reaching a political solution, as there is no other possible alternative.

However, the problems do not just concern the Kurdish issue: we were all delighted with the solution reached regarding Elif Şafak, just as we were previously with the one regarding Orhan Pamuk, but there is a danger that this is window dressing just for the West: there are at least another 80 writers and journalists who are standing trial under Article 301.

At the same time, the Turkish Parliament has approved the anti-terrorism law in its original wording, despite opposition not only from Europe, but also from the United Nations. Furthermore, we have been able to ascertain that, in Hakkari Province, which is also in the Kurdish area, 7 000 out of the 250 000 people living there are village guardians, and so we have a situation where a police force – the disbandment of which the European Union has been requesting for some time – is directly answerable to the government.

The commitment that we are asking Parliament, the Commission and the Council to make is to continue down the road of holding talks with Turkey, but with a focus on human rights and not just on ideological debates or economic interests. We believe that the future can bring a Europe that is multi-ethnic and multi-faith, but there must always be respect for everyone's human rights.

**Konrad Szymański**, *on behalf of the UEN Group*. – (PL) Mr President, it is true that the tone of the report on Turkey is cool in many places but that is what makes it honest. For over 40 years, this country, which is applying for European Union membership, has had an antagonistic attitude towards its neighbours, which include European Union Member States.

It is also our right and obligation not only to demand explanations for past injustices, but also to demand that Turkey address the deteriorating situation involving infringements of the human rights of the Christian minority in Turkey. This minority can only depend on us to take up its cause. In this context, one cannot fail to mention the scandalous statements made by representatives of the Turkish Government in relation to the lecture given by Pope Benedict XVI in Regensburg. By pandering to the extreme sections of Muslim public opinion, this government has taken two steps backwards. In spite of this, we should not turn our backs on Turkey. However, I am sure that forms of cooperation other than membership can bear economic and political fruit.

It should also be stressed that significant imbalances remain in our attitude towards future enlargements. Significant progress has been made in the political process towards Turkey's membership of the European



Union, whereas the process towards Ukraine's membership has been put on hold, although it is not Ukraine that loses 250 cases at the Court of Human Rights each year. It is not Ukrainians who apply to us for asylum in their droves. It is not Ukraine that perpetuates tensions with its neighbours as a result of current and past conflicts. As long as this imbalance in political relations remains, Ukraine will remain confined to the straitjacket thrust upon it 60 years ago as a result of the decrees passed by Stalin's Communist Russia.

*(Applause)*

**Bastiaan Belder**, *on behalf of the IND/DEM Group.* – (NL) Mr President, the report that Mr Eurlings has written is an informative one, and prompts two questions to the Council and Commission, concerning the phenomenon of the so-called 'deep state' (*derin devlet*) and the complete lack of freedom of religion in the Republic of Turkey. Anti-European forces in Turkey are teaming up in intransparent state structures, nationalistic circles in the army, police, gendarmerie and security services. To what extent do those forces, summed up under the heading of 'deep state', hamper the present accession negotiations?

There are persistent speculations to the effect that this self-same ominous 'deep state' is linked to the killing of the Italian priest Andrea Santoro in Trabzon in February of this year, and that brings me to the altogether humiliating position of the Christian Church in Turkey, the clergy and lay members of which are considered to be foreigners. In fact, contact between churches and government is made via the Foreign Affairs Ministry. I should like the Council and Commission to take action on this score. Or does the fear of Islamic mobilisation in Turkey make you reluctant to insist on full freedom of religion in the land of Atatürk?

**Andreas Mölzer** (NI). – (DE) Mr President, we are now paying the price for the fact that, in Turkey's case, the Commission has been turning not just one, but often two blind eyes. Turkey's reforms need only exist on paper for us to celebrate supposed progress. For example, the implementation of an obligation to adopt international human rights conventions that has been incumbent on Turkey for more than 50 years by virtue of its membership of the Council of Europe was celebrated as a great success in 2004. In 1999, the European Council decided that the Copenhagen criteria had to be met before the start of negotiations. In addition, further political conditions have been laid down in connection with the Greece/Cyprus conflict. As if it were not enough that the Commission has been very generous in its interpretation with regard to Turkey thus far, now the deadline for the recognition of Cyprus is to be extended once again, in the vague hope that Turkey may yet meet it.

Turkey is dismissing the demand that has now been made for it to actually meet the criteria as politically motivated and unrealistic, and seems to regard Parliament's decision as non-binding. As is typical of Turkey, it is even asking MEPs to kindly show political sense and thus to continue to paper over the cracks. Reality looks rather different, however, namely that Turkey is simply still not ready to join Europe. There is no real recognition of Cyprus, no real sense of any wrongdoing with regard to the Armenian genocide and no real willingness to treat the Kurdish people properly. There can be only one answer to this – which, incidentally, citizens across Europe have been giving for a long time – we should give every possible support to the forces for reform in Turkey, but say a clear 'no' to the accession of Turkey to the EU.

**Antonio Tajani** (PPE-DE). – (IT) Mr President, ladies and gentlemen, I should like to focus above all on one aspect of Mr Eurlings's report: the dialogue between religions. This is a subject currently under the spotlight throughout the world on account of recent events, the polemics that have arisen, the attention given to Pope Benedict XVI's words in Germany and the reactions in the Islamic world.

A very important meeting took place yesterday, which demonstrated how important a constructive and positive dialogue between representatives of different religions – between Christians and Muslims – is for all of us. The meeting was based on the principle of reciprocity, according to which both sides have the right to uphold their own ideas, to defend their own values and to be able to manifest their own faith; this applies to Muslims in areas where Christians are in the majority, and to Christians where Muslims are in the majority.

The Turkish ambassador was also present yesterday at Castel Gandolfo for a meeting with the Pope. They spoke at length about these issues, and therefore I believe that Benedict XVI's forthcoming visit to Turkey will be fundamentally important. It will be an important trip because, in my view, it will encourage dialogue between Christians and Muslims, between the Muslim majority and the Christian – Catholic, Protestant or Orthodox – minority living in Turkey.

That is why, with Mr Eurlings and Mr Tannock, we have tabled an amendment and are putting it before the whole Chamber, including the other political groups. Its aim is to encourage dialogue between Christians and Muslims, between Christianity and Islam, *inter alia* through a strong message from this Parliament. Let us exclude extremism, let us isolate fundamentalists, and let us hold a dialogue with those who truly want to build peace in the Middle East and Africa.

To conclude, helping the reforms and encouraging dialogue between Christians and Muslims are in Turkey's own interests. The progress that that country is making on its journey towards the European Union can be measured principally by the results achieved in the dialogue between religions, in respect for minority rights, and in respect for the civil rights of everyone living in Turkey.

**Hannes Swoboda (PSE).** – (DE) Mr President, I should like to endorse what Mr Tajani said. We certainly agree with him on the great importance of interreligious dialogue, especially between Christian religions and Islam. It was for this very reason that we objected to the Pope's statements. Nevertheless, I appreciate both his apology for the statement in question and the initiative agreed yesterday with the ambassadors of Islamic countries to revive this dialogue. It is for this reason, in particular, that it is so important to us that Turkey have the prospect of membership – have a path towards EU membership – as this is a means of lending support to this dialogue.

Turkey is also important to us as a strategic partner in the Middle East peace process, which can undoubtedly be promoted appropriately by means of Turkey's path towards EU membership. Nevertheless – and on this point I agree wholeheartedly with the rapporteur, Mr Eurlings, to whom I am obliged for his efforts – we must give criticism where criticism is due. Years ago, I myself was a Parliament rapporteur. I am delighted that the process has been continued, that we are negotiating with Turkey, that some changes have indeed been made in that country. On the other hand, however, I am disappointed that Turkey has made insufficient progress on a good few issues. One example is freedom of expression: although many authors are acquitted, the scandal is that they are prosecuted for their opinions in the first place. That is unacceptable and must be prevented.

Regarding the Kurdish question, as has already been said, no one in this House has any sympathy for terrorism, and the PKK should declare its lasting support for the peace process once and for all. The Government must do its part to promote peace, however – economically, socially and politically. It must detach itself from those forces – the military and the security apparatus – that do not want peaceful dialogue – particularly with regard to the Kurdish question.

In this respect – even though there are a few more things we should like to change – the rapporteur has certainly been at pains to make it clear that we do want Turkey to take the path towards EU membership, but that is why we shall not dispense with our legitimate demands – including in Turkey's interests – as the greatest beneficiary of the process of reform is not the EU, but Turkey itself.

#### IN THE CHAIR: MR ONYSZKIEWICZ

*Vice-President*

**Jean-Louis Bourlanges (ALDE).** – (FR) Mr President, ladies and gentlemen, there is a mystery about the Eurlings report. But it is not the one people say. It is not the harshness or hardening of the report. In fact, when you read this report you find that it repeats what we have, quite rightly, always said. It says that human rights and freedom of expression are not adequately respected in Turkey. It says that religious minorities do not have the right to own property, to publish and to teach that they have everywhere in the European Union. It says that when you join a club the least you can do is to shake hands with all the members and not to behave in a warlike manner towards any of them. Finally, it says that there has been an Armenian genocide and that nothing will be built without acknowledging that genocide, and there is nothing new in that. We said it in 2004, we asked for acknowledgement of the genocide in 2004 and in 2005 we said it had to be a precondition. Failure to adopt paragraph 49 would be a climb-down on Parliament's part.

The real mystery, however, the real mystery of the Eurlings report is its consistency. Here is an institution that continues, several years later, to say what it said before. In the climate of general degeneration of which Daniel Cohn-Bendit spoke so critically a few moments ago, that is a strange thing. It is strange that here and now we should be saying that what we said yesterday must remain at the centre of our concerns. The mystery of the Eurlings report is that we find, for the first time in the history of negotiations, that we have a State that regresses before accession and not afterwards and that tells us accession must

be on its terms and not ours. The mystery of the Eurlings report is that, unlike the Commission in its report on Bulgaria and Romania, this institution has decided to tell the truth, to tell it as it is, to speak the facts, and while I know - Guy Béart said it some time ago – that the first person to tell the truth must be executed, I hope that will not be the case with Mr Eurlings and his report, which I wholeheartedly support.

*(Applause)*

**Cem Özdemir (Verts/ALE).** – *(DE)* Mr President, I should like to start by thanking the rapporteur for his endeavours to capture the mood in this House and form it into a majority. Nevertheless, I believe that the decision by the Committee on Foreign Affairs tends to be the enemy of the good.

I should like to demonstrate this using two examples. The first is the point that my fellow Member has just raised towards the end of his speech: the Armenian question. I attended and spoke at the conference on the Armenian question in Istanbul that many are now describing as ‘historic’. It was the first conference of its kind, discussing all questions on this subject – including ones by the harshest critics – in Istanbul. The participants in this conference, from Taner Akçam to Halil Berktaş to Hrant Dink – who is currently fighting a running battle with Article 301 – all asked me to tell this House explicitly that anyone wishing to assist the debate in Turkey should not make recognition of the genocide a precondition for membership of the EU. For this reason, I should like to make the following appeal to my fellow Members: anyone wishing to help the debate continue, anyone wishing to make a contribution to change in Turkey, should listen to the voices of the opposition in the country. I want to see the border between Turkey and Armenia resemble the border between Germany and France one day, but this will require our help.

My second point is that, on the Cyprus issue, too, we all agree that Turkey must keep its side of the bargain and implement the Ankara Protocol. There is also a political aspect to the obligations, however, and this concerns the fact that the people in the north of the island of Cyprus, the Turkish Cypriots, are waiting for us to keep our side of the bargain and put an end to the economic and educational isolation of the people living in the north of the island. Turkey must implement the Ankara Protocol, but we must also help put an end to the isolation of the people of Turkish origin in the north of Cyprus.

**Kyriacos Triantaphyllides (GUE/NGL).** – *(EL)* Mr President, in order to proceed smoothly on its road towards accession, Turkey needs to do the same as the previous candidate countries and comply with its contractual obligations, such as opening up its ports and airports to Cyprus's ships and aircraft and lifting its veto on Cyprus's participation in international organisations and multilateral treaties.

Its continuing refusal to do all this constitutes clear infringement of the association agreement, of customs union and of the additional protocol, which are its contractual obligations towards the European Union. As such, Turkey is wrong to link them with the Cyprus problem.

Nonetheless, the proposal by the Cypriot government for common use of the port of Famagusta under the aegis of the United Nations, with simultaneous monitoring by the European Commission, combined with the return of the fenced off area of Famagusta to its legitimate residents, may help to overcome the present impasse.

We, the Progressive Party of the Working People of Cyprus, are working for the resolution of the Cyprus problem and for respect for the human rights of all Cypriots, both Turkish Cypriots and Greek Cypriots. We are not seeking to put obstacles along Turkey's path towards accession. At the same time, however, we cannot condone infringement of Turkey's contractual obligations towards the European Union at Cyprus's expense or accept the lack of respect for human rights of all the inhabitants of Turkey and the refusal to acknowledge the genocide of the Armenians.

To conclude, we cannot understand the thinking behind the amendments which aim to absolve Turkey of its obligations. This sort of thinking is unnecessary and will lead us into unwanted complications.

**Mogens N.J. Camre (UEN).** – *(DA)* Thank you, Mr President, the name is the European Union. Mr Erdogan, do you perhaps have a map? That is how easy it is to answer the question of whether Turkey should be accepted into the EU. Turkey is not a European country, and as such Turkey cannot be a member of the European Union. The Heads of State or Government of the EU have promised Turkey that it can, on certain conditions, become an EU member, but those Heads of State or Government do not have the backing of their peoples in so doing. Two thirds of European citizens do not want Turkey

to become a member, and the Heads of State or Government will ultimately be compelled to defer to their wishes if they wish to maintain the trust of their electorates.

Mr Eurling's report is an excellent illustration of how the citizens of the EU base their opinions on facts and not feelings. I would like to recommend voting in favour of the report, regardless of the fact that some of the wordings in it can be construed as meaning that we regard Turkey's accession as an objective, albeit one still far from being realised. The government of Turkey has demonstrated again and again that it does not recognise European values, whilst at the same time demanding that we should respect unacceptable Turkish and Islamic values. We saw this in the case of the famous Danish cartoons of Mohammed in the *Jyllands-Posten* newspaper and also in the Turkish outcry against Pope Benedict's speech in Regensburg. Turkey illegally occupies Northern Cyprus and believes that it can force the EU to accept this situation. Turkey wishes to stifle Europe's freedom, our freedom of speech, and membership would mean the formation of a parallel society opposed to European culture. It is time to speak the truth.

**Bogusław Rogalski (IND/DEM).** – (PL) Mr President, Europe has a long history of relations with Turkey. Unfortunately, this history consists almost entirely of painful events and acts of injustice. It is a history of constant invasions, wars, massacres and the occupation of central and southern Europe. These were the events experienced by Europeans for centuries.

Today, little has changed and Turkey continues to threaten its neighbours. Turkey is still enforcing an illegal embargo on Armenia and threatening Greece, questioning Greece's right to define the limits of its own territorial waters. It is still discriminating against the Kurds and refuses to acknowledge the full independence of Cyprus, which is a Member State of the European Union. This situation is preposterous. Turkey poses a threat to stability in this region and we, seemingly blind to this fact, are engaged in negotiations with that country with a view to it achieving membership of the European Union. Turkey also fails to respect values that we view as inalienable. It violates and infringes human rights and freedoms and restricts access to them. It persecutes political opposition groups, including the family of Leyla Zana, who was awarded the Sakharov Prize by the European Parliament. Turkey also restricts religious freedom, and this led to the killing of an Italian missionary.

This is the whole truth about Turkey. I do not agree that Turkey can play the role of a bridge between Europe and the Muslim world. On the contrary, I think that Turkey could become a gateway for terrorism. Turkey is part of a world that is alien to us in terms of its culture and traditions. We have to acknowledge this fact and ask ourselves: *quo vadis*, Europe? Should the Union be European or Eurasian?

Accepting Turkey into the European Union will set a dangerous precedent that will spell the end of Europe as we know it today. Accession negotiations with Turkey should cease as soon as possible.

**Francesco Enrico Speroni (NI).** – (IT) Mr President, ladies and gentlemen, the Turkish Prime Minister, Mr Erdogan, has strongly criticised the speech made by the Pope at Regensburg University, a speech based on religion with a grounding in theology, not politics.

The fact that it was the Prime Minister and not a Turkish religious spokesman who criticised the Pope shows that the sacred and the secular – politics and religion – are still unacceptably mixed together in that country. The separation to which we are accustomed in our European Union does not exist there.

This mix-up is a further reason why Turkey should not join the European Union, even though the main reason will never be eliminated, which is that Turkey must not join the European Union because it is not geographically in Europe.

**Giorgos Dimitrakopoulos (PPE-DE).** – (EL) Mr President, may I start by congratulating Mr Eurlings on his excellent work and on his report. I shall, of course, take this opportunity to repeat that we are in favour of Turkey's European prospects.

In essence, the Eurlings report is not only a warning, a message to Turkey about the steps it must take and the obligations it must honour in order to continue on its path towards Europe. It is also, at the same time, confirmation of the principles upon which the European Union was built, principles from which we have an obligation not to deviate because, when Mr Eurlings speaks of respect for human rights and for minority rights, he is reiterating a European principle. The same applies when he speaks of institutional reforms, the same applies when he speaks of a peaceful resolution to differences and the same applies when he calls for the signature of the Ankara protocol to be honoured and for this protocol to be applied immediately.

Mr President, ladies and gentlemen, as you know, every country, every nation that forgets or does not come to terms with its history, will at some point have problems. Thus, paragraph 50 referring to the tragic history of the Armenians, the Greeks of Pontos and the Assyrians, does precisely that. It calls on Turkey to do so. This paragraph is the outcome of broad agreement and must remain as it stands. Consequently, it must not be changed in one direction or another with amendments that have been tabled.

Finally, I wish to remind all those who consider the report to be excessively strict, that there are in Turkey democratic citizens who want a modern Turkey, a developed and progressive Turkey which looks towards Europe and who are fighting for that against the well-known establishment. They need a message which we shall give them by voting for the Eurlings report.

**Pasqualina Napoletano (PSE).** – (IT) Mr President, ladies and gentlemen, the assessment of Turkey's progress in the EU accession process should focus more on the content of the assessments relating specifically to the Copenhagen criteria and the dossiers relating to the *acquis communautaire*.

I shall avoid introducing distractions – new criteria that do not help a process that is already in itself difficult and requires us to be transparent, consistent and objective. In that respect, I agree with paragraph 50, as proposed by the rapporteur, on the Armenian genocide issue.

This country plays a crucial role in a geopolitical area that runs from the Mashreq to South-East Asia and the Caucasus. That leads us to support the efforts of all those who are working for a democratic, peaceful Turkey. Having said that, we must be strict in our judgments and demand that the Turkish Government, together with all its state machinery and institutions and Turkish society, make a serious commitment to those areas in which progress has to be more significant and constant. Those areas include civil, political and social rights, freedom of expression and, particularly, the rights of minorities, primarily those of the Kurdish minority and of women, who are in fact in the majority.

We hope for a firm condemnation of terrorism and the implementation of the Ankara protocol by the agreed deadlines.

To conclude, let us try to keep to the point and to be credible and effective in continuing to positively influence internal developments in this country and its external role in establishing peace and stability in an explosive region where the most serious threats to peace are concentrated.

**Lapo Pistelli (ALDE).** – (IT) Mr President, ladies and gentlemen, those who have voted for opening negotiations with Turkey have already, on several occasions, explained the good reasons for achieving its accession in the near future, so there is no need for me to repeat them.

This annual debate on progress made is, however, a gauge that specifically records the reforms that have been achieved and the mood of public opinion, and I think we can all see that there has been increasing coolness on both fronts in recent times.

We are against arranged marriages: to get married you have to know each other and love each other, and that applies to Turkey's ambitious goal as well. The Turkish Government must therefore work harder at its reforms and at spreading the message within its own society.

The report is very stringent in this respect, but it is only fair and right that the negotiations should be stringent and fair. There is growing scepticism in Europe, however, about further enlargement after Bulgaria and Romania if the rules are not changed. This scepticism is also likely to involve the Western Balkans.

We must therefore not stop enlargement but rather promote reform of the rules. The question about Turkey is, in fact, also a question about ourselves and what we want to be.

**Hélène Flautre (Verts/ALE).** – (FR) Mr President, last week, together with other colleagues from the Subcommittee on Human Rights, I was in Akari province in the extreme south-east of Turkey, just a few mountain peaks away from Iraq and Iran. In that region we met parents, desperate parents powerless to stop their young sons leaving for the mountains. We were told that more than 200 young men have joined the armed bands of the PKK in the last few weeks. We also met young girls fighting against family feudalism, fighting against economic and social isolation and everyday violence. Many spoke of young girls committing suicide.

It was not hope, let alone enthusiasm for the future, that we found in Akari and elsewhere. There are many extremely precise facts bearing witness to the violence of the security forces, including against farmers, but also to extra-judicial arrests and the torture of young people as in Diyarbakir this year. The forced resignation of the public prosecutor of Van for demonstrating the responsibility of army members for the Semdinli bombing was also very traumatic. Quite apart from the dirty war exploits it reveals, the frustration of the independence of the judiciary is unacceptable.

Everyone says, everyone knows, there is no military answer to the Kurdish question, and yet, with its checkpoints, tanks, soldiers and armed assaults it is the only one that seems effective. The PKK must call a unilateral ceasefire. If that call is heeded and kept, as we hope, it will have to be followed by a wide-ranging political proposal. The attention and support of the European Union will be crucial. The deteriorating situation in the south-east is affecting the human rights situation in the country as a whole. The anti-terrorist legislation was unanimously criticised by the non-government people we spoke to. It does not comply with international law. It may even cancel out some of the progress made in the latest legislative reforms.

The situation in the south-east is also rekindling a nationalism that is clearly and sometimes violently opposed to democratic aspirations. The writer Magden Perihan talks about a forest fire. She speaks of hooligan lawyers. Immediate action is required, in particular the abolition of Article 301 of the penal code, bringing anti-terrorist legislation into line with international law, the fight against impunity – in 2005 only 2 out of 305 accused policemen were sentenced – the compensation law must be put into effect – 2 000 cases out of 3 000 have been processed in Akari province – and, lastly, the 10% national voting threshold must be abolished, since it prevents popular democratic expression.

**Athanasios Pafilis (GUE/NGL).** – (*EL*) Mr President, we members of the Greek Communist Party will be voting against the Eurlings report. Firstly, because we are against the accession of Turkey to the European Union for the same reasons that we were against the accession of Greece, not for cultural reasons.

Secondly, because this report – like others before it – are like rubber. They adapt every time depending on the objections in the European Union, sometimes appearing to be stricter and sometimes more lenient.

Thirdly, because on serious points at issue concerning Turkey's stand on issues of international law, the report is no more than a wish list, repeating the same wishes without, however, proposing any specific measures, such as to deal with the presence of 40 000 Turkish occupying troops in Cyprus and the fact that Turkey is provocatively ignoring UN decisions and resolutions, culminating in the refusal to recognise the Republic of Cyprus. We therefore ask: between the previous report and now, has anything specific been done in these sectors? No, Turkey continues to provocatively ignore all these decisions and you continue along exactly the same lines.

Fourthly, because we radically disagree with the indirect reference to paragraph 51 on border difficulties between Greece and Turkey and with the Helsinki conclusions referring them to the International Court ...

*(The President cut off the speaker)*

**Seán Ó Neachtain (UEN).** – Mr President, let me say at the outset that, as a member of the European Parliament's High Level Contact Group for relations with Northern Cyprus, I am clearly aware of the sense of isolation the Turkish Cypriots feel in light of the rejection of the Annan Plan. In fact, I believe that the European Union, together with the United Nations, should continue to work to build peace and reconciliation on the island of Cyprus.

However, Turkey too has serious obligations. For example, Turkey must open its ports and airports to Cypriot ships and aeroplanes. This is an obligation that Turkey will have to honour in accordance with the accession negotiations. I also feel that Turkey must consider repealing clause 301 of its Penal Code, which is being used to charge dozens of Turkish writers with insulting Turkishness.

It is clear that significant efforts are needed in the field of human rights and fundamental freedoms in Turkey. These are serious issues. In conclusion, I must stress that they have to be effectively addressed by the Turkish Government sooner rather than later, because these policy matters are an intrinsic element of accession negotiations.

**Gerard Batten (IND/DEM).** – Mr President, why on earth does Turkey want to join the European Union in the first place? Perhaps it wants to join the mass ranks of the parasite nations that already live

off the backs of the British and German taxpayers. Perhaps it sees an opportunity to export some of its unemployed and criminals to Britain. But the Turks should think about the impact on their own society.

Only yesterday, the Turkish Army Chief of Staff, General İlker Başbuğ, warned of the dangers posed by Islamist extremists politicising religion, and pledged that the Turkish army would protect the secular nature of the Turkish Republic. But in the past the Turks have not had to contend with the European Union. They may find that their Islamist extremists are able to exploit the EU's non-discrimination, equality and human rights legislation to their advantage. Perhaps the Turks will have to learn the hard way that membership of the European Union means losing control of your own destiny.

**Philip Claeys (NI).** – *(NL)* Mr President, the commencement of negotiations with Turkey was an historic mistake, for the European Union, as the name suggests, is a European project. Now we have to stand by idly and watch the whole thing go wrong. Turkey is an Islamic country with a predominantly authoritarian and patriarchal culture. The best thing for the EU to do is to demonstrate who is the boss in the negotiation process, but the fact is that, for the moment, the opposite appears to be the case. Turkey refuses to observe its obligations in respect of Cyprus and even dares demand that Europe should break through the so-called isolation of the occupied part of Cyprus. Turkey is calling the shots.

The Commission and Council have given the European electorate to believe that the negotiations can be suspended at any time if Turkey fails to cooperate. They are now wriggling every which way not to have to act. First, they tried to get the European Court of Justice to pronounce judgment on the issue of Cyprus; now they want to organise the negotiations in such a way as to ensure that the sensitive chapters do not feature until the end. All this is being done in order to play for time and to be able to say afterwards that there is no turning back. Where is the EU's credibility in all of this?

**Jacques Toubon (PPE-DE).** – *(FR)* Mr President, ladies and gentlemen, this report is excellent. We endorse it, because it marks a turning point in terms of Parliament's becoming aware of the reality of the relations between Turkey and the European Union.

The report is the most critical of all those that have been produced in this House over the last few decades. In particular, it includes three points that are of decisive importance to us: the reference to the European Union's absorption capacity as a criterion; the crucial need for Turkey to treat Cyprus, a full member of the European Union, normally; and the recognition of the Armenian genocide as a prerequisite for accession. I must point out to my fellow French Members from the Socialist Group in the European Parliament that that was part of their programme for the 2004 European elections.

The adoption of this report – and we do want to see it adopted – must have political consequences. I would begin by asking the Commission to stop playing hide-and-seek and to produce, on 8 November, an authentic report and not a children's story, as it is wont to do in this area. I would ask the Council of Ministers to take a clear-sighted and courageous approach to the situation and to think about breaking off negotiations, as they make no sense these days to the average person.

Aside from the case of Turkey, it is the entire enlargement process that is at stake. From now on, no further enlargement should be embarked on until we have provided the European Union with effective decision-making mechanisms and with a sufficient budget. Pressing on in a state of illusion and hypocrisy would compromise the European project, that is to say the construction of a political union, and would further widen the gap between the common sense of the people and the blindness of the leaders.

*(Applause)*

**Véronique De Keyser (PSE).** – *(FR)* Mr President, it has been said that the Socialist Party in the European Parliament has done a u-turn regarding its position on Turkey. Let me remind you of our position, which has been clear since the start. Our long-term aim is to have Turkey join because we believe – and this is a genuine political project – in a Europe that is multicultural, secular but multi-faith, peaceful and open to the rest of the world.

While we, in the Committee on Foreign Affairs, have sent out clear signals to Turkey regarding, in particular, human rights, women's rights, minority rights and the recognition of Cyprus, we have done so in the same constructive spirit. We have done so in order to give concrete expression to a fledgling Europe that will not be the Europe that Mr Sarkozy, Mrs Merkel or probably the Pope want. The challenge is immense and it has already come up against a problem in the shape of the Eurlings report, the new draft of which is unbalanced.

This report rightly stresses that the democratic process currently under way in Turkey is not progressing as quickly as we had hoped, but it overlooks some crucial progress made by Turkey, particularly in the area of foreign affairs. I am thinking of its role in UNIFIL and also of the fact that it stayed out of the war in Iraq. The aim of the amendments tabled by the PSE Group was thus to make some adjustments or, in other words, to soften the tone.

On the subject of Armenia now, Mr Eurlings heckled me just now, and I should like to make myself very clear. Parliament has recognised the Armenian genocide, and there will never be any revisionism in this Chamber. We have a duty to remember the one and a half million Armenians who were massacred in 1915, that is to say before the Turkish Republic under Atatürk was born. We have a duty to remember not only in Europe, but also worldwide, and that is why we have asked for the UN not to delay in sending a committee of international experts on this matter to Turkey.

Yet, to use this tragedy, as some people are doing, in order to thwart Turkey's candidature, or to half-open the door to a vulgar form of Islamophobia, is a trap that we do not wish to fall into. That is why, after some very difficult debates, after – I can assure you – some highly sensitive negotiations within my group, we have taken the line that you have heard on various occasions and that I will make my own. I can assure you that it is a difficult line: we will not demand the recognition of the Armenian genocide as a prerequisite, but, ladies and gentlemen, it is nonetheless quite clear that, when the time comes to review the situation prior to accession, this sensitive point will weigh very heavily in the balance, and Turkey knows it. For the time being, we expect Turkey to fulfil this duty to remember, to consolidate its stabilising role in the Middle East and to make progress in relation to ...

*(The President cut off the speaker)*

**Marios Matsakis (ALDE).** – Mr President, our European Union exists because it is firmly based on strict adherence to our European principles and values. Those principles and values are not negotiable and that must be clearly understood by all those who belong to the EU and by those wishing to join. Turkey is welcome to join our Union and I very much hope that it does, but it must accept and abide by our European principles and values. It is Turkey that must achieve the required accession changes, not us, and we must be honest in making our position clear to Turkey. We should not try to trick Turkey into joining the EU. Turkey must do so only if it really wants to and in full awareness of exactly what is demanded of it. The Eurlings report makes that clear, firmly and honestly.

The Eurlings report is the result of much discussion and debate and many compromise amendments have been voted in by the Committee on Foreign Affairs, finally achieving a much-desired balance. Please support it and resist attempts to introduce any amendments on key issues at this stage, which is likely to cause more harm than good. Let me remind some of my colleagues that we will bring about reforms in Turkey by telling the Turkish people the truth and not hiding the truth from them.

**Nils Lundgren (IND/DEM).** – *(SV)* The June List's representatives in the European Parliament voted against the proposal to begin accession negotiations with Turkey. Our 'no' vote was motivated neither by a belief that Turkey is located outside Europe nor by the fact that it is a Muslim country. We pointed out that Turkey still has a long way to go before it meets the requirements we set for membership of the EU. We also expressed our fears that commencing negotiations would reduce the pressure on Turkey to establish a democratic state under the rule of law with full human rights for women, Kurds, Christians, trade unions and writers. This has proven to be the case. Earlier promising developments have come to a halt and, in some areas, have been replaced by retrograde steps. We now find ourselves in a shameful situation in which the EU is beginning to set requirements for the design of the electoral system and a new constitution in the sovereign state of Turkey. That is not the EU's job. It is up to Turkey to choose how to meet the EU's requirements. It is up to Turkey to choose its own solutions. The accession negotiations should be put on hold while we await adequate reforms.

**Pawel Bartłomiej Piskorski (NI).** – *(PL)* Mr President, our discussion on the subject of Turkey is obviously far more critical and therefore significantly more open than on previous occasions. However, we should remember that we ought to ask ourselves where our fundamental interests lie.

On the basis of all the key membership criteria, which do not need to be reiterated, Turkey is not fit to be a member of the European Union. We have mentioned the question of Cyprus, human and civil rights, religion and the Armenian community. However the European Union's fundamental interest lies in countries such as Turkey or Ukraine moving closer to it. In this respect, the European Union has not been entirely honest. We have not stated openly that the accession of countries such as Turkey will, in



fact, put an end to certain European Union policies, notably its economic, structural and agricultural policies.

We should state openly what effects the accession of these large countries would have on the European Union, given that this slight dishonesty is not lost on our partners, including Turkey.

**Bernd Posselt (PPE-DE).** – (DE) Mr President, Turkey is not a European country. Its accession would overstretch, overstrain, weaken, perhaps even endanger the EU. Anyone who says so exposes himself to the accusation of refusing to support the process of reform and push the criteria through. Yet even a privileged partnership requires that the Copenhagen criteria be met and the reforms be driven forward, particularly in the interests of the Turkish population itself.

We must ask ourselves critical questions. Those who want Turkey to have full membership are perhaps looking for a different Turkey, but will find only a different EU – a free-trade area garnished with political elements. As far as Turkey itself is concerned, we must ask ourselves the following questions. Is secularism really compatible with democracy if it is just a minority, an elite project? Is freedom of religion really compatible with state-controlled Islam in the guise of secularism? Are minority rights really compatible with Kemalism, which is a kind of Turkish Jacobinism? These are all serious, well-founded questions that we need to ask ourselves. We must stop running down a blind alley at whose end may lie a rejection of Turkey's accession by the Member States and peoples of the EU, with dire consequences for Turkey's inner stability.

We owe it to Turkey – particularly because it is an important partner – to be honest and to draw up decent criteria for a sound, tailor-made partnership that accords with the interests of both Turkey and the EU, instead of constantly painting our own picture of Turkey, which bears not the slightest resemblance to reality. For this reason, we must take care not to fall below the line taken in the Eurlings report, which I rejected in committee as I did not believe it went far enough. This line should represent our consensus, however, otherwise the signal sent to Turkey would be disastrous.

**Vural Öger (PSE).** – (DE) Mr President, in December 2004, with 402 votes in favour, this Parliament took a clear decision to open accession negotiations with Turkey. This sent out a clear signal. Today we are debating the report on Turkey's progress towards accession, a report whose intention should actually be constructive monitoring of negotiations with Turkey and of its accession process. It strikes me, however, that this Eurlings report tends to lose sight of our objective – Turkey's membership of the EU. I ask myself what we want, therefore. Is it for Turkey to continue on its reform path – in which case we should treat it fairly – or are we saying that whatever it does it will never become a member of the EU? Our Turkish partners are confronted with an assortment of bad examples. The progress achieved and good examples are almost completely ignored.

This is not fair treatment. It is true that Turkey needs to do further work on its process of reform. It is also true that it needs to comply with its obligations under the Ankara Protocol: human rights, democracy and protection of minorities are preconditions for EU accession.

If Turkey meets the criteria already laid down and continues to drive forward its process of reform, we, too, must hold to the goal of EU membership. That should be upheld in our report. I would consider this a very clear signal. If the rapporteur or Parliament disagrees, that must be stated in a report on Turkey, otherwise half-truths such as these will diminish Parliament's credibility. We took a decision in Strasbourg in October 2005 to open accession negotiations with Turkey, and we must hold to it today.

I have always said that Turkey was not yet ready for accession, but was ready to start negotiations. Europe should show understanding and solidarity in acknowledging and supporting this.

**Alexander Lambsdorff (ALDE).** – (DE) Mr President, I am really surprised at this discussion. Anyone would think that there had been only a very narrow majority in favour of the Eurlings report in committee. The Socialist Group in the European Parliament endorsed the report, however. It was adopted in committee with 54 votes in favour. The same Socialist Group – Mrs De Keyser, Mr Wiersma, both highly respected Members – is now completely opposing what it supported recently in committee. That surprises me greatly. I should like to say to Mrs De Keyser that this is not what I understand by 'clarity'.

We must ask ourselves some critical questions, the most important of which is whether we have taken the people with us on this enlargement tour, this negotiating tour of Turkey. The answer is a clear 'no'. The people are very critical of it. I am addressing this explicitly to the Commission and the Council,

too. Where do we think this discussion on the EU's capacity to cope with enlargement has come from? Where do we think this change of attitude in Parliament has come from? All of us here discuss this issue with citizens fairly frequently, and we sense the scepticism, reticence, and in some cases even large-scale rejection of Turkey's accession. This is also the reason for my warning to the Council and Commission that no new commitments should be made, no new prospects extended, until the EU has been reformed. We all agree on one thing: we need institutional progress. I should like to add that I believe we should be conducting this debate in Brussels rather than in Strasbourg.

**Renate Sommer (PPE-DE).** – (DE) Mr President, problems cannot be solved unless they are addressed. Glossing over the issue never does any good. Mr Eurlings describes very precisely the aspects connected with Turkey that run contrary to the spirit of Europe. I should like to thank him for his report. In fact, virtually no progress has been made there in almost all the politically relevant fields – and in some cases the situation has even deteriorated. Not a single one of the political Copenhagen criteria has been met to date. Nevertheless, against all the rules, negotiations were opened. What we feared last year has come true. By opening accession negotiations, we have let go of one of the last means of exerting pressure to force reform. The process of reform has petered out. Either governmental bodies have failed to implement at all or failed to implement properly reforms that had already been decided on, or – as happened recently – such reforms have been withdrawn by parliamentary decisions. For example, the Turkish Parliament adopted the new Anti-Terror Law despite vehement protests from the Commission, resulting in a further curtailment of the already limited freedom of expression and of the press.

The Prime Minister of Turkey is using the EU process for his own ends and attempting to Islamise the country by stealth. By doing so, he is playing into the hands of the nationalists, who vehemently oppose Europeanisation. Does Prime Minister Erdoğan even want the country to join the EU? At all events, his refusal to recognise Cyprus underlines the fact that he does not accept the EU. Is this kind of candidate acceptable? Cyprus is a litmus test. If Turkish politicians do not give way on this, the negotiations must be discontinued. Turkey is now under obligation – without any ifs and buts and without imposing any new conditions or demands. The Commission must make this a mission, and the Council of Ministers, too, must demand the fulfilment of and enforce Turkey's obligation at long last. Anything else would be unfair to the Turkish people, who are pinning their hopes on us. It is only our pressure that will effect change. If we Europeans fall down again, we shall be forever a laughing stock that no one can take seriously. Then nothing will change in that country.

**Panagiotis Beglitis (PSE).** – (EL) Mr President, ladies and gentlemen, it would be a serious mistake in Euro-Turkish relations for us either to play down the significant progress which has been achieved by exaggerating the bad things about Turkey or to paint an idyllic picture by concealing the truth. There are forces in Europe following one opinion or the other for reasons of their own. However, with post-enlargement fatigue and the institutional crisis in the European Union, we do not need to add contradictory messages to Turkey. It is time for our message to be clear and in keeping with the decisions adopted. We need to welcome the ninth reform package adopted by the Turkish Government as a positive element. However, if we look at it in essence, it does not meet European specifications. In fact, the statement by the deputy prime minister of the Turkish government, Mr Mehmet Ali Sahin, in the Turkish Daily News, that his government does not intend to allow the Halki Seminary to reopen is a cause of anxiety and concern. The demands of the Ecumenical Patriarch in Istanbul and the demands of the Greek minority in Imbros and Tenedos remain unresolved, I fear.

As Commissioner Rehn said earlier, the *pacta sunt servanda* principle of international law must be respected. This of course applies to Turkey, but it also applies to the European Union. We need to remain constant in our support for Turkey's strategic objective of accession to the European Union. At the same time, however, Turkey should immediately ratify and apply the Additional Protocol by the deadline in question.

The road to Europe may guarantee the stability and development of Turkey. However, Turkey will need to overcome past phobias and syndromes. The syndrome of the Treaty of Sèvres. That is why I believe that reconciling with history must not be a source of insecurity and risk. It is an indicator of the democratic maturity and self-confidence of a country. The call for the traumatic history of clashes with the Armenians and the Greeks of Pontos to be acknowledged should not have a destabilising effect for the national stereotypes of Turkey.

Our specific amendment does not impose new preconditions on Turkey. We are against the acknowledgement of the genocide of the Armenians and the Greeks of Pontos as a political prerequisite.

**Marco Cappato (ALDE).** – *(IT)* Mr President, ladies and gentlemen, this report and this debate are, in my view, a sign that Europe is closing in on itself. Some Members are at least brave enough to say it more openly: they regard Europe as a religious entity and area, which means that political Europe is dead.

I thought, instead, that the dream – the inspiration, the creation and the dream of a federalist Europe – was precisely to expand the area subject to the rule of law and democracy.

That is the great offer that we should be making to Turkey and, just at a time when Islamic fundamentalism is rising throughout the world, we should insist on it and put it in practice in a report to speed up the accession process. In that case the criticisms, including the severest ones, might make sense.

In fact, different solutions are obviously presenting themselves here: not Turkey's full, political accession, but rather enhanced cooperation agreements, all things that in themselves do not have the strength of the political message or of full accession.

If we follow that path – which, unfortunately, was also suggested by President Barroso in his statement yesterday – we shall bear the responsibility not only for pushing Turkey away, but also for pushing away political Europe.

**Charles Tannock (PPE-DE).** – Mr President, the stated EU position and that of my party is to support Turkish EU membership. But nevertheless, no one can under-estimate the challenges it poses in terms of Turkey's absorption into the EU, with its very large population and hence the political influence it will gain by joining the EU, its relative poverty and therefore demands on the structural funds, as well as its distinct and separate cultural and religious identity.

Given the current discussion on large-scale immigration, and in particular the challenges faced by integrating the existing Muslim minorities in our countries, a major concern inevitably will be unrestricted freedom of movement of Turkish workers. Turkey's membership of the Organization of the Islamic Conference countries will certainly complicate the CFSP. Recent Marshall Fund of Germany polls in Turkey have shown it to be the most anti-American and anti-Israeli country amongst EU and candidate countries; but more worrying in my view is large Turkish support for theocratic Iran.

Turkey will of course have to abide by all the economic, political and human rights clauses of the Copenhagen criteria before joining, and there are clear examples of continuing discrimination against Christian minority rights, including the Greek Orthodox and Syriacs, and ongoing impediments to free speech, such as Article 301 of the Penal Code prohibiting insulting Turkishness.

In my view, failure by Turkey to come to terms with its past, including the 1915 Armenian genocide and the blockade of the Republic of Armenia, is deeply regrettable. But non-recognition of the Republic of Cyprus, where Turkey continues to station troops since the 1974 invasion, and the failure to implement the Ankara Agreement on the enlarged customs union to allow Cypriot ships to dock at Turkish ports, is currently a critical issue before the European Union. Neither is it true that torture has completely stopped, in spite of it being banned by the State; it is still allegedly being used against Kurdish insurgents, and we have heard about that from Mrs Flautre. We can therefore be sure that EU accession negotiations will be very lengthy, and I for one fully support the Eurlings report.

**Inger Segelström (PSE).** – *(SV)* I would like to thank Mr Eurlings for his report. We in the Swedish Social Democratic group are in favour of Turkish membership once the criteria we have had for everyone else have been met. We should not set higher requirements for Turkey or subject it to special treatment, as has been suggested in this debate today. Right now, it is the EU that is the guarantor of progress in Turkey, not only through the encouragement we provide, but also through our demands in relation to issues such as human rights. A former MEP, now a Social Democrat member of the Swedish Parliament, has written to the Turkish ambassador in connection with the fact that 1 200 children's books by Swedish children's authors, used by Swedish schools and funded by the Swedish International Development Agency, Sida, and the Olof Palme Center, were stopped by Turkish customs. I find this unfathomable and I have therefore put a question to the Council in this regard. I support democratisation in Turkey and problems such as this one need to be solved. I share the critical views on the report expressed by the other speakers from the Socialist Group in the European Parliament. Let us encourage progress and solve the problems but stand firm on the fact that we in the EU wish to see Turkey as a member when the time is right and the democratic deficit has been rectified.

**Ioannis Kasoulides (PPE-DE).** – Mr President, Commissioner Rehn speaking to the Committee on Foreign Affairs said, *inter alia*, that the momentum on reforms has been lost, the Penal Code punishing the expression of opinion remains in place, there are reports of interference by the military in the judiciary, there are restrictions on the property rights of non-Muslim religious foundations and the human rights record in south-eastern Turkey has deteriorated. That is the essence of the matter and of the Eurlings report.

Some Groups wish to table amendments to redress the situation. How? By introducing a dozen amendments against Cyprus, in the view that this is the way to redress the balance. Are we helping Turkey if we encourage it not to extend the Protocol by introducing conditional linkages? Are we helping Turkey if we delete the paragraph asking for the withdrawal of Turkish troops? Can you imagine what would happen if Turkey voluntarily withdrew some troops from Cyprus and how much it would be in Turkey's favour? Or what would happen if we were to delete the paragraph asking Turkey not to veto the participation of Cyprus in international organisations and so forth? Furthermore, we are restricting the two leaders in Cyprus, who have already agreed on working methods in the search of a solution, by indicating to them the basis of talks which neither of them has raised as a precondition. Does that help Turkey? I do not think so.

Finally, as regards our moral duty towards the Armenian community in Europe, we must demand recognition of the Armenian genocide.

**Józef Pinior (PSE).** – (PL) Mr President, failure to integrate Turkey into the European Union will deepen the mistrust between the West and the Muslim world, strengthen fundamentalist tendencies and revive the doomsday prophecies predicting a clash of civilisations. Turkey should carry out the necessary reforms and face up to its own past in the same way as other European countries have done and continue to do. However, the European Parliament cannot set accession criteria for Turkey that are based on historical and moral factors if such criteria were not applied to other countries applying for European Union membership.

We are burdened by a particular political responsibility. I would like to draw your attention to the latest public opinion polls and surveys of the views of the European elite carried out by *The German Marshall Fund of the United States*. According to these polls, 'Turkey has cooled toward the United States and Europe but warmed toward Iran'. At the same time, 'these trends are not reflected in the more critical attitudes in Turkey's younger generation which has the most positive attitude towards both'. Let us not waste this pro-European potential!

**Simon Coveney (PPE-DE).** – Mr President, I spent last week in Turkey with members of the Human Rights Subcommittee. We were there to evaluate progress on human rights issues and the effects of reforms on the ground. On balance, Mr Eurlings has done an exceptional job in producing a tough but fair report on the story of Turkish accession so far.

On the Armenian issue, I believe that it should be mentioned in the report, but it should not be introduced as a new precondition for membership, as we should remain committed to the original criteria if we are to stay credible.

I am supportive of the principle of Turkish accession, but recognise that it will be a long, hard road. We need to send a clear message with this report that, while EU membership is achievable, it will require significant and sustained commitment to reform.

The two human rights concerns on which I wish to focus briefly are freedom of expression and the ongoing Kurdish issue, which needs a new approach. On freedom of expression, despite reform packages – and we are now on the ninth – journalists and writers are not free to comment openly and critically on Turkey or its government members. Article 301 of the penal code remains in place to punish those responsible for 'a public denigration of Turkishness or State authorities'. Prison terms of up to three years can be imposed. Up to 60 such cases are currently being brought against writers by the State Prosecutor. Despite the high profile case of novelist Elif Shafak, which was thrown out of court last week, self-censorship will continue to be forced upon the press until Article 301 is done away with entirely.

On the Kurdish issue, a guerrilla war using terrorism continues in the south-east – a Kurdish area of Turkey – and must be condemned. PKK terrorism and the massive military response in the south-east

are inflicting real hardship on the region and its population. A new approach is required that uses diplomacy and politics instead of force.

**Glenis Willmott (PSE).** – Mr President, a year ago Labour MEPs warmly welcomed the opening of accession talks. We look forward to eventual Turkish membership of the EU.

We understand that, now that the active phase of negotiations has started, Parliament needs to be frank about progress in its reports. There are serious problems, in particular with preserving freedom of expression. Further reform of security services and the judicial system and further progress in implementing new human rights legislation are essential. However, our criticisms must always be balanced, fair and honest, recognising achievements as well as shortcomings.

The prospect of EU membership has already empowered modernisers and human rights defenders in Turkey to push for the necessary changes. We must give them our wholehearted support. We must not establish new preconditions for membership that were not applicable to other potential members and we must remain clear that negotiations are for full membership and that that is our only goal.

An EU with Turkey as a Member State will entrench values of multiculturalism and understanding between different religions and therefore strengthen all communities.

### IN THE CHAIR: MR DOS SANTOS

*Vice-President*

**Ville Itälä (PPE-DE).** – *(FI)* Mr President, firstly I would like to thank Camiel Eurlings. He has done some excellent work and has drafted what is actually quite a bold report, which in its own way suggests that enlargement is taking place much too quickly. There is still so much to be done with regard to Turkey that we cannot even contemplate the idea of its membership in 10 years' time.

I was delighted to read in this morning's newspaper that European Commission President Barroso has stated that it was unwise to continue enlargement before we had dealt with the matter of the Constitution. I totally agree with him. We cannot push for enlargement on such a large scale as would be the case with Turkey and at the same time see through the question of the Treaty establishing a Constitution for Europe. We should be listening a lot more carefully to public opinion and to the ideas of the people. When we recall what happened in the French and Dutch referendums, it would be better to take account of what the people think about this issue.

We should also think about how far and how fast the EU can expand. If our citizens do not receive a reply to the question of how quickly enlargement is to take place, they will not be able to put their trust in the current EU. It is a pity that Commissioner Rehn has left. I would have asked him what Plan B is if rapid progress is made and Turkey is about to join the Union in some 10 years' time and they have a referendum in France, for example. If the people say no, we will not be able to endorse Turkish membership. What is the plan, and how should we then proceed so as not to disappoint the Turks and stop the entire project collapsing because again there could unexpectedly be a NO vote in a referendum? Perhaps, however, we will have the answer to this later on.

*(Applause)*

**Bogusław Sonik (PPE-DE).** – *(PL)* Mr President, the accession negotiations under way with Turkey should continue. Turkey should be treated in the same way as any country we have negotiated with in the past. The process of harmonising Turkish and European law will help Turkey to modernise and liberalise its economy and to move closer to the fundamental values on which the European Union is based.

Turkey is a country that has taken on the incredibly difficult task of separating Islam from the structures of government. This Muslim country's secular nature is worth fostering and is something that we should offer particular support to in a world where the extreme and fanatical face of Islam is manifesting itself with increasing frequency. Nevertheless, Turkey needs to know that it cannot count on receiving special treatment. Ankara cannot expect the Union to lower its standards or water down its laws and requirements based on the European treaties.

I would particularly like to draw your attention to the issue of civil rights and liberties. It is not enough simply to change laws and legal provisions. The civil service and the judiciary need to pay constant

attention to civil liberties, freedom of speech and religious freedom. Progress in this field will be judged on the basis of hard facts. Ankara must understand this and must not be offended by the fact that we will be asking questions, assessing the situation and checking that the rights of the Kurdish minority are respected, and that they enjoy the same rights as all other ethnic minorities in the European Union. These rights include being able to have their own Kurdish language schools at every stage of the education system, starting with nursery education. New anti-terrorist legislation must not be used to restrict civil liberties and discriminate against minorities.

The European Union will also examine the freedoms enjoyed by Christians, who are still unable to reopen a seminary shut down years ago. If Christian schools are not allowed to operate freely, it will be impossible for Turkey to become a member of the European Union. Finally, although we may be discussing Turkey, let us not forget that it is equally important for Europe to open association negotiations with Ukraine in the future.

**Werner Langen (PPE-DE).** – *(DE)* Mr President, as this debate draws to a close, I should like to remind the House once more that Mr Eurlings has presented a good, constructive report, even if it has not been seen that way and has been criticised in Turkey.

The fact that the outcome of negotiations is open and that they could – and should, in my opinion – result in alternatives to full membership is nothing new, but rather the subject of discussion in the Council and Parliament. I would contradict expressly Commissioner Rehn's statement here in his opening speech that he expects the conclusion of negotiations, and accession, by the end of the decade. That leaves less than four years.

No one who wants to see Turkey become a full member is saying that it can join in its present condition – it has to make fundamental changes. Turkey must recognise and respect human rights, freedom of religion and minority rights. It must resolve the Armenian issue and actively recognise Cyprus. Does anyone in Turkey really believe that Turkey could join the EU whilst failing to recognise another full member? An insider said recently that Cyprus would be recognised only when Turkey became a full member or voluntarily broke off the negotiations. If the EU, including the Commission, tolerates that, it will mean letting go of all our chances of holding Europe together.

On the subject of freedom of religion, it is remarkable that the Turkish authorities – the deputy party leader, the highest representative of the religious authority, a State official – judged the Pope's speech before even reading it. Pope Benedict XVI was compared with Hitler and Mussolini – an outrageous episode that shows and documents the intolerance and Islamism in the minds of the people with whom we are negotiating. In view of the burgeoning nationalism and the uncompromising attitude of the Erdoğan Government, I have considerable doubts as to the political will to actually cede sovereignty to the EU.

That is why the Eurlings report is right and necessary. Turkey should see the advice and requirements as an opportunity rather than a threat.

**Paula Lehtomäki, President-in-Office of the Council.** *(FI)* Mr President, ladies and gentlemen, this thorough and commendable debate has very clearly brought up the challenges and problems associated with Turkey's accession negotiations. In addition, however, Turkey's immensely important strategic role for the European Union has been made clear.

In our role as the country holding the presidency, we will promote the talks on membership in accordance with the general principles of enlargement. These include the uniform treatment of applicant countries and progress based on their own merits. It is worth saying once again that the European Council confirmed in summer 2006 that it would adhere to existing commitments regarding enlargement, and the work continues on this basis. There are many challenges facing Turkey, but obviously the talks on membership support the continuation of Turkey's reform process, and that is in the interests of everyone.

One of the key issues is that Turkey should ratify and implement the Additional Protocol to the Ankara Agreement. At present we are working hard to find a solution which on the one hand would allow direct trade between the European Union and North Cyprus, and on the other would ensure that Turkey also opened its ports to Cypriot vessels.

At the same time as the accession negotiations are taking place, it is also important to find a comprehensive solution to the Cyprus question within the framework of the United Nations.

Mr President, ladies and gentlemen, I thank you for this worthy, dynamic debate.

**Louis Michel**, *Member of the Commission. (FR)* Mr President, ladies and gentlemen, I should like to begin by thanking the rapporteur for the work he has done. It is obviously an important contribution. It is an extremely interesting assessment that will undoubtedly help to sustain the Commission report of 8 November. Even though we do not necessarily agree on everything contained in the report, I believe that it is important for Parliament to take up this issue and to clarify our own point of view by means of its contribution.

The debate that has just taken place has, I believe, well and truly brought to light the issues involved in Turkey's accession process, which began almost one year ago. The Commission will, of course, take account of this debate when it presents its own report on 8 November. That report will, as always, be rigorous, objective and uncompromising. It will be based on a wide range of information sources, including both official government data and the analyses of Turkish and other non-governmental organisations, or even of large international institutions. It will also take into account the reports drafted by the committees of your Parliament, as well as the Bozkurt report.

I should like, Mr Toubon, with all of the respect that I owe you and that I have for you, to reassure you. This will not be a children's story. The Commission is not wont, moreover, to do what you are suddenly accusing it of. Nor indeed is its aim, even if it were to please you, to produce a report that is unilateral and unsubtle or incomplete.

It is therefore important to always bear in mind the issues involved in this project. The decision taken on 3 October 2005 certainly reflects the desire to fulfil our commitments, but it also conveys a powerful mutual interest. I heard someone say in this Chamber just now that Turkey had more to gain in this instance than Europe. I am not at all convinced about that. I believe that Turkey obviously needs Europe in order to continue becoming modern and democratic and supporting the development of its economy, but I believe that Europe also needs Turkey at its side, as a focal point for peace, stability, democracy and prosperity.

Current events, as someone also said, are enough to demonstrate each day the strategic value of this exercise. Whether we are talking about Iran, Iraq, the Middle East in general, the dialogue between civilisations or the energy crisis, Turkey always seems to be a key country, a vital asset to Europe. That does not, of course, in any way exempt Turkey from the obligations that any accession candidate must fulfil, and the European Union will make sure of that. In doing so, it will not set itself up, either, as a teacher who tyrannically delivers his lessons.

Let us remember that it was Turkey that presented itself as a candidate. It took that step. It therefore agreed to face up to the difficulties of European integration, because it saw in that the key to its own future and to that of its people. It is on this account that Turkey must now stay strong in pursuing and strengthening the reform process that it has itself courageously begun. We, for our part, are obviously going to continue encouraging it along these lines, and we shall not stop doing so. Turkey aspires to join Europe. I believe that we should give it its chance; one that must be fair, that stems from clear and transparent rules that are established at the outset and that will not change, either, according to the mood of the day.

I should like to add something. I often have the feeling, and not only in this Chamber, that, when we debate this matter, it is as though we were evaluating Turkey for accession today, when that will actually take place tomorrow. It goes without saying that Turkey will not join tomorrow and that the process is likely to last for some time yet. This is therefore only an interim evaluation. Judgments are made in relation to progress and to advances - which sometimes take too long - and even to setbacks. It is quite clear that this is an evolutionary process. It is therefore very unfair to take a snapshot in time and just focus on that. That is not what accession is about. That does not correspond, I might add, to any enlargement process that we have known in the past. Why, then, should Turkey be treated any differently?

Now I come, before concluding in 20 seconds, to the Armenian issue. I should like all the same to point out - and I am very mindful of this point, as is Europe, because it comes under the duty to remember that is part of our legacy of values - that this issue is not, nor has ever been, a condition laid down by the European Council for the opening of negotiations or for accession itself, whether in the case of Turkey or of any other candidate country. Imposing this condition today would amount to moving the goalposts and would be very strongly felt in Turkey to be a ploy by the European Union to lay down new conditions with the aim of preventing Turkey's accession at all costs.

It is, on the other hand, vital to ensure that freedom of expression, including on sensitive issues that are linked to Turkey's past, is fully respected in that country. The experience of our own countries demonstrates that the debate on the past, however distressing it may be, always comes about as a result of an act of awareness within our societies and rarely, if ever, as a result of an order, of a diktat from outside. This entire debate is linked to the principle of reconciliation, which is one of the main driving forces of the European project.

The Commission has always been clear on this issue. Turkey's relations with Armenia must improve, starting with the establishment of diplomatic relations and the opening up of the land border, which is currently closed. The prospect of Turkey's joining the EU must lead to an improvement in bilateral relations and to reconciliation, including in relation to the past. We obviously expect Turkey to treat this issue as an integral part of a free and open public debate in which it must be possible to exchange all points of view.

Mr President, ladies and gentlemen, there you have the response from the Commission and my impressions after having followed this extremely interesting debate. I am, of course, going to feed matters back to Mr Rehn, who is more familiar with these issues than I. Be in no doubt whatsoever that your contribution to the report of 8 November will be welcomed.

*(Applause)*

**Philip Claeys (NI).** – *(NL)* Mr President, I just wanted to protest at Commissioner Rehn's absence from this important debate. I find the reason he has given unacceptable. I do not think it fair to this House either. He could have responded to the many comments that have been made in response to the Eurlings report.

**President.** I can inform you that Mr Rehn had other commitments and could not be present at this sitting. Mr Michel, you have the floor again.

**Louis Michel, Member of the Commission.** *(NL)* Mr President, I should like to remind Mr Claeys that Commissioner Rehn has already explained in detail that it would be impossible for him to stay. Whilst that really was unfortunate for the debate, I have tried to stand in for him by clarifying arguments and answering questions. I will, of course, report back to Mr Rehn, and I am convinced that in the next meetings, he will probably be able to come and answer those questions in person.

**President.** The debate is closed.

The vote will take place on Wednesday at 12 noon.

### 13. Commission Question Time

**President.** The next item is Question Time (B6-0429/2006).

The following questions have been submitted to the Commission.

*Part One*

**President.** Question no 33 by **Avril Doyle** (H-0756/06)

Subject: Emissions Trading Scheme 2008-2012 – National Allocation Plans

In relation to the European Emissions Trading Scheme 2008-2012, could the Commission comment on the fact that the 30 June 2006 deadline for all Member States to submit their National Allocation Plans and for the Commission to issue a report on the NAPs has passed without these tasks being accomplished? Less than half of all Member States have submitted their NAPs. How does the Commission intend to proceed in order to ensure that Phase II of the ETS is up and running in time for 2008?

**Stavros Dimas, Member of the Commission.** *(EL)* Mr President, by yesterday 13 Member States had officially notified their national allocation plans to the Commission. In other words, approximately half the plans are still pending, but it is important to emphasise that the plans notified already represent over 60% of the emission rights approved by the Commission for the first trading period. The Member States which have notified their plans are Belgium, France, Germany, Greece, Estonia, Ireland, Latvia, Lithuania,



Luxembourg, Poland, Slovakia, Sweden and the United Kingdom. The remaining Member States must of course notify their plans.

Most of these plans – in a preliminary form – are already undergoing public consultation in various Member States such as Austria, Cyprus, Finland, Italy, the Netherlands, Portugal and Spain. Several of these Member States have already made significant progress in the relevant consultation procedures and they are expected to notify their plans to the Commission within the next few weeks. The Commission attaches great importance to the remaining Member States submitting their plans for the second stage as quickly as possible. Letters have already been sent out drawing the attention of the Member States to their obligations. If there are further delays, the Commission will examine the possibility of starting infringement proceedings against the Member States which have delayed, on the basis of Article 226 of the Treaty. However, according to the information available to it, the Commission estimates that the last Member States will have notified their plans by the end of 2006.

The Commission has already started to evaluate the national allocation plans notified and intends to take decisions on them in the autumn, in other words by the three-month deadline from completion of the plans laid down in the emissions trading directive. This will allow the Commission to take decisions on most of the emission rights market before Christmas and to complete the evaluation procedure by the spring of 2007. This will safeguard the smooth and timely start of the second stage of the European Union's trading mechanism in all the Member States for 2008.

The Commission cannot, of course, decide on the merits of evaluations under way, but will use every political and legal means at its disposal in order to ensure that all the plans are in keeping with the Kyoto commitments and the confirmed data on emissions for 2005, in a bid to safeguard equal terms of competition for companies.

**Avril Doyle (PPE-DE).** – The whole point of national allocation plans is to ensure that the EU emissions trading schemes deliver the best possible benefits for the climate. The lack of transparency in most Member State processes to determine their first NAPs has resulted in legitimate questions and concerns on the validity of the data within the first set of plans.

In the first year, 2005, the actual carbon dioxide emissions of 21 countries were 44 million tonnes short of the amount of CO<sub>2</sub> emissions permits allocated in those 21 countries. That resulted in absolutely no downward pressure to reduce emissions and in a very volatile carbon credit market. Will you insist that the information and data sources used to set the targets in the second round of NAPs will be publicly available to allow independent verification and to ensure maximum benefit for the climate and fair competition across the single market?

**Stavros Dimas, Member of the Commission.** The criteria for preparing the National Allocation Plans for the second trading period are described in the directive. There are 12 criteria; two are very important. The first is whether the Member States are on track to achieve the curtailment target and how the allocations for the emissions trading system, together with other measures, will contribute to the achievement of that target. The second is the available publicly-known data regarding the emissions. For the second trading period, we have the advantage that we have the actual emissions for 2005, which are as described previously. So these two criteria will be very important in making the National Allocation Plans achieve the scarcity that is needed in the market in order to give companies and installations incentives to make the right investment in cutting down carbon dioxide emissions.

**James Hugh Allister (NI).** – Can the Commissioner comment on the validity and logic of a policy that compels Member States to radically reduce emissions with resulting increases in EU energy prices and lower manufacturing output while, at the same time, we promote trade with and production in China, the world's greatest polluter, with no enforceable requirements for the suppression of emissions from them. I do not object to trade with China, but I do object to the lack of compulsion upon them to reduce their emissions.

In effect, are we not really trading jobs and emissions ...

*(The President cut off the speaker)*

**Stavros Dimas, Member of the Commission.** In our plans for the post-2012 period we consider it very important to bring on board all the big emitters of carbon dioxide and other greenhouse gases.

You are quite correct that China is one of the big emitters, but you forget that the biggest emitter is the United States, which emits about 25% of the greenhouse gases in the world. China comes second, with about 14%, together with the European Union, but in order to have the equilibrium which is needed regarding the contribution by each country to the battle against climate change, we have to take into account what the United Nations Climate Change Conference states, i.e. that each country should contribute in a common but differentiated way, which means that countries like China, India and other fast-developing countries, which have contributed to a smaller degree historically to the creation of the greenhouse phenomenon and have only a fraction of the per capita income of the developed countries, have to contribute in a different way according to their capabilities and their possibilities, without hindering their economic development and without creating unfair competition with other countries.

**Esko Seppänen (GUE/NGL).** – *(FI)* Mr President, Commissioner, as a result of emission allowance trading, the price of electricity in Europe has generally risen, and furthermore, the price of electricity has risen independently of this, which means that the price of nuclear and hydro-electric energy has risen, resulting in windfall profits for the producers.

In the Nordic countries, there are common electricity markets, and the price of emission allowances has been passed on directly to the cost of electricity in the Nordic Power Exchange. It has also been passed on to the cost of nuclear and hydro-electric energy, and has produced windfall profits for producers in these sectors. When the allocations are reorganised, does the Commission intend to do something about these windfall profits that producers make from emissions trading?

**Stavros Dimas, Member of the Commission.** You are right. There are quite a few electricity companies that have windfall profits because they included the cost of free allocations in electricity prices. There are, therefore, windfall profits across Europe.

There are two ways to fight that. One is by auctioning some of the allowances instead of allocating them for free. That is a possibility for the second trading period. Countries can auction approximately 10% of allocations and the proceeds could be used either to promote innovation or to lessen the burden of taxes for labour, for example, or for other purposes. The second way is to liberalise the gas and power market in the European Union.

**President.** Question no 34 by **Danute Budreikaite (H-0760/06)**

Subject: Enlargement of the Schengen area

The European Union is preparing for enlargement of the Schengen area. However, fears have been raised that it will not be possible to abolish internal border controls in 2007 because of technical problems relating to the central database for external border protection.

Can the Commission explain how the preparations for enlargement of the Schengen area are proceeding? When will it in fact be possible for enlargement to take place? How well prepared are the candidate countries to implement the requirements of the Schengen area?

**Franco Frattini, Vice-President of the Commission.** Firstly, SIS II is of crucial importance, because it is one precondition, if not the only one, for the enlargement of the Schengen area, which is a true European area for the free movement of people.

My second point is that enlargement of the Schengen area is a crucial political priority for the European Union and it will remain so. I can confirm the Commission's full commitment and my personal commitment to achieving this goal as soon as possible.

Some technical problems have emerged in this first phase of the technical implementation of this very complex system which, as you know, will connect the central part here in Strasbourg to all Member States' national systems. There are problems and delays due to some litigation. There were technical problems with the preparation of the Strasbourg site, but these problems have now been totally solved in close cooperation with the French authorities. A large majority of Member States have requested at least an extra three months in order to test the connections needed between the central system and the national systems.

My fourth point is that agreement on the legal basis has not yet been reached. We are working very hard. A few days ago there was a very fruitful dialogue to try to secure an agreement between the rapporteur, the Council Presidency and myself.

The implementation of national projects has been delayed in all Member States that have asked to join the Schengen area, except one. All the experts in all Member States, including the new ones, were and are perfectly aware of the current situation. That is why national experts have proposed that there should be a new timetable for the implementation of SIS II.

Next week the Council of Interior Ministers will probably approve a new timetable for SIS II. It will approve a proposal for a new timetable, which will be visible, pragmatic and realistic, and will also decide to establish a task force formed by national experts from the Member States to monitor continuously the national implementation of national systems.

Following that, there will be a concrete possibility to discuss a realistic timetable. On the one hand, it is really a political commitment, but on the other, it is extremely complex from a technical point of view. The delay has occurred not because of political problems but because of technical problems, and all the Member States have been made aware of them through their national experts cooperating in the Technical Committee.

**Danutė Budreikaitė (ALDE).** – *(LT)* Commissioner, thank you for your reply. When the ministers of the interior and justice discussed the Schengen issue last week in Tampere, there were ideas voiced that this is still a political question and that the new system will not be joined by all countries at one time, but rather whenever they are ready. The old members will join the system first, and the new ones will then follow. I would like to ask you to confirm, or preferably, deny that, which of course would be much more appealing. We expect a quick response concerning a realistic agenda and realistic date for the enlargement.

**Franco Frattini, Vice-President of the Commission.** *(IT)* Mr President, ladies and gentlemen, my answer is definitely yes: implementation of the SIS II project is one of the prerequisites for uniting and enlarging the Schengen area.

I believe that the timetable to be approved by the Council of Ministers next week will set very precise dates for the new Member States to join Schengen.

As was mentioned previously, there is a second requirement, which is that each of the new Member States must be in a position to adapt its national security and border control measures, as laid down in the Schengen Agreement itself. If these two conditions are fulfilled, the date laid down by the Council of Ministers will be a firm date for joining Schengen.

**Hubert Pirker (PPE-DE).** – *(DE)* Mr President, I should like to start by giving my sincere thanks for the commitment the Commissioner has shown in connection with the realisation of Schengen.

I have two questions. It has been discussed that ‘Schengen plus’ is supposedly to be implemented before Schengen II, in a transitional period. Is ‘Schengen plus’ a necessary requirement for the implementation of Schengen II? I am thinking here of Slovenia, which has apparently already implemented Schengen II.

My second question is this. What additional interlinking of files is envisaged with Schengen II?

**Franco Frattini, Vice-President of the Commission.** *(IT)* Mr President, ladies and gentlemen, the possibility of an intermediate solution – in other words Schengen 1+ – was raised by one of the delegations. This, in my view, is a solution worthy of serious consideration, so long as it gives us the added value that Schengen 2 will certainly provide.

I would remind the honourable Members that over a year ago it was the Commission itself that put this idea forward. In other words, why not look for an intermediate solution between Schengen 1 and Schengen 2? Such a solution would in fact be called Schengen 1+.

At the time, a large majority of Member States rejected this intermediate idea on the grounds that it would not be sufficiently secure, as Schengen 2 would be. Now, as you know, the idea has been put forward again by the Portuguese delegation. We shall reassess it, but everything depends on the added value it provides.

The next question is, ‘What is this added value?’ Schengen 2 will feature immediate, real-time connection through a central part in Strasbourg, a second part in Salzburg and the national systems, which will be connected with direct exchange of information in much shorter times and with much more secure personal data protection than is the case at the moment.

This is the main feature that makes me consider Schengen 2 the most advanced proposal yet on the table.

**Justas Vincas Paleckis (PSE).** – Commissioner, I would like to ask you about security. I am sure that the Commission is very interested in the security and reliability of these Schengen borders but, as you know, the new countries have invested millions of euros in creating this information system and, with the postponement of their entry into the Schengen system, there are some fears that these systems will be outdated and not suited to the new demands.

**Franco Frattini, Vice-President of the Commission.** This is a very important question. Many colleagues and ministers in Tampere raised exactly this point. My answer was, and I repeat it here, that I am aware of the impact of delay and possible additional cost. That is why I have promised all the ministers to study very carefully the possibility of taking at least partial account of the additional cost of postponing the concrete operation of SIS II. For example, I can take the IT scale systems into consideration. I have already postponed the possibility of spending money until the end of 2007. Why not think about postponing it again, or try to have additional funding for this extra cost? I cannot, for example, co-fund salaries for people in the police, but I will give serious consideration to the security infrastructure.

**President.** I wish to point out that the issue of the enlargement of the Schengen area will be debated at our October plenary session. Indeed, we shall have the opportunity to return to the issue in the presence of Mr Frattini.

Question No 35 by **Proinsias De Rossa (H-0769/06)**

Subject: Foreign language assistants in Italy

Further to the European Court of Justice's ruling of 18 July 2006 in Case C-119/04, will the Commission consider applying for a revision of that ruling on the basis that important information concerning the actual working situation of foreign language assistants in Italy was not made available to the European Court of Justice?

**Vladimír Špidla, Member of the Commission.** (CS) Mr President, honourable Members, in its ruling of 18 June 2006 on case C-119/04 the Court of Justice stated that, by the deadline established in the reasoned opinion, the Italian Republic had failed to provide recognition of the rights acquired by former assistant teachers who had become language teachers and specialists, although such recognition was guaranteed to all employees in the country, and had failed to fulfil all of the measures arising from the Commission v Italy ruling of 26 June 2001 in case C 212/99, and had accordingly failed to carry out its obligations under Article 228 of the EC Treaty. The Court of Justice decided, however, that there were no grounds for imposing the fine requested by the Commission. After examining the events in question, it did not have sufficient information to conclude that the Italian authorities were failing to meet their obligations. The Commission would draw the honourable Member's attention to the fact that the Court of Justice also pointed out that under Law 2/2004, which does not rule out renewing the careers of former assistant teachers of foreign language under enhanced conditions, each of the universities in question might retrospectively renew the careers of these teachers. The Court of Justice nevertheless also held that there was still a need to determine whether or not the measures adopted following the lawful approval of the regulation were actually applied. The Commission services are currently analysing the substance and impact of this ruling, and the best way to proceed. One of the main questions that should be resolved in this regard is whether the acquired rights have been fully recognised and renewed, including the implementation of retrospective payments to those who are entitled to them, as declared by the Italian authorities.

**Proinsias De Rossa (PSE).** – Would the Commissioner not agree that it is scandalous that no fines were imposed on the Italian authorities by the European Court of Justice, given that it is now almost 20 years since the matter was first brought to the Commission's attention, and that on each occasion when the Court has decided on this matter, it has found against Italy; and that even today, as I understand it, in La Sapienza University the criteria laid down have still not been complied with?

Also, would he not agree that it is extraordinary that the Court can claim that insufficient evidence was provided by the Commission to enable it to make a decision in relation to the imposition of fines?

Will the Commissioner undertake to ensure, even at this stage, that the Court's decision will be reviewed and that the Italian authorities will be obliged ...

*(The President cut off the speaker)*

**Vladimír Špidla**, *Member of the Commission. (CS)* Mr De Rossa, in its discussion on the case, the Commission held to the view that was stated before the court and on which the court gave its ruling. From this perspective we are both formally and substantively involved in the trial in question. Accordingly, the Commission is responsible for resolving this matter and for examining whether the ruling has been applied in full, whether it has resulted in retrospective payment and whether careers have been renewed. This is what we have to do and this is the direction in which we are heading. How the proposed measures will turn out remains to be seen. In my view, the bottom line is that the legal framework of the EU and the European Community must be respected, and this is the way the Commission always works. It made its position on the matter very clear during the negotiations.

**Glyn Ford (PSE)**. – I welcome the fact that you will be monitoring whether the ruling is properly applied. I think it is now 21 years since this matter was raised by one of my former colleagues, Hugh McMahon, as well as Mr De Rossa. I wonder whether we could consider having a birthday party for the question on its 21st anniversary when it comes of age, because it appears to be proceeding exceedingly slowly.

**Vladimír Špidla**, *Member of the Commission. (CS)* Mr Ford, throughout this confusing process, the Commission has consistently maintained that the obligation to achieve results arises from the 2001 ruling applying to actual settlement of earnings and to social security contributions owed to former assistant teachers. The criteria used in the regulation under law 2/2004 on renewing the careers of teachers were also called into question. At the time, of course, the court decided or stated that it had no reasonable grounds on which to establish that the ruling had not yet been applied in full. It took into consideration the fact that the Italian universities had informed them that payments, or at least some of the payments, had been made. The court did not address the issue that it was the universities that had provided this information and not the assistant teachers.

Ladies and gentlemen, in this situation, the decision of the court is final, and the Commission must now examine the relevant facts and decide on what action to take next. It remains to be seen whether the next step is to reopen the process or some other course of action. I can only assure you that the amount of time the process has taken strikes me, personally, as extraordinarily long and I feel that one of the cornerstones, one of the vital components, of legal certainty is that satisfaction ultimately ensues within a reasonable amount of time. This does not mean immediately, because some cases are complicated, but within a time frame that can be considered appropriate.

*Part Two*

**President.** Question no 36 by **Esko Seppänen** (H-0738/06)

Subject: Commission administrative expenditure

In its 2007 draft budget the Council is proposing to make substantial savings in administrative expenditure by doing away with Commission posts. What effect would these possible cuts have on staffing trends at the Commission and in the agencies over the next few years?

**Dalia Grybauskaitė**, *Member of the Commission.* The question you asked is very important for the Commission and all the European institutions. The proposal we got from the Council consists of two parts: one part relates directly to the 2007 budget and the other relates directly to the seven-year period from 2007 to 2013. I should like to elaborate on the consequences in your question for both elements of the proposal that we got from the Council.

Firstly, with regard to the 2007 budget, the Council has reduced appropriations by EUR 56 million. That means that the Commission would not even be able to maintain the current level of staff, while the Council has approved 801 new posts for new members for enlargement. However, it refused to grant the corresponding appropriations for paying salaries for those positions. It would make *any* recruitment impossible, from either new or old Member States. It also will not allow the Commission to replace its staff who will retire during 2007. That means that the real labour force will be reduced by about 420 people. No recruitment will be taking place at all with this proposal for 2007.

The question was also about agencies. For 2007 the Council also proposed to cut agencies' appropriations by about EUR 29 million.

The second part of the proposal consists of reducing posts for the seven-year period. The Council's proposal has two parts. Firstly, every second post becoming vacant would be deleted from each institution's establishment plan. I have heard rumours that it is proposed for all three institutions – Parliament, the Council and the Commission. Secondly, the Commission would have to delete 500 additional posts, justified by the Council by the concentration of programmes and new managerial approaches. For the Commission that could cost up to 2000 positions during the seven-year period; for other institutions, such as the Council and Parliament, about 200 positions.

At the request of the European Parliament's Committee on Budgets, in early September I signed the working paper with all the detailed technical explanations and financial figures about that proposal. If you like, we could provide you today with that package for your information, in order to study the question in more detail.

The consequences only for the Commission will be a loss of close to 2000 posts, which means close to four DGs. It is also approximately half of the positions that have been given for enlargement during previous years. It does not take into account at all the fact that the Commission already started administrative reform on its own premises in 2002 and its ongoing reform. It also does not take into account that the European institutions are not national governments and the specific tasks which Parliament and Council perform are different. As an example, the European Commission, as a public civil service, is the cheapest public service in the world. In our budget all three institutions – the Council, Parliament and the Commission – only take up about 5% of the budget for administrative expenditures, while in most of our Member States they take up four or five times more.

We cannot agree because the proposal does not take into account the geographical balance. We need to keep within the requests of the Council. It does not take into account linguistic diversity, which we also need to keep. None of these things is taken into account.

Finally, we evaluated this as an attempt to reopen the debate on the interinstitutional agreement, which we signed just four months ago.

**Esko Seppänen (GUE/NGL).** – (FI) Mr President, Commissioner, thank you for a very thorough answer. I would like to mention that, after the question was submitted, the Commission also gave members of the Committee on Budgets written materials on the subject to help clarify the issue.

I would like to ask an additional question. Can the Commission freely redeploy staff among the different main administrative sections whenever it decides to, without a separate budget decision having to be taken between the budgetary authorities in the Council of Parliament? Can the Commission freely move posts from one Directorate-General to another?

**Dalia Grybauskaitė, Member of the Commission.** We carry out redeployment every year; each year we redeploy approximately 400 people internally. But here we are talking about posts without the preparations to pay salaries. Inside is part of our so-called productivity gain programme, which was introduced in 2002 as part of the reform. If the priorities change, we redeploy internally: that is the normal yearly practice.

**Andreas Mölzer (NI).** – (DE) Commissioner, what measures are intended for taking due account of the new EU Member States when allocating Commission staff posts, and for doing so without increasing administrative expenditure?

**Dalia Grybauskaitė, Member of the Commission.** Yes, in 2003 Parliament and the Council agreed to allocate 3400 new posts for enlargement in the four-year period between 2004 and 2008. Each year we have been receiving these posts, together with payments for the salaries. This year we have again been offered 801 posts by the Council, without any addition for the salaries. We are not magicians and we cannot magically pay for 800 posts from nowhere.

**Eija-Riitta Korhola (PPE-DE).** – (FI) Mr President, Commissioner, I hope that this question about the Commission's administration will allow me the opportunity to ask a further question on a subject on which I have been contacted once again in recent years.

The Commission's administrative practice continues to display the regrettable feature that payment orders for scientific projects arrive far too late. This is especially true when a researcher or scientist comes to Brussels on an invitation from the Commission, for example, to evaluate research and scientific

projects. Researchers pay for their own travel and hotel costs, make their contribution, and may have to wait several months before the Commission pays the expenses and pays for the work done. Today I have discovered that this has sometimes taken five months.

*(The President cut off the speaker)*

**Dalia Grybauskaitė**, *Member of the Commission*. It mainly concerns the Financial Regulation and the financial implementing rules. The Commission has prepared the simplification procedures and they were approved in May. This package of new legislation is on the Council's table and on the Committee on Budgets' table with Mrs Grässle, who is the rapporteur on this question. She can confirm that we took on about 80% of Parliament's proposals. The package is very good, but now much will depend on whether the Finnish Presidency will approve it and on the negotiations between the Council and Parliament, while it remains a Council decision. So I very much hope that a lot more simplification will take place from 2007, especially regarding the procedures for paying for these kinds of projects. But that is another matter.

**President.** Question no 37 by **Ingeborg Grässle** (H-0758/06)

Subject: 'Financial adjustments in the context of the modernisation of the accounting system' and survey of Commission bank accounts

Why is the Commission trying to complete the budgetary adjustments even before the report of the European Court of Auditors on the modernisation of the accounting system is published on 23 October 2006?

How many accounts covered by section 1.3.1. of preliminary draft amending budget No 5 to the 2006 budget are included on the list of its own business accounts of which the Commission was unaware, a list forwarded by the Commission on 2 June 2006 in an answer to a written parliamentary question (S-46, Complement to Questions E-4819/05 and H-0212/06)? How much money do the at least 377 unknown accounts contain? How many accounts are covered by the headings 'bankrupt banks', 'cash differences' and 'burden of the past', and what sums are involved? How have the cash differences arisen and was this the result of opening accounts outside the budget? What is meant by 'burden of the past', and how did it arise?

**Dalia Grybauskaitė**, *Member of the Commission*. Within this question there are seven sub-questions, and I would like to be as precise and technical as possible because the questions were very specific and precise from an accounting point of view.

Your question mainly relates to our manning budget, where we are asking to create a budgetary line which would enable the Commission, where duly justified, to write off items in suspense accounts, and to write off losses which inevitably accrue in an administration manager's funds in accounts throughout 145 countries, sometimes with a weak banking sector and other political disturbances.

The creation of this budget line reflects the Commission's policy of administrative rigour and transparency, to clear up all *old* files, mostly relating to the years before 2000. That is mainly because we are now introducing a new accrual-based accounting system which allows us, and compels us, to be more transparent and more rigorous with our accounting system.

This proposal for a new budgetary line was presented in the amended Budget 5, to the budget line 40, and lists the following five types of operations which we will be looking into. The first is adjustments to cover amounts deposited in accounts in banks outside the European Union which have gone bankrupt during the previous year. The second is cash differences in imprest accounts. The third is settlement on some long-standing operations carried out mainly by delegations and representations under the imprest arrangements abroad. The fourth is repayments of principal and/or late payment interest and whether they were set off, and clearance of non-recoverable amounts of VAT.

Each year, the Commission will include this budgetary line in its PDB proposal, as it is now common practice to write off non-recoverable expenditure and not leave it in suspense accounts indefinitely, which was the practice in the past. The definition of a suspense account is that it is not just a bank account, but accounting records, in which the Commission's annual financial statements are listed outside the EU budget accounts because they correspond to operations which are waiting to be regularised from an accounting point of view, but cannot be attributed by any specific EU budget line for various reasons explained above. There is therefore no link with the bank accounts mentioned in my answer of

2 July this year, where the accounts were opened or managed by staff other than the accounting officer, both inside and outside the territory of the European Union.

As regards the Court of Auditors' 2005 annual report, this proposal also has no link whatever with that publication, other than the fact that the Court constantly presses the Commission to clear up these suspense accounts. It was presented in good time for the suspense account to be cleared up before the end of the present financial year. We did this with the amended budget.

As regards the main types of operation in a number of accounts which you ask about in your question and the amounts of money involved, I can provide some examples today. For example, funds lost following bankruptcies amount to about EUR 1.3 million, concerning mainly EUR 1 million in Kazakhstan in 1996. Funds lost from burdens of the past, for example, amount presently to EUR 3.5 million from imprest accounts held outside the European Union and only EUR 100 000 from imprest accounts held by representations. This is due to many different circumstances where the supporting documents that are needed to justify otherwise regular expenditure cannot be traced, despite long searches. All these amounts relate to years before 2000.

Finally, I just want to say that the creation of this budget line is not only part of the current process to modernise the Commission's accounting system; it also reflects the Commission policy of administrative rigour and transparency to clear up all old files, which will become common practice from 2006, and we will do it every year.

Despite the thorough inventory, I want to confirm that no bank accounts were found that have been unknown to the Commission at this stage.

**Ingeborg Gräßle (PPE-DE).** – (DE) I am obliged to the Commissioner for her answer. The interpretation disappeared from time to time, as the interpreter could not follow what the Commissioner was saying. I have tried to follow the Commissioner and have realised that she has not answered one of my questions, namely the one regarding the 377 extrabudgetary accounts I listed in my question of 2 July. This is the second time that the question as to the total sum concerned has gone unanswered. To this I would add that there is an account of the Economat supermarket for EUR 7 million. I would ask the Commissioner to tell us what these EUR 7 million were spent on.

**Dalia Grybauskaitė, Member of the Commission.** I cannot give you an answer at the moment about those specific figures, because that was not made clear in the letter or the oral question. We understood the main question concerned the budget amendment proposal, to which we tried to reply. If you would like an explanation about specific amounts, we will provide it in writing.

**President.** Question no 38 by **Justas Vincas Paleckis (H-0700/06)**

Subject: The problem of the 'brain drain' in the new EU Member States

Internal borders and barriers in the EU are being removed and will have disappeared completely after a few years. Ever closer integration between new and old EU Member States is giving rise to a 'brain drain' – an exodus of minds and of qualified workers – that is steadily gathering pace. The new Member States are losing many of their most dynamic citizens, who obtained a good education and qualifications in their native countries, to the considerably wealthier old Member States. The EU would appear to be giving the new Member States support with one, visible hand, in the form of various funds, while taking it away with another, invisible hand by attracting its young specialists.

I believe that a solution to this problem would be to create a special EU fund to lessen the impact of the brain drain (following the example of the globalisation fund). Countries receiving qualified specialists would have to contribute most to this fund. The resources collected could be used to improve the education systems of the countries adversely affected by this phenomenon and to create new jobs in those countries.

What is the Commission's view of this or similar suggestions? Does the Commission agree that what is essentially a positive process – the creation of a single labour market – is at the same time causing a serious problem in the form of a brain drain, which needs to be resolved by joint EU efforts as well as by the efforts of all 25 Member States?



**Ján Figel'**, *Member of the Commission*. The Member's question is on the issue of the brain- or skills-drain from Member States that joined the Union on 1 May 2004. He suggests that the Commission should create a special new fund to reduce the impact of brain-drain.

The free movement of persons is one of the fundamental freedoms guaranteed by Community law. After enlargement in 2004, despite the transitional arrangements for the free movement of workers from eight new countries, the EU saw increased mobility from new Member States. However, in the report we published recently on the functioning of the transitional arrangements, the Commission pointed out that flows from the EU-10, the new Member States, had been fairly limited in relation to the overall working-age population and that they are balanced, at least in part, by mobility from the original 15.

The report shows that migration flows are driven by factors related to supply and demand conditions, both in sending and receiving countries. Moreover, and more importantly, as pointed out in the report, rather than seeking permanent employment in another country, a significant percentage of migrant workers stay in the receiving country for a limited period only. Consequently, migrant workers often return to their country of origin, which will subsequently profit from the accumulated experiences gained abroad, especially by highly skilled workers. In this respect, we can speak about the concept of brain-gain.

It should also be noted that although the 'old' Member States attract talented people from the new Member States, the United States of America proves to be the most popular destination for tertiary students or educated people from the new Member States. The problem of brain-drain, insofar as it exists, seems more linked to the salary differential between the country of origin and destination countries than to the quality of the education systems in migrants' countries of origin. The new Member States perform quite well under most indicators in the Education-Training 2010 programme, where we have benchmarks and very concrete objectives.

The answer to the issue lies in the good use of the significant opportunities that will be provided by the structural funds for the 2007 to 2013 period. The structural funds will bring a substantial contribution to the economies of new Member States and, if used well, should provide the means to ensure steady growth and job creation.

The progressive convergence of the new Member States' economies with those of older Member States should reduce the existing salary differential and therefore eliminate a major reason for brain-drain.

The Commission, rather than supporting the creation of a special fund or efforts to regulate migration, would therefore encourage new Member States to use the structural funds effectively. The European Social Fund, in particular, will continue to support a comprehensive approach to education and training in the programming period beginning in 2007, namely by supporting measures to develop employability and improve the labour-market relevance of initial and vocational education and training, with a view to encouraging innovation and as part of a knowledge-based economy.

**Justas Vincas Paleckis (PSE)**. – *(LT)* Commissioner, thank you so much for your thorough response. I must admit, however, that it did not really ease my fears. The use of the funds is truly a very important issue for the freedom of movement, but the new Members will be 'bled white' by giving away their best people to old Members that are far richer. I would still like to ask you: do you feel any injustice in the situation as it is? Do you sense any violation of the principle of solidarity?

**Ján Figel'**, *Member of the Commission*. I would not talk about injustice; I would prefer to talk about freedom, which we have, and responsibility, which is the best part of freedom, or the other side of the same coin.

When we speak about the 'brain drain', it is not only the new Member States versus older Member States. The same happens in the Union versus most competitive partners in the world. When I was in France and Germany they talked about the brain drain to the United States. So either we are aware of the problems and the lack of competitiveness, the lack of value placed on knowledge or the lack of respect for knowledge in Europe, and improve conditions for intellectual property for patents on this continent for so many issues connected to innovation and the transfer of knowledge into real life, the real economy, production and services, or we will comment and lament later on, and maybe even more, because time is passing quickly and globalisation is really influencing our lives.

All our policies, programmes, strategies aim towards this goal. I do not want to anticipate developments in the Commission, but in a few weeks' time we would like to propose, for example, the establishment

of a European institute of technology. Either we create space for a European dimension in knowledge and the transfer of knowledge and we improve together or, as I said before, we will lose time and momentum. I do not want to discuss that at length now, maybe next time I shall say more. The Lahti Summit in October should deal with the ten points for improving innovation in Europe. The first two points are education and universities and an institute of technology, and then there are others.

I think that political awareness of the problem is there. If there is also the political will to deliver, we can find better answers and better situations in the future. We need to work towards that.

**Mairead McGuinness (PPE-DE).** – Commissioner, given the announcement on Romania and Bulgaria, could you comment on the indications from the UK and Ireland that they will not be opening up their markets to workers from these two Member States? Would you agree that many of the host countries need a policy of integrating workers from new Member States, to be fair to their needs, and that we need to allow migrant workers with qualifications to progress in the careers for which they are qualified in the host Member States?

**Ján Figel', Member of the Commission.** Thank you not only for the question but also for the encouragement that we should stay open. Politically I think Europe is a synonym of openness. If that is true, then we usually tend to solve problems. If we close, if we isolate ourselves, then problems usually get even bigger in time. On internal decisions and the opening of the labour market, this is, of course, the right of Member States. The Commission has always argued in favour of openness or at least gradual opening rather than moratoria. The report on the second anniversary of enlargement showed that those that opened their markets benefited, which confirms that until now integration in Europe has proved to be a win-win situation. Of course it must be carried out under certain rules and criteria and, if that is the case, then benefits will continue to be gained by those who are more open.

On qualifications and integration, one of the important contributions will come this month from the Commission. Last night there was a debate in this House on a European qualifications framework, which should create the basic matrix for comparison and transfer of qualifications between different autonomous national qualification systems or qualification frameworks. In this sense the value of the qualifications will be higher because we will make them more readable and transferable and we will empower people to use them more properly. This is one of the most important legal and political answers in order to turn our people in the same Union into citizens more than tourists.

**Danutė Budreikaitė (ALDE).** – (LT) Last year the European Commission adopted the Green Paper on managing economic migration in the European Union, which proposed to compensate the costs of 'brain drain' to third countries, meaning developing countries. These economic migrants are exactly the same as Lithuanians going to other countries in the European Union, which is referred to as the free movement of persons rather than economic migration. Why would not the Commission apply the measures it proposed for third countries to the internal market?

**Ján Figel', Member of the Commission.** We do not encourage or propose a brain drain, but we try to mobilise brains. There are many examples of how either we proceed together in order to release the potential which we have in our Member States and our universities in the new generation of students and researchers, or we are lost with the lack of growth, the lack of new and better jobs. Even in the programmes for which I am responsible, we do not stimulate or motivate third-country nationals to leave their home states, but rather to go back and build up their societies and economies in close partnership with European countries, European institutions or universities.

Instead of lamenting how little we did to stop the brain drain and for the recuperation of European potential, we should focus on the credible implementation of our next generation of programmes. We want to have even more mobility combined, of course, with freedom. I am also from a new Member State, and I usually answer that instead of lamenting that more young people go out than come back, we need to create conditions which build or offer a truly European perspective back home in Slovakia, in Lithuania or Latvia. After two years of membership of the Union, it is becoming more and more evident that the Europeanisation of conditions and prospects for young people is there, but it is a process; it takes time. The much-quoted, miraculous examples of Ireland or Finland are just logical results of long-term strategic policies where education, training, knowledge and research are at the centre and remain at the centre. That is a good example for all to follow.

**President.** Question no 39 by **Gyula Hegyi** (H-0701/06)

Subject: Education language teaching

Both the European Union and its Member States invest enormous amounts of money into language education. Nevertheless, results are poor as, according to research, only half of EU citizens are familiar with holding a conversation in any foreign language.

Does the Commission intend to act in order to encourage the Member States to evaluate without any prejudice the effectiveness of different language teaching methods, including new techniques?

Why are publications of the European Union not being translated into the languages of the new Member States?

**Gay Mitchell (PPE-DE).** – Mr President, this happens month after month. Members have tabled questions to be answered by the Commission, they sit here while you allow supplementary after supplementary and let Commissioners run on at will and our questions are not reached. It is an outrage the way Members of this House are being treated, it is absolutely outrageous. I protest strongly about this.

**President.** I can perfectly understand your annoyance, and to some extent I share it, but it is not strictly true to say that the questions will not be answered, as they will be answered in writing. I am not responsible for setting the Rules of Procedure. I am simply the referee who interprets the rules and, as you will appreciate, we cannot extend proceedings indefinitely. Mr Figel', you have the floor again.

**Ján Figel', Member of the Commission.** Although estimating the effectiveness of any investment in education is always difficult, the Commission is not aware of any study demonstrating that the return on investment in language teaching is lower compared to other forms of education. On the contrary, it is commonly agreed that money spent on acquired language skills ensures a good return to the individual, his or her family, companies and society at large in terms of higher salaries, better jobs and increased business opportunities.

According to a recent Eurobarometer survey, more than 50% of European citizens stated that they are able to hold a conversation in one foreign language. That percentage is encouraging, although it is far from our objective of giving all European citizens the ability to communicate in at least two other languages in addition to their mother tongue. To pursue that objective, the Commission promotes language learning and linguistic diversity through its programmes for education and training as well as through many other exchange programmes.

Lingua 1 action under the Socrates Programme is aimed at developing and disseminating innovative techniques and examples of good practice in language teaching. Furthermore, the European Label for innovative projects in language teaching and learning is awarded each year to the most innovative language learning projects in each Member State. The Commission is bound by its legal obligation to translate into all official languages Community legislation and the related documents that are necessary to enable citizens, companies and other stakeholders to enjoy their rights and comply with their obligations.

As regards other documents, they are translated in accordance with real needs, taking into account available capacity. That principle applies to all official languages.

**Gyula Hegyi (PSE).** – In my experience many people learn foreign languages, but not so many of them can speak them in everyday life. I think that is why it is very important to have a criterion at Community level to compare the different language teaching methods. That would be very useful.

On your other remark, Commissioner, according to figures from InfoPoint Brussels, there are approximately 25% more EU publications in old Member State languages than publications in the new Member State languages. So those figures are correct as far as I know.

**Ján Figel', Member of the Commission.** In reply to the first comment, we are working on that in real terms, especially on the creation of a European indicator of language competence, which will help us to assess and influence the situation more effectively and to obtain feedback and improvements in the teaching and learning of languages.

On publication, the ratio is something that reflects the total output, but the impact of the new languages has been to increase the linguistic diversity of the Union. We need, therefore, to function fully in this multilingual environment, because it defines us and provides us with a link to citizens. This has to be nurtured further, not only in the Union as a whole but also, and especially, in the institutions. We are working on that. I do not want to say much about that, as I was asked to shorten my answers. Perhaps in reply to other questions I can talk about the ways in which we want to promote multilingualism in our institutions.

**President.** Questions 40 to 43 will be answered in writing.

**President.** Question no 44 by **Ignasi Guardans Cambó** (H-0694/06)

Subject: Delay in construction of Perpignan-Montpellier high-speed rail link

As indicated by the Essen European Council, Decision No 1692/96/EC<sup>(1)</sup> and the 'van Miert group', the Commission has included among the 30 priority projects for the trans-European transport networks the high-speed rail link Lisbon-Madrid-Barcelona-Perpignan-Montpellier. Decision No 884/2004/EC<sup>(2)</sup> establishes that work on the Perpignan-Montpellier line should be completed in 2015. Recently, France has said that it will postpone completion of the line until 2030. By allowing France to treat this public works project as an internal matter, the EU would be consenting in a non-integrated model for the Member States' railway systems, thus placing obstacles on the mobility of passengers and goods.

Has the Commission received any official communication from the French government modifying the calendar for the Perpignan-Montpellier high-speed link? What is its position on the proposed delay? What measures will it take to ensure that Union-level decisions concerning major infrastructures are not ignored by a Member State attempting to protect its supposed interests, to the detriment of its neighbours?

**Jacques Barrot, Vice-President of the Commission.** (FR) Mr Guardans Cambó, on 20 July 2005, the Commission appointed Mr Etienne Davignon as European coordinator in order to boost the development of priority project No 3, TGV South, which includes the Perpignan-Montpellier section.

The first annual report by the coordinator, Mr Davignon, published on 13 September, states that there may be delays in the implementation of the section in question. The completion of this section is made more difficult by the presence of protected areas and very built-up residential areas. On confirmation from the French authorities, it appears that the delays should be far more limited than the ones you have pointed out. While it is unlikely that we will be able to keep to the date of 2015, the date of 2020 for the entry into service of this infrastructure seems entirely realistic, and it might even be conceivable that the section will be completed before then.

Within the 2007-2013 multiannual financial framework, the Commission wants to focus a significant proportion of the Community resources available on the 30 priority projects. Mr Guardans Cambó, in its amended proposal for a regulation laying down the general rules for the granting of Community financial aid, the Commission envisages paying special attention to projects concerned with the elimination of bottlenecks, with the cross-border sections and with the waterways, too.

I must insist, Mr President, Mr Guardans Cambó, that Parliament permit the swift adoption of this financial regulation, thanks to which we will be able more swiftly to put in place the funding and to speed up the implementation both of this priority project No 3 and of other projects.

**Ignasi Guardans Cambó (ALDE).** – (FR) Thank you, Commissioner. What credibility does the European Union still have in the eyes of Europeans when it declares a project to be of European interest and sets a date for its completion, and then allows the authorities of the Member States to consider this project an internal project and to state in a press conference that they are not going to carry it through to completion?

You say that the date I have given is an exaggeration; it was the date given by the French authorities in the press conference. 2030: it was the French authorities that said that. Thus, allow me to have more confidence in the French authorities, which are responsible for completing the line. What did you just

(1) OJ L 228, 9.9.1996, p. 1.

(2) OJ L 167, 30.4.2004, p. 1.

say to us? What credibility is still possessed by the Commission, which must ensure that European decisions are carried out, if nothing then comes of anything?

**Jacques Barrot**, *Vice-President of the Commission*. (FR) I spoke of 2020 after having consulted the French authorities. You are right, Mr Guardans Cambó, I am the first to want the major European networks to be completed within acceptable deadlines. However, that also depends on the Member States giving their support, and you also know that, instead of the EUR 20 billion that we were hoping for under the 2007-2013 financial perspective, we only have EUR 8 billion.

That being said, the coordinator, Mr Davignon, and myself do not intend to let the French authorities effectively compromise the future of this major corridor, which is the subject of the priority project. I therefore have a personal commitment, Mr Guardans Cambó, and we will do everything possible to ensure that things change, and, although there has been the unfortunate announcement of a timetable that I, for my part, find altogether excessive, well, I am here to tell you that the Commissioner for Transport will fight to change the situation and to ensure that we can have a far more reasonable timetable.

**Luis de Grandes Pascual (PPE-DE)**. – (ES) Commissioner, having chosen the thirty priority projects, it is alarming that the sluggish attitude of certain Member States should be turning these projects into phantom projects. Specifically, the coordinator of project No 3 has complained that, with regard to the planning of the Figueras-Perpignan route, there are regrettably enormous delays.

To what extent, therefore, Commissioner, are you prepared to urge the French and Spanish Governments to fulfil their obligations and give due priority to the route we are talking about?

**Jacques Barrot**, *Vice-President of the Commission*. (FR) The national programmes, Mr Grandes Pascual, will be examined by the Directorate-General for Transport and myself, and we will have the opportunity, in these negotiations with both France and Spain, to point out the priorities. There is no question of our distributing European money across all of the projects without having the Member States make a significant contribution to our priorities. In this negotiation, therefore, I believe that we will have ways of convincing them.

Next, I believe that we will quite easily be able to remind the Member States of the huge importance of these corridors. They are going to completely change the transport sector in Europe, and that includes both passenger transport and freight transport. I believe, therefore, that we should not have a totally negative and overly pessimistic view of these problems. It is true that some convincing will be required, but, once again, I, for my part, fully intend, with Parliament's backing, to take action so as to progress these projects, which were nonetheless, I would point out, defined by the Member States themselves.

**President**. Question no 45 by **Marc Tarabella** (H-0697/06)

Subject: Poor implementation of Regulation (EC) No 261/2004 on air passenger rights

In its answer to my question E-1422/06 on this same subject, the Commission states that Member States are not required to notify it of complaint management or of the remedial action taken by companies in the event of overbooking, major delays or cancellations of flights.

Can the Commission therefore specify what actual data it intends to present in its report to the Parliament and Council on implementation of Regulation (EC) No 261/2004<sup>(3)</sup> on 1 January 2007? How does it plan to ensure uniform interpretation and implementation of the Regulation if it is not informed by Member States of the follow-up given to complaints?

How will it prevent companies from using motives unverifiable by users for not implementing the Regulation and from reducing it to an exercise in style?

**Jacques Barrot**, *Vice-President of the Commission*. (FR) The Commission has already responded within the framework of a written question. The Member States are not bound to transmit information relating to the management of complaints from air passengers or to the penalties imposed on airline operators. However, the Commission does, of course, arrange regular meetings with the national control bodies in order to harmonise the application of the regulation and to strengthen the contacts between these bodies so that they will share data relating to the management of complaints.

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(3) OJ L 46, 17.2.2004, p. 1.

The Commission is cooperating closely in this context with the Member States in order to draft a guide on how to interpret the provisions of the regulation. I would point out that we are concerned here with Regulation (EC) No 261/2004. I am going to present a communication to the European Parliament and to the Council in January 2007 on the workings and application of this regulation.

The Commission has published an invitation to tender with a view to choosing an external consultant who will be able to collect the quantitative and qualitative data relating to the application of this regulation.

The Commission would like, in particular, to examine the position regarding denied boarding, cancellations, delays and the application of the regulation in such cases. The results of this study will be incorporated into my communication.

I should like to tell you, Mr Tarabella, that the Commission has recorded more than 5 500 letters linked to air passenger rights. These letters are handled carefully. They enable certain trends to be identified. This entire monitoring exercise will be used in the context of the infringement proceedings that the Commission will bring against Member States that do not fulfil their obligations to citizens and respect the rights of those citizens as air passengers.

Before we can bring those proceedings, however, we must have enough data. During the 18 months of implementing this regulation, the Commission will have collected a critical mass of information and it will be in a position to act when the right moment comes.

I am grateful to you for your question because I, for my part, am really very anxious to ensure that these passenger rights now become a reality within the European area.

**Marc Tarabella (PSE).** – (FR) Commissioner, can the Commission give me some additional information regarding the amendments that it plans to make to the regulation on air passenger rights in order, firstly, to take account of the hundreds of complaints that have been lodged, for example, at regional consumption centres and that testify both to the serious shortcomings, and to the poor application, of the existing regulations on the rights of these passengers?

Secondly, how does the Commission intend to establish a precise definition of *force majeure*, an argument that is used systematically by airlines so as not to apply the regulation? Finally, I should also like to ask the Commission how it plans to take account in future of problems such as those recorded by the hundreds of French passengers who were held up recently in Turkey and Israel following failings on the part of the organisers of seat-only sales, which are not covered by any European legislation?

**Jacques Barrot, Vice-President of the Commission.** (FR) The Commission has organised three meetings with the national control bodies – on 19 May 2005, 17 February 2006 and 14 September 2006, which is very recent – with a view to strengthening the coordination among the various Member States and to harmonising the application of the provisions of the regulation concerned.

In the meantime, we have established a question-and-answer-type information document that will make it easier for the national control bodies to deal with the data on a daily basis. This document was distributed in July 2006.

As I said to you, Mr Tarabella, thanks to this critical mass of information, I could actually propose, with the communication that I am going to present before Parliament in prospect, a number of improvements enabling us to ensure that the new law that we have created to benefit passengers is properly applied. I would say to you once again: the Directorate-General for Transport has handled 5 623 letters, which means that we can already identify certain trends.

I must say, for example, that we were pleased to observe a sharp decline in the practice of overbooking.

You are right, though: the events that took place this summer must also be taken into account. Once I truly have an overall view of things, I hope to be able to come before this Parliament and to explain to it both what improvements have been made and what remains for us to do to ensure that these new rules are applied effectively.

I am grateful to you for having asked that question; it is also an incentive for me to demonstrate even greater vigilance.

**Elizabeth Lynne (ALDE).** – It is just a question about airline operators. I understand that they are the ones that have to tell passengers what their rights are, but in various instances, with Air France in particular, we are told that it is not up to the airline operator. What is the Commission doing to make sure that airline operators take their responsibilities seriously? I had to intervene on behalf of several passengers because they were told that they would not get overnight accommodation, for instance. I told them that was wrong and that the new law said that they were entitled to that compensation.

**Jacques Barrot, Vice-President of the Commission.** (FR) Yes, Mrs Lynne, I stated that we were going to ask an audit body to review the situation with regard to denied boarding, cancellations and delays, the application of the regulation by airline operators and the national authorities, and the degree of independence of the national control bodies from the national aviation authorities.

You are quite right. It is not just a question of passengers having rights; it is a question of airline operators and the national authorities being able to really make the people concerned aware of those rights. Moreover, the study will be conducted in cooperation with airline operators, consumer and passenger associations, and the national authorities.

I personally believe that, in the light of this study, we shall be far more able in future to monitor passenger information, which is in fact a prerequisite for enforcing these new rules.

**President.** Questions which had not been answered for lack of time would receive written answers (see Annex).

Questions 63, 64 and 77 will not be answered because they deal with topics that are already included in the order of business for the current part-session.

That concludes questions to the Commission.

*(The sitting was suspended at 7.50 p.m. and resumed at 9.00 p.m.)*

#### IN THE CHAIR: MR McMILLAN-SCOTT

*Vice-President*

### 14. PROGRESS (continuation of debate)

**President.** We now continue with the debate on the report by Karin Jöns on the establishment of a Community programme for employment and social solidarity.

**Jan Jerzy Kulakowski, on behalf of the ALDE Group.** – (PL) Mr President, the fact that the European institutions have finally adopted a common position on the PROGRESS programme, which deals with employment and social solidarity, is a very important step towards drawing up and implementing a coherent and transparent social policy in the European Union and translating it into the national social policies of the Member States. The PROGRESS programme not only simplifies and puts the specific elements of this policy in order, but it also integrates them into a single framework. This is something that had been lacking previously and which will be the key result of our joint debate.

It is right and proper for the programme to be divided into five parts. Employment is the main challenge currently facing the European Union, its decision-makers and its citizens. Social security and social integration can be treated as two separate fields but it was probably appropriate to include them both under one section, as social security can be viewed as one of the prerequisites for successful social integration. Good working conditions complement a policy that aims to improve employment not only in terms of quantity but also in terms of quality. The fight against discrimination and the promotion of diversity represent the practical implementation of the principle of positive tolerance and pluralism which should be, and I think is, one of the hallmarks of the European Union. Creating full gender equality amounts to the implementation of a principle that was adopted in the Treaty of Rome, but which has not been fully implemented until now.

I would like to make two further comments. First of all, employment is our primary challenge and should be a priority in terms of funding. However, gender equality is just as important as the fight against discrimination and the fostering of diversity. I would also like to point out that we have not focused sufficiently on social dialogue, without which we cannot implement the PROGRESS programme. As

far as access to the programme is concerned, it is right to list the institutions and organisations that are entitled to it. The PROGRESS programme will make a key contribution to achieving the objectives of our social agenda.

**Hiltrud Breyer**, *on behalf of the Verts/ALE Group*. – (DE) Mr President, we, too, welcome this report on PROGRESS. We hope that it is the urgently needed tail wind for EU gender equality policy. In the wake of the Commission's disappointing gender equality roadmap, it is all the more important that as much money as possible be made available for carrying out analyses and public-relations activities relating to EU gender equality policy in the EU Member States. I am pleased that my fellow Members have put the brakes on the Commission's rationalisation pressure, or are set to do so, and have insisted on an increase in funding for PROGRESS. It is thanks to Parliament's persistence that the resources for employment and social solidarity have been increased.

As we all know, politicians are powerless to act without money. The objective of gender equality policy must be to provide the necessary resources, therefore, because it is impossible to continue this policy without money. It was a success for Parliament that it managed to push through obligatory gender mainstreaming in all programme areas. Admittedly we did not succeed in pushing through an independent action programme, but we did push through a cross-cutting task.

**Mary Lou McDonald**, *on behalf of the GUE/NGL Group*. – Mr President, the PROGRESS programme plays an important role in promoting employment and social solidarity and it is all the more important as, increasingly, the drive to put profits before people excludes and marginalises so many.

We are disappointed that Parliament's proposals were not accepted in their entirety and that the Council decided to weaken the programme in the areas of equality, migrant rights and, crucially, in relation to the budget. However, we believe it is important not to delay the implementation of the programme, otherwise much important work could not take place. I would like to thank the rapporteur for her efforts to strengthen the programme and I hope that in the future we can work together to prioritise EU action to combat social exclusion.

**Zbigniew Krzysztof Kuźmiuk**, *on behalf of the UEN Group*. – (PL) Mr President, I would like to express my support for all the activities of the European institutions intended to foster growth in the fields of employment and social solidarity and especially for those activities related to PROGRESS, the new Community programme we are currently discussing. I hope that this programme will not turn into yet another ineffective instrument, swallowing up our joint resources. I hope that instead, it will contribute directly to changing the difficult situation that many European Union countries face in this area.

I would like to highlight the fact that the issue at stake here is preserving the European social model in the face of a demographic slump that is spreading throughout Europe. The situation in the Scandinavian countries proves it is possible to implement this model at the same time as maintaining a reasonable level of economic growth. Of course, the key to success in Scandinavia is a high employment rate, which usually stands at above 70% for both men and women. Meanwhile, we know that these rates are significantly lower in the majority of the Member States. In Poland, for example, the employment rate stands at barely 51% for men and 46% for women. It seems very clear that it is absolutely vital to provide support in the field of employment, especially in the new Member States.

The problem of poverty and social exclusion is another very important matter. We cannot allow a situation to persist where people are living in poverty, or going hungry, at the heart of Europe, which is one of the richest areas of the globe. In Poland, over 10% of the population live below the poverty line. I hope that the PROGRESS programme will contribute to improving the situation.

Wealthy Europe ought to show more solidarity towards social groups which find themselves in a very difficult financial situation.

**Kathy Sinnott**, *on behalf of the IND/DEM Group*. – Mr President, I should like to congratulate the rapporteur for her work on PROGRESS, a new and comprehensive structure for social solidarity.

For many years, social partners have been viewing social funding, human resources and even goodwill as a cake for which they, like hungry children, have felt compelled to compete. PROGRESS will hopefully take the competition out of the allocation of funding and other resources to social partners representing people who, because of their situation in life – physical, mental, social, ethnic, economic, employment or lack of employment, and so on – need the support of the wider community.



I should like to stress once more that within PROGRESS there needs to be room for small and new NGOs. They need to be encouraged to survive and to thrive. It cannot only be the older, bigger NGOs, unions and organisations that are recognised and involved. Needs change and new needs arise. We need to remember that the well-established groups were once small too.

**Proinsias De Rossa, on behalf of the PSE Group.** – Mr President, hopefully it will be equally on time! I welcome this new Community programme, which brings together four previous programmes and seeks to streamline them and to provide more money for their implementation. I would like to congratulate the rapporteur, Mrs Jöns, my own Group, Commissioner Špidla and the Council for largely agreeing the amendments which Parliament put forward and which the Commission fought hard for. It is important that more money is available, but it is also important that we should seek here to enhance the socially-inclusive Europe citizens clearly desire.

I am particularly pleased that we have achieved the inclusion of gender mainstreaming in this new programme. I look forward to our sharing experiences with each other through organisations across Europe at conferences and so on. It is a sad fact that the European Union has, over many years, engaged in a lot of pilot projects, but a lot of the lessons that have been learnt in those projects and programmes have not been mainstreamed. Hopefully the achievement of gender mainstreaming, at least in this programme, will ensure that gender mainstreaming is part of all policies developed by the European Union and the Member States.

**Jacek Protasiewicz, on behalf of the PPE-DE Group.** – (PL) Mr President, implementation of the Lisbon Strategy is a very ambitious objective that the leaders of the European Union have set the Member States. The different experiences of individual Member States in areas such as employment demonstrate just how ambitious this objective is.

There are some examples where employment levels have approached the indicators set. I would remind you that these rates are set at 70% for men, 60% for women and 50% for the 55 - 64 age group. However, there are countries, especially amongst the new Member States of the European Union, that are a long way from achieving the aims of this strategy. Bearing this in mind, I must once again applaud the initiative to create PROGRESS, a new employment and social solidarity programme for the Community.

As a member of the PPE-DE Group, I would like to stress at this juncture that ever since the Committee on Employment and Social Affairs began its work, my group has been in favour of increasing funding for specific fields of action while, at the same time, decreasing the 10% target reserve which was stipulated in the draft programme. The PPE-DE Group specifically stressed the need to decrease the beneficiaries' own contributions. This is why we welcome the fact that the funding for the PROGRESS programme has been increased to EUR 743 million. Fortunately, this increase has already been agreed within the framework of an interinstitutional agreement and included in the 2007-2013 Financial Perspective.

Finally, I welcome the fact that the Council's common position contains most of the amendments tabled by the European Parliament. This is particularly a positive step in terms of making better use of resources to ensure that women and disabled people are more active in the labour market. The low level of employment, especially amongst disabled people, is a particular problem in my country and I hope that thanks to the PROGRESS programme, we will be able to remedy this situation within the next seven years.

**Evangelia Tzampazi (PSE).** – (EL) Mr President, I should like to congratulate the rapporteur, Mrs Jöns, on the efficacy of the enterprise.

The Progress Community programme is a very important tool for achieving the objectives of the Lisbon Strategy in the field of employment and social policy. The importance of this tool is reflected in the agreement of all the institutions of the European Union.

We need to emphasise that the reference to full and equal access for disabled persons to all activities funded under the Progress programme helps to achieve the basic objectives of the programme, in other words combating discrimination and social integration.

At the same time, however, I wish to emphasise that I consider the provision for additional economic and other encumbrances caused by disability to be counterbalanced to be particularly important, in order to ensure equal participation of persons with disabilities in the programme's activities.

Finally, I wish to emphasise the need for non-governmental organisations representing persons with disabilities to participate at regional, national and European level in the works provided for in the programmes, which are designed to transfer best practices and exchange information and raise public awareness about integration and social protection issues.

**Alejandro Cercas (PSE).** – *(ES)* Mr President, I would like firstly to congratulate the rapporteur, Mrs Jöns, the Commissioner and the Council on having worked so quickly and so well. Thanks to them, Europe will have this instrument from 1 January, and I hope that it will be, as we have said, a leap forward in terms of improving the coherence and complementarity of the existing programmes.

Secondly, Mr President, I would like to express my satisfaction at the fact that we are taking the Lisbon process seriously in its entirety. That process obliges us to implement an economic reform and, undoubtedly, a modernisation of Europe, but at the same time to remember that, in order to ensure that the economic reform is a success, we must build a more cohesive and inclusive society. Now that PROGRESS is on the table, I believe that those who say that the social Europe is purely an issue for the Member States are mistaken.

Europe has much to say and much to do and, although it is clearly still the Member States which are building their welfare states, Europe offers added value in the form of coherence and intelligence and helps our Member States to deal with the immense challenges facing us in this era of globalisation.

I therefore hope that the Commission will act intelligently. It is a small instrument financially speaking, but it must be used very intelligently. I hope that we can maintain this approach of working together, of not losing sight of our priorities and of making our Agenda the citizens' Agenda.

**Katalin Lévai (PSE).** – *(HU)* Mr President, first of all I would like to congratulate Mrs Karin Jöns for this excellent programme. In light of the Lisbon Strategy, I consider it very important to take such initiatives, the aim of which is to improve employment, strengthen social solidarity and thus to make the European Union more competitive.

We need ambitious goals: restoring full employment, improving the quality and productivity of labour and strengthening social solidarity. In this regard, I wish to emphasise in particular the part of the programme that devotes special attention to gender mainstreaming, the implementation of the principle of gender equality in social policy.

I am also pleased that the report strives to take into consideration the special needs of people with disabilities. In working out and implementing the programme, I consider due cooperation with other committees to be important as well. In my opinion, the protection of minorities, and in particular of the Roma minorities, should constitute a separate section of the report, and perhaps it would be worth devoting proportionately more funds to the financing of gender equality.

The implementation of PROGRESS calls for European-wide sharing of information and the dissemination of best practices throughout the entire Community, if we want to achieve these goals. All in all, we have before us a programme that can be realised only through collaboration across Europe, something that deserves our support in every area.

**Teresa Riera Madurell (PSE).** – *(ES)* Mr President, I am going to talk solely about actions aimed at equality between men and women.

Ladies and gentlemen, when in the middle of 2004 we all hoped that the European Commission would launch a new action plan for equality between men and women, we were surprised to find that, instead, the Commission proposed PROGRESS, a programme for promoting employment and solidarity, which included actions to promote equality between men and women but within a broader framework of social action.

In the belief that it was still necessary to pay greater and more differentiated attention to equality between men and women, the Committee on Women's Rights and Gender Equality was opposed, from the outset, to incorporating the programme on equality between men and women into PROGRESS, and it also called for greater budgetary resources and insisted on the need for equality between men and women to be treated as something common to all Community policies.

An important and positive negotiation therefore began, which has been maintained throughout the parliamentary procedure that is ending today, with results that we can describe as more than reasonable.

Actions aimed at equality between men and women are being kept within PROGRESS, and that is something that we do not find satisfactory. We achieved the separation of the DAPHNE Programme, but that has not been possible here.

We are still calling for greater visibility for equality policies, but we must congratulate the rapporteur, Mrs Jöns, the draftspeople for the committees' opinions and also the Commission and the Council, because their joint work has made it possible substantially to improve the initial proposal in terms of funding and content and in terms of integrating the gender perspective into all of the programme's actions.

**Vladimír Špidla**, *Member of the Commission. (CS)* Honourable Members, I should like once again to thank the rapporteur and all those who contributed to this report, which as I can see from the discussion is seen as a joint success of the European institutions. It is clear from the discussion that the programme is regarded as being sensibly arranged and equipped with the appropriate resources. It is also clear that the manner in which the report was submitted is regarded as being appropriate to the situation – and at this point I should like to highlight the fact that the report will be submitted directly to Parliament. Ladies and gentlemen, we must seize the opportunity to ensure that, from 1 January 2007, we pursue an effective and successful implementation of all of the aims and objectives envisaged in the programme, thereby fulfilling the expectations that are sure to have arisen through the success of this phase.

**President.** I should like to thank all the speakers, 50% of whom were women.

The debate is closed.

The vote will take place tomorrow.

## **15. Pericles programme Pericles programme extension to non-participating Member States (debate)**

**President.** The next item is the joint debate on

- the report by Agustín Díaz de Mera García Consuegra, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the proposal for a Council decision amending and extending Decision 2001/923/EC establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles' programme) (COM(2006)0243 – C6-0179/2006 – 2006/0078(CNS)) (A6-0276/2006), and

- the report by Agustín Díaz de Mera García Consuegra, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the proposal for a Council decision extending to the non-participating Member States the application of Decision 2006/.../EC amending and extending Decision 2001/923/EC establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles' programme) (COM(2006)0243 – C6-0180/2006 – 2006/0079(CNS)) (A6-0277/2006).

**Siim Kallas**, *Vice-President of the Commission.* Mr President, allow me first to express my sincere gratitude to the rapporteur, Mr Díaz de Mera García Consuegra, for his support for the Commission's proposal for the extension of the Pericles programmes. Pericles, a Community programme for exchange, assistance and training in the protection of the euro against counterfeiting, was established by a Council decision in 2001 and is designed to support and supplement the measures undertaken by the Member States to protect the euro against counterfeiting.

With an initial duration of four years – 2002 to 2005 – it had a total reference amount of EUR 4 million. The Pericles programme covers a broad range of actions organised not just within the EU, but also in third or candidate countries. Its action incorporates diversified target groups and participants, covering all the areas relevant to the protection of the euro – law enforcement, judicial, financial and technical – and promoting the creation of networks useful in achieving greater efficiency in the fight against the crime of counterfeiting. In addition, Pericles assists the increased effectiveness of cooperation between law enforcement agents and representatives of the judiciary and financial institutions. Nevertheless, the counterfeiting of euros remains a serious and especially a symbolic problem, even if its proportions are not alarming.

Since early summer 2003, the number of counterfeit euro banknotes detected in circulation has stabilised at about 50 000 a month, a level below the pre-euro levels, lower than the US dollar and extremely low compared to the 9 million genuine euro banknotes in circulation. The number of counterfeit euro coins also remains low by historical standards. Recently police forces have successfully conducted a number of operations to dismantle workshops and seize large numbers of counterfeit banknotes and coins before they enter into circulation.

The Pericles programme is playing a significant role in achieving results in the protection of the euro and the fight against the crime of counterfeiting. There is clearly a need for continued joint efforts to combat this form of crime.

The Pericles programme has recently been evaluated. The evaluators concluded that the programme did indeed improve awareness, its target groups have been reached, especially law enforcement officials, and its activities and information exchanges were considered relevant to the objectives of the programme.

Based on the positive evaluation of Pericles and the continued need, in 2005 the Commission proposed the extension of the programme. Pending an agreement on the Community financial perspectives for the period 2007-2013, the Council initially decided to extend the Pericles programme for one year only, until 2006, but made a political commitment to the continuation of the programme. Consequently, building on the success the programme has demonstrated, in May 2006 the Commission tabled a proposal for a Council decision concerning the extension of the Pericles programme for the period 2007-2013. The yearly amount remains unchanged, approximately EUR 1 million, leading to an overall reference amount of EUR 7 million. The Commission's proposal for extension until 2013 also reflects the practical convenience of fitting in with the duration of the Community's financial framework.

Once more I would like to thank Parliament, and in particular the rapporteur, for their attention to the protection of this important element of the common European identity and heritage that is its common currency. The public authorities at national and European level, as well as industry, have to keep up their efforts and continue cooperation and the exchange of know-how. It is through our combined efforts that we will be able to protect the interests of tradesmen, consumers and the economy in general against illicit gain from the counterfeiting of our money.

**Agustín Díaz de Mera García Consuegra (PPE-DE), rapporteur.** – (ES) Mr President, the protection of the euro against counterfeiting is very important in terms of maintaining the citizens' confidence in the single currency. I agree with everything that Mr Kallas has said.

The introduction of the euro as a single currency was a huge challenge. The dollar, as a currency of a transnational nature, a reserve currency and a currency of global transaction, is presently the most counterfeited currency.

Unfortunately, the euro shares these features with the dollar, though to a lesser extent, and that is why, since its birth, we have had to adopt and adapt many measures aimed at preventing its counterfeiting.

The Pericles programme is intended to support and complement the actions introduced by the Member States and by the existing programmes for protecting the euro by means of exchanges, assistance and training with a view to protecting our single currency against counterfeiting.

As we know, the programme was established by means of the Council Decision of 17 December 2001, which stated that assessment reports on the programme must be presented, accompanied by a proposal on its continuation or adaptation.

The first report was published and presented to Parliament and the Council on 30 November 2004. Then, on 8 April, the Commission presented a proposal on the basis of which the Council extended the programme to 2006, providing it with a budget of EUR 1 million and requiring a detailed report on the results of the programme to be presented to Parliament and the Commission.

With regard to assessment, Pericles has made a very clear positive contribution to the protection of the euro and the fight against counterfeiting. Its continuation is therefore fully justified. In particular, the perception of the Community dimension of the euro has been improved and it has given the participants a better understanding of the legislation and instruments available; an overall commitment of 80% of the initial reference sum during the period 2002-2006 has been achieved; 64 projects have been implemented involving 76 countries; the effective complementarity of national and Community actions has been emphasised – 48 of the 64 initiatives emerged from the Member States, while 16 came from

the Commission or OLAF; the programme has taken on an international dimension, with the involvement not just of all of the Member States and those about to join, but also of other non-EU countries in which the production of counterfeit banknotes is widespread, such as Colombia; considerable structural improvements have been made, with the creation and establishment in several countries of national central offices responsible for combating the counterfeiting of the currency; and there has been systematic involvement of the European Central Bank and other organisations, such as Europol, OLAF and Interpol.

The results of the Pericles programme so far are hopeful, as indicated in the six-monthly report of the European Central Bank on the counterfeiting of the euro.

It is becoming increasingly difficult to counterfeit our currency. The data corresponding to the first six months of this year show that the proportion of counterfeit banknotes is falling in relation to the increase in the number of genuine notes put into circulation. As the Commissioner has already said, 50 000 notes of our currency are counterfeited each month, while there are 9 000 million genuine notes in circulation.

Between January and June of this year, 300 000 counterfeit notes were withdrawn from circulation. Of all the counterfeit notes withdrawn during the first half of this year, 44% were 20 euro notes and 36% were 50 euro notes, which means that there has been a significant increase in the counterfeiting of 20 euro notes. Twelve per cent of all counterfeit notes were 100 euro notes, while 500 euro notes represented just 1%.

In short, Mr President, I very much agree with the proposal. It is of crucial importance that the Community legislator ensure that the extension of the programme be properly linked both to the financial perspective and to the introduction of the euro in the new States.

The Council is postponing the Pericles decision until a final agreement has been adopted on the financial perspective for 2007-2013; we entirely agree that it should conform to the financial perspective, with an annual budget of EUR 1 million.

For all of these reasons, I recommend that, under these conditions, the European Parliament approve the Commission's proposals, modifying and extending the Pericles programme.

I would like to say one more thing, Mr President. I wish to protest at the change of time for this debate. I have not been consulted and I have not been given any explanation. I should have been with the victims of terrorism from my country, but I am here out of respect for all of you. When I finish my speech, I shall leave to be with them and I would like to offer all of you, and you in particular, Mr Kallas, the apologies that you deserve - apologies such as I, for my part, was not given.

I hope that you understand my reasons for having to leave.

**President.** Apparently the actual timetable has not been changed. However, we began the Rapkay report this morning and we then went on with the continuation as foreseen in the original agenda. However, thank you for your observations. I am sorry that it caused you difficulties.

**Agustín Díaz de Mera García Consuegra (PPE-DE), rapporteur. – (ES)** Mr President, I am speaking with full knowledge of the facts and I believe that you should be aware of them too.

I have here the agenda, with the timetable and the schedule for voting on the two Pericles reports this morning. The two Pericles reports should have been voted on this morning, and here it is in black and white, Mr President.

I would therefore like to offer my apologies for leaving the Chamber now – apologies such as I, for my part, was not given.

**President.** We understand your position. We will write you a letter explaining what has happened, from this perspective. Thank you for your observations and I am sorry that you were put to such discomfort.

**Hubert Pirker, on behalf of the PPE-DE Group. – (DE)** Mr President, Commissioner, in the euro, we have one of the safest currencies in the world, and that is the way it should remain. It should not be taken for granted, however, as permanent measures are needed to keep it that way. By this I mean the technical measures that have been taken and are still being taken in the case of renewal, on the one hand, and training and exchanges on the other. Pericles as a supporting action programme – which has been extremely successful to date, with 64 projects and over 3 000 participants from 76 countries – shows

the great interest there has in fact been in this action programme. Counterfeiting and losses have been reduced. I can give an example for my country, Austria, namely that, in the last year, seizures have been down by more than 40% and losses have been reduced by more than 50%. The programme can take some of the credit for this.

Evaluation by OLAF has also revealed certain weaknesses, however. I am obliged to the Commission and the rapporteur for taking the opportunity this presents to set in motion the new Pericles programme, which runs until 2013. I consider it particularly important that new priorities are being set, for example in the field of practical training and of personnel exchanges and, looking ahead to the new generation of euro notes, specific training in the new technical aspects. I also welcome the extension to countries wishing to introduce the euro, that is to say, to the partner countries in which counterfeiting is in fact taking place, and also specifically to groups of people who have not been covered up to now to the same extent as by the first part, when the programme was used particularly for law-enforcement authorities.

We must now appeal to the Member States to make optimum use of the programme, so that we can look to the future with optimism and make the euro the safest currency in the world.

**Donato Tommaso Veraldi**, *on behalf of the ALDE Group*. – (IT) Mr President, ladies and gentlemen, I should like to endorse the Council decision of 30 January 2006 amending and extending Decision 2001/923/EC establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting, for which I am a shadow rapporteur.

The decision also provides for the extension of the programme to the non-participating Member States. The main aim of the programme is, by means of exchange, assistance and training, to ensure uniform protection of the euro in all Member States while taking account of the individual situation in each country.

In May this year the Commission presented an evaluation document that was generally favourable, because of the major contribution made by the programme in protecting the euro and fighting counterfeiting. The Pericles programme has allowed us to identify geographical areas, such as Colombia, for instance, where false banknotes tend to be produced easily. This has been possible because better structures have been created through the setting-up of national centres committed to the fight against the counterfeiting of our currency.

It is important, therefore, to continue to ensure cooperation among the European institutions – the Commission, OLAF, the European Central Bank and Europol – making it possible to identify those areas where counterfeiting of the euro occurs most.

Extending the programme will make it possible to continue surveillance, training and technical assistance, which are vital activities for maintaining the protection of the euro against counterfeiting. The programme also leads to greater effectiveness by extending technical assistance and even offering financial assistance for cooperation in cross-border operations, thanks to the participation of Europol.

The new Member States deserve particular attention, above all those that are going to introduce the euro as the single currency.

To conclude, I am in favour both of continuing the programme, as proposed by the Council, and of extending it to the non-participating Member States, so that the necessary measures can be adopted to ensure a uniform level of protection of the euro even in the Member States that have not yet adopted it as their official currency.

**Johannes Blokland**, *on behalf of the IND/DEM Group*. – (NL) Mr President, we are in agreement with the Council's decision to extend the duration of the Pericles programme. Extending the programme to Member States that are not in the euro zone is necessary and desirable. It is, after all, of huge importance that the trust in the euro should not be undermined by counterfeiting. There are two aspects that cause us to raise questions at the moment surrounding the euro.

The first of these is the use of the euro as legal tender in countries outside the euro zone. The euro is being widely accepted particularly in Montenegro and Turkey. Can Commissioner Kallas indicate in what way those countries are being involved in the programme in order to fight counterfeiting and the bringing into circulation of counterfeit euro coins? In 2004, the European Parliament adopted the report on medals and coins that resemble euro coins. There was a huge increase in fraud involving coins that

resemble euro coins. Commissioner, could you say whether the Council's regulation on this subject has had any impact?

**Marek Aleksander Czarnecki (NI).** – *(PL)* Mr President, ever since a decision was made to create a common currency in the European Union within the framework of the Maastricht Treaty, it has been necessary to contend with the dangers which arise in connection with the project. Counterfeiting has existed ever since people became aware of the value of counterfeit goods. It is extremely important to combat the production of counterfeit euros in order to maintain the citizens' trust in the common currency.

At the moment, it is essential for Community legislation to ensure that the way in which the programme is extended takes account of the deadline for introducing the euro in the new Member States and the entry into circulation of a second series of euro banknotes. It is also necessary to ensure that competences in this important process do not overlap and to make sure that all the joint activities of the various institutions complement each other and are compatible. It seems essential for the European Commission and Europol to jointly assess new projects that are to be funded within the framework of the PERICLES programme.

**Carlos Coelho (PPE-DE).** – *(PT)* Mr President, Commissioner, ladies and gentlemen, we accept that the euro needs to be adequately protected by means of a range of integrated, effective measures involving close cooperation at both European and international level. We therefore welcome the creation of the Pericles programme.

We support this detailed report submitted to Parliament on the implementation and results of this programme, and wish to highlight the fact that the results have clearly been good. In the second half of 2003 the number of false banknotes in circulation levelled off. The figures were favourable in comparison both with those prior to the introduction of the euro and with levels of counterfeiting of the US dollar. Although the number of counterfeit euro coins continues to rise, this figure is still low in comparison with the counterfeiting of the old coins. In other words, the level of counterfeiting is low, a major factor in which is the high level of cooperation among the relevant services. Action has been taken to dismantle counterfeiting operations and to confiscate significant amounts of counterfeit notes and coins prior to their entry into circulation.

This programme has therefore largely achieved its objectives, and has made it possible to identify the places, both within and outside the Community, where production of counterfeit notes is at its highest. It has also led to considerable structural improvements. In a number of countries, for example, central bodies charged with combating euro counterfeiting have been set up.

I therefore endorse Mr Díaz de Mera's excellent report, the aim of which is to extend the programme until the end of 2013 so as to align its period of validity with the financial perspective. Furthermore – and this is a point I wish to emphasise – it is aimed at extending its application to the non-participating Member States.

**Andreas Mölzer (NI).** – *(DE)* Mr President, the extension of the Pericles programme is undoubtedly important. It is no good praising the euro as unforgeable and giving it various security features, however, if our citizens and cashiers are unfamiliar with these features or unable to use them properly. It is true that there is greater awareness now and EUR 100 and higher denomination notes are tested, but, since counterfeit EUR 20 and EUR 50 notes now make up approximately 80% of fakes, we must increase awareness of the problems still further. Unfortunately, the large size of the area using the euro, in particular, makes the production of high-quality counterfeit coins attractive to counterfeiters. In addition, the progress made in the field of printing technology has made it increasingly difficult for the lay person to distinguish genuine from counterfeit notes. With approximately 600 000 counterfeit notes withdrawn from circulation each year, much work certainly remains to be done, all the more so because, in addition to the rising figures for these, coins are increasingly arousing the interest of counterfeiters.

The only way to tackle the increase in counterfeiting is by raising awareness, which was the idea behind organising more workshops on the subject, including by, or in, the EU information outlets. It would make particular sense to increase the provision of information in each of the regions in which increasing numbers of fakes – counterfeit money – have been found. It may also make sense to extend the search project by means of text-messaging business people to enable the perpetrators to be arrested, which is already being done in Austria with some success.

At all events, making the eurozone an area with an unforgeable currency should be an important preoccupation of all of ours.

**Charlotte Cederschiöld (PPE-DE).** – *(SV)* Firstly, I would like to thank the rapporteur, Mr Díaz de Mera García Consuegra, for his work in this field. It may not be a very exciting area, but it is a very important one. Mr Díaz de Mera García Consuegra has drafted a fine report, as I am keen to point out, as I myself was the rapporteur on this matter when it was one of the topics of the day during the last election campaign. At that time, opinions were a little more divided, especially with regard to which denominations would be counterfeited. The line taken by the Group of the European People's Party (Christian Democrats) and European Democrats subsequently proved to be the right one. Many people thought that the EUR 500 notes would be the ones most counterfeited, but we in the PPE-DE Group were of the opinion that the smaller denominations, such as the EUR 20 and EUR 50 notes, would be at greater risk. I am pleased to see that Mr Díaz de Mera García Consuegra is in favour of the idea of careful monitoring also in countries where the euro has not yet been introduced. The risk of counterfeits is, more often than not, greater in these countries, as the populations have not had the same level of preparation as in the Eurozone countries. It is harder for people in these countries to tell the difference between real and fake notes and, in many cases, people are often less suspicious too. Fortunately, counterfeiting has been a much smaller problem than had been feared, perhaps due to the very Pericles programme that we are discussing, and especially due to the large scope that it has been given. This is another example of something good that the EU has done. This is an area where we no longer have so much conflict, but there is every reason to inform people about this programme, which protects us all in our everyday lives.

**Siim Kallas, Vice-President of the Commission.** I am grateful to Members for their comments and their support for the Pericles programme, which tries to fight counterfeiting. Counterfeiting is politically a very serious crime, which somehow humiliates the authorities, but the fight against it is eternal.

The fight against the counterfeiting of euro coins in the European Union has been relatively successful. The cooperation between the European Central Bank, Europol and OLAF has also been relatively efficient. Euro notes are of quite a high quality. But that does not diminish the importance of fighting counterfeiting. In my previous occupations I have had occasion to deal with the issue. The main problem is always the streets and dark bars where the counterfeit notes are put into circulation. That explains why EUR 500 notes are not found amongst counterfeit notes.

One specific question was about Turkey and Montenegro. Montenegro is a specific issue. It has the euro as an official currency. It is not so much a question of counterfeiting as of the monetary policy of the European Union. I know my colleagues are thinking about how to deal with that.

Turkey has promised – I have visited Turkey and discussed this with the Turkish authorities – to gradually phase out the coins that are quite similar to euro coins. To change the production process takes some time, but at least they have made a promise to do so.

**President.** The joint debate is closed.

The vote will take place tomorrow.

## 16. Taking into account previous convictions in another Member State (debate)

**President.** The next item is the report by Panayiotis Demetriou, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, on the proposal for a Council Framework Decision on taking account of convictions in the Member States of the European Union in the course of new criminal proceedings (COM(2005)0091 – C6-0235/2005 – 2005/0018(CNS)) (A6-0268/2006).

**Franco Frattini, Vice-President of the Commission.** Mr President, first of all I should like to thank the rapporteur for the quality of his report and for the excellent cooperation. Currently, little, if any, account is taken of convictions handed down in other Member States. That is not acceptable in an area of freedom, security and justice. That is why the objective of the EU is twofold: first, information on criminal convictions should circulate efficiently between the Member States, and secondly, it should be possible to use that information outside the territory of the sentencing Member State.



The main objective of the proposal is to define the conditions under which a conviction handed down in another Member State can be taken into account in new criminal proceedings concerning different facts. As the effects attached to the existence of a previous conviction can vary widely from one Member State to another, the proposal does not aim at harmonising those effects. The core principle – which I fully agree with – is, rather, a principle of assimilation where the objective is to ensure that those effects are equivalent to those of a previous national conviction.

In line with that principle, the proposal is not limited to the trial stage but covers the various stages of criminal proceedings where national law can attach effects to a previous conviction. It encompasses the pre-trial stage where the existence of a previous conviction can, for example, influence decisions on pre-trial detention, as well as the post-trial stage where they can notably have an impact on the execution of the sentence.

The Commission fully supports this report and looks forward to cooperating closely with the rapporteur.

**Panayiotis Demetriou (PPE-DE), rapporteur.** – (EL) Mr President, the proposal for taking into account previous convictions in the European Union is part of the institutional regulations being promoted by the Commission within the framework of the implementation of the conclusions of the European Council in Tampere and I should like at this point to praise vice-president Commissioner Frattini on the efforts he is making to implement these conclusions of the European Council in Tampere.

The proposal is another step in the direction of the enlargement of judicial cooperation and the development of confidence between the Member States in the field of justice. It is another measure to promote the principle of the mutual recognition of civil and criminal judgments, which is considered to be the cornerstone of judicial cooperation in the Union.

The institution whereby account is taken of previous convictions needs to be introduced in order to combat crime more effectively, especially as the existing relevant European conventions of 1959 and 1970 have proven to be ineffective.

The proposal as formulated is confined to the regulation of issues of substantive law. The regulation of procedural issues has been left within the framework of the other proposal which is pending in the Committee on Civil Liberties, Justice and Home Affairs and is being processed by our honourable friend and rapporteur Díaz de Mera. That proposal is the other side of the same coin. With the proposal to be put to the vote, administrative convictions are excluded from the definition of a conviction, because in most Member States they are not recorded in the register of convictions and because there is no uniform definition as to what constitutes an administrative conviction. The assimilation of the importance and gravity of a conviction handed down by a court in another Member State with a conviction handed down in the Member State in which the new criminal proceedings are taking place is being promoted. Thus, in the event of a conviction for a crime which does not exist in the Member State trying the new case, the conviction is not taken into account. The proposal is free of the confusion and uncertainty which would exist if the provisions of the original proposal for the selective taking into account of previous convictions and offences had been adopted, but retains the obligation of the Member State not to take account of convictions handed down in another Member State where the principle of non bis in idem, limitation or amnesty are infringed.

We are of the opinion that, as the proposal to be put to the vote has been formulated, it adequately serves both the principle of mutual recognition of court judgments and the policy of gradual assimilation of the law.

It should be emphasised once again that the present measure, like other similar measures, is based on the principles of mutual recognition and confidence. However, it is important for the Council to proceed as quickly as possible with the approval of the drastic proposal for the minimum criteria in criminal proceedings, which was voted through many months ago by the European Parliament and will strengthen the above principles.

Why is the Council delaying on such an important issue?

Finally, I welcome the statement the other day by the Finnish Presidency about intensifying the drafting of legislation and the monitoring of the application of decisions relating to criminal matters. Let us hope that this statement will be put into practice.

**Ioannis Varvitsiotis**, *on behalf of the PPE-DE Group*. – (EL) Mr President, Mr Vice-President of the Commission, ladies and gentlemen, over the last seven years we have witnessed the development of tools, such as the European arrest warrant or the transfer of prisoners, which are designed to strengthen mutual confidence between the national judicial authorities and the development of a policy leading to the convergence of criminal law.

Now we are approving the Commission decision to establish a new system, on the basis of which the Member States will be able to take account, in criminal proceedings, of previous convictions against the same person handed down in another Member State of the European Union. Previous convictions handed down in other Member States will have the same force as those handed down in the Member State in which the new criminal proceedings are to be instituted. I should like to add something else to the other arguments about the need for the measure expounded by Mr Demetriou: that this is absolutely logical, because previous convictions shape the personality of the offender and play a role in assessing the punishment.

To close, I should like to congratulate the rapporteur, who succeeded, with his amendments, in reconciling the views of the Council and the Commission, which differed considerably on certain basic points. Finally, I hope that the statement by the Finnish Presidency will not remain a statement, but will start to be put into practice. We need to take faster steps to unify criminal law.

**Andrzej Jan Szejna**, *on behalf of the PSE Group*. – Mr President, while taking into account the current diversity of national judicial systems, it is highly desirable to promote mutual recognition of judgments between the European Union Member States.

As already indicated by the Tampere European Council, the mutual recognition principle is the cornerstone of judicial cooperation in both civil and criminal matters. That being so, it is of the utmost importance to lay down an appropriate legal basis, so that a conviction handed down in one Member State can be taken into account in new criminal proceedings against the same person concerning different facts in other Member States.

The Commission proposal for a framework decision should be approved as amended. The object of the mutual recognition principle is to confer the same validity and the same effect on convictions handed down in other Member States as on previous national convictions. It should be explicitly stated that the Member State is not required to enforce the conviction handed down in another Member State, but just to draw the appropriate conclusions from the earlier case in the new proceedings.

Furthermore, the effects of previous convictions will still be governed by national laws in each Member State. A principle of assimilation of judgments given in other Member States to national convictions should be established, still leaving it to national legislation to draw the appropriate conclusions from the principle. However, I have to consider it necessary for previous sentences to be taken into account, provided that their weight in the other evaluation is equal to the sentence issued by the Member State in which proceedings have been opened.

Moreover, in the case of criminal proceedings in the Member State, a firm conviction related to acts not punishable in that Member State must not be taken into account.

**Gerard Batten**, *on behalf of the IND/DEM Group*. – Mr President, in this report we see another example of the so-called beneficial crisis which gives the European Union the opportunity to press forward with yet more political integration. There is indeed a problem. In London, the Metropolitan Police admit that most of the organised crime is now run by a variety of ethnic gangs, many of them from EU countries. This is quite apart from individual criminals who have come to Britain to pursue their professions.

The real problem lies with Britain's open border policy and the right of EU citizens to unhindered entry to the UK, as well as the Government's complete abdication of any control over who can and cannot come in from anywhere in the world. But the telling part of this report is the reference to the Tampere European Council which intends to force a European system of justice on the UK and the comment that 'there is a long way to go until justice is procedurally, evidentially and substantially administered in a more or less similar way in all the Member States'.

Yes, indeed there is, and long may it remain so. Britain still has *habeas corpus* – the right to trial by jury and the presumption of innocence until proven guilty – and some of us in Britain intend, and want,

that we should keep those safeguards. The UK Independence Party's response to this report is 'thanks, but no thanks'.

**Marek Aleksander Czarnecki (NI).** – (PL) Mr President, the framework decision that we are debating is particularly important as regards the assimilation and harmonisation of legislation. I agree with the rapporteur that national law should be the only criterion determining whether, and to what extent, legal effects should be attached to previous convictions handed down abroad.

However, we should not forget basic principles such as *ne bis in idem*, the statute of limitations, amnesty or removal of entries from the national criminal register. I therefore think that we should retain Article 4. We should also emphasise that, during the course of criminal proceedings in a Member State, we cannot allow convictions handed down abroad to be taken into account if they relate to acts that are not punishable in the Member State in question.

I agree with the rapporteur that the best place for the provisions contained in Article 6 is in the proposal concerning the Council framework decision on the exchange between the Member States of information pertaining to the criminal register and its contents.

**James Hugh Allister (NI).** – Mr President, as in the case of many EU harmonising proposals there is a certain simplistic and plausible appeal to mutual recognition of criminal convictions throughout the Community. But make no mistake: it is part of a grand design for an integrated and EU-controlled criminal justice system requiring, of necessity, the subservience of national systems.

For me, criminal justice matters are intrinsically national issues and must remain so. Hence I welcome the resistance at last Friday's Council of Ministers meeting to a further surrender of the national veto. I hope it will be sustained.

Not only because of my opposition to the grand design of which it is part but because it diminishes the protection of my constituents against unfairness, I oppose this proposal.

The savage experience of British citizens abroad confirms my view that we have much to lose from criminal justice integration. Remember the spectacle made of the British plane spotters in Greece. Remember the appalling conviction of Kevin Sweeney in Holland. Why should it be possible for ropery convictions, secured by lesser standards than those applicable in the United Kingdom, to be held against United Kingdom citizens in their own country? I say they should not. Therefore, I oppose this proposal.

In the protection of my constituents, my watchword is 'British standards for British citizens'.

**President.** The debate is closed.

The vote will take place tomorrow.

## 17. Strategic guidelines on cohesion (debate)

**President.** The next item is the recommendation from the Committee on Regional Development on the proposal for a Council decision on Community strategic guidelines on cohesion (11807/2006 – C6 0266/2006 – 2006/0131(AVC)) (Rapporteur: Constanze Angela Krehl) (A6-0281/2006).

**Danuta Hübner, Member of the Commission.** Mr President, let me start by saying, on behalf of Commissioner Špidla and myself, that we very much welcome the report on strategic guidelines for cohesion adopted by Parliament's Committee on Regional Development on 11 September. In particular I should like to thank Mrs Krehl for her hard work in drafting the report and also for the good cooperation we have enjoyed over the past year on the dossier.

I have been grateful for the support and ideas of the Committee on Regional Development and Parliament during this period on what is perhaps the most important and innovative part of the new cohesion policy for 2007-2013. Through the guidelines we are seeking to ensure that Community priorities are more fully integrated into national and regional development programmes supported by the Union. The guidelines seek to provide a clear and consistent approach in support of growth and jobs under the renewed Lisbon Strategy. I believe that the guidelines have benefited considerably from Parliament's contribution.

I would draw your attention to the recitals that have been added to the document since Parliament produced its report last May. These are important in the sense that they reveal the political orientation that lies behind the guidelines. The recitals draw heavily on the suggestions in the report drafted by Mrs Krehl. For example, they draw attention to the importance of partnership (recital 16), to the contribution of infrastructure to convergence (recital 11), to equality of opportunity and the fight against discrimination (recital 15), to the importance of development that is sustainable in environmental terms (recital 14), to territorial cohesion and to the urban dimension (recital 12).

It is worth noting that in adopting these recitals the Council and the Member States are in effect writing a memo to themselves on how the next programmes should be run. This is clearly very important for us as we look forward to the programme negotiations.

In addition to the recitals, the text of the guidelines has been reinforced in key areas of importance to Parliament. In particular we have given more attention to territorial cohesion. This includes stronger wording on the urban question. We have also developed the text on the three initiatives – Jasper, Jeremy and Jessica – which you have supported strongly. This should, among other things, make a contribution to developing the use of public/private partnerships in our programmes, which is one of the recommendations of your report on the guidelines. There are many other areas where I think you will find that the Commission has tried to accommodate Parliament's wishes.

I do not need to summarise once again the content of the document, but perhaps it would be worthwhile to remind ourselves of the vision of the new cohesion policy, which the strategic guidelines can help us to achieve. This vision is centred around economic development, which is increasingly being driven by local and regional resources, be it innovative small and medium-sized enterprises, local human skills or academic institutions. This vision is about developing our unique system of multilevel governance by taking policy closer to the local and regional levels, closer to the people and closer to the place where growth and jobs are created.

I know that some of you expressed a wish to have more debate on strategic guidelines, so I am looking forward to hearing your views.

**Constanze Angela Krehl (PSE), rapporteur.** – (DE) Mr President, Commissioner, ladies and gentlemen, with today's debate and tomorrow's vote, Parliament is laying the keystone of two-and-a-half years' work on preparing the legislative package on cohesion policy for the years 2007–2013. This is a cohesion policy that is to function with 25 – or 27 – Member States for the first time, the new Member States all being beneficiaries of the Cohesion Fund and set to draw great benefit from the future cohesion and structural policies. We should like tomorrow's vote to clear the way for the conclusion, submission and approval by the Commission of the operational programmes in the regions, so as to ensure an early start to the projects in the less-favoured regions of the EU next year.

Looking back, I should like to express my most sincere thanks for the cooperation I have received on the report on the strategic guidelines. The Commission proposal is good; it was a joint effort – with the Commission and the Council, that is – and I should like to mention explicitly here that we had a great deal of direct contact with the regions. The visits I was able to make to Lisbon, Madrid, Bratislava, Prague, Stockholm and Helsinki as rapporteur contributed considerably to the quality of the report that was subsequently adopted jointly in committee and plenary.

I am delighted that the additional priorities Parliament wanted to introduce for the guidelines have indeed been largely reflected in the document on which the Council decided in August.

Probably the most important point is the clear statement that we want the EU to develop in a sustainable way, that we have more in view than short-term economic objectives, but instead are striving for sustainable improvements, including in living and working conditions, particularly in the less-favoured and underdeveloped regions of the EU. That is why it was so important to us that access to cohesion funding be free from discrimination. The final document now present spells out once more that disabled and elderly people and those with a migrant background have exactly the same access to funding as everyone else. This is an important signal to the public in the regions.

We have attached importance to emphasising that the EU is striving to create not just any jobs, but better-quality, sustainable jobs. This is closely linked to an improvement in training and in the opportunities for setting up research organisations, and also to the opportunity of bringing the results

produced by these research organisations to small and medium-sized enterprises more quickly and to a greater extent. We have anchored all of this even more strongly in the strategic guidelines.

Very important to us – after a long, detailed debate – is the field of support for towns, cities and urban areas, as it is there that 80% of the European population lives. For this reason, we must concentrate resources on this field, not only on job creation, but also, for example, on the development of transport infrastructure or the improvement of the environmental situation in towns and cities.

We have emphasised one point in particular, and that is the territorial cooperation that is more important than ever in an enlarged EU to enable us to learn from one another and develop projects together. Last week, a working-group visit to Hungary gave me the first opportunity to see for myself the kind of strategically intelligent visions and ideas that are being generated in the new Member States, too. Perhaps some of the regions that have been receiving EU cohesion funding for years could take a leaf out of the new Member States' book. For this we need to promote territorial cooperation further, however.

A further point – about which I shall speak particularly in my role as coordinator of the Socialist Group in the European Parliament – concerns the promotion of equal opportunities in the EU, particularly for women and young people. In the new aid period, the Community should further draw on the success it has achieved with EQUAL and continue to operate the networks. This has also been incorporated into the guidelines. On the whole, we, Parliament, can count the negotiation results as a great success, not only for Parliament, but also for the public.

No success or compromise can survive without a 'but'. There is of course a 'but' with these guidelines, too. Parliament has attached great importance to enhancing cooperation with the social partners and civil society, and this has made its way into the guidelines, in the report finally adopted by the Council, but unfortunately only in significantly watered-down form. We, Parliament, shall be at pains to speak up again on the occasion of the mid-term review of the structural support period and revise these guidelines together. This will relate to the cooperation, and we shall also examine very carefully whether earmarking was really a good idea on the part of the Council, or whether it only serves to increase bureaucracy for those involved. If this is the case, we shall certainly press for its abolition, as Parliament has a responsibility and duty towards the public, a duty it intends to fulfil.

**Jan Olbrycht**, *on behalf of the PPE-DE Group*. – (PL) Mr President, first of all, I would like to thank Mrs Krehl not only for her report but also for the hard work she has put into drawing up the European Parliament's position. Parliament's report deals with the Community's strategic guidelines and is an excellent example of interinstitutional cooperation.

The European Parliament, through the work of its Committee on Regional Development, has tried to define its expectations during the course of the legislative process and today we can say that nearly all of these expectations have been taken into account. It is true that there is a discrepancy between the strategic guidelines as they are presented today and the previously published list detailing Lisbon Strategy spending, which was later included as an annex to the regulation. Nonetheless, the Members of this House believe that we should support the final version of the strategic guidelines, as they meet our expectations.

It could be said that, for the Member States, the strategic guidelines form an internally coherent basis for planning the implementation of cohesion policy. Having first adopted these guidelines by means of a Council directive, let us hope that the individual Member States will be prepared to implement them. An indicator of the resolve of the national governments will be, for example, the use they make of the guideline on strengthening the role of towns during the planning stage and when implementing integrated regeneration programmes. The strategic guidelines are indispensable for the creation of a framework for implementing cohesion policy between 2007 and 2013. That is why I think the House should support this proposal which takes account of the European Parliament's suggestions.

**Stavros Arnautakis**, *on behalf of the PSE Group*. – (EL) Mr President, Commissioner, ladies and gentlemen, I cannot but express my satisfaction and warm congratulations to the rapporteur on the fact that important issues which had been emphasised by the European Parliament were accepted both by the Council and by the Commission. I could refer, in connection with the initial text, to the improved guidelines on the principle of sustainable development in Structural Fund and Cohesion Fund interventions, of equal treatment for men and women and of non-discrimination based on gender, race, nationality, religion or disability, with emphasis on the accessibility of people with disabilities to all

stages of the preparation and implementation of programmes and works, of the emphasis on the urban dimension and of the linking of urban and rural areas and partnership in general.

One essential success factor for the programmes as far as we are concerned is the extent to which all the interested agencies – at regional and local level – will be included in their planning and implementation, especially the social partners and the local authorities. Achieving the objective of economic and social cohesion during the new programming period does indeed constitute a difficult challenge, at a time when inequalities in enlarged Europe are increasing and funds for applying cohesion policy are restricted.

The strategic guidelines are an important means in the direction of more efficient and targeted distribution of funds. At the same time, they strengthen the strategic content of the cohesion policy and create the framework for synergy between it and the Lisbon Strategy.

Ladies and gentlemen, we are at the start of a new era for the cohesion policy. In the new programming period and in light of the interim review, the cohesion policy will be called upon to prove – if I may say so – its *raison d'être* and the need for it to continue. All of the foregoing, together with other quality factors introduced by Parliament in either the regulations or the guidelines, will be what helps to achieve its objectives. The Member States and the regions must take them into account when preparing their national strategic reference frameworks and operational programmes. Proper application and supervision as regards their application are a matter for us all.

**Jean Marie Beaupuy**, *on behalf of the ALDE Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, firstly, I will join my fellow Members in thanking Mrs Krehl for the work she has done and in thanking you, Mrs Hübner, for the quality of the relations we have had with you and with all of your services throughout the months that have led us to tomorrow's vote. No one will be surprised as to how my group votes because, of course, we shall adopt this text, and we shall do so for at least two reasons. Firstly, it takes account not only of the majority of the requests from our group, but also, I believe, of the requests from the majority of us. Secondly, this matter has gone on for far longer than was scheduled, and it is therefore important that we adopt this text.

I should like to make four comments. Firstly, I should like to point out to you – as my fellow Members have already done on several occasions – that, in Article 1 of the text that was adopted on 18 August by the Council, the words 'to act as an indicative framework for the Member States' are written in black and white, Commissioner. I am aware that, as things currently stand, it is considered bad form to want to impose on the 25 Heads of State or Government directives that come from the Commission or Parliament. I should, however, like to stress that we would have liked to have found some slightly more binding elements in this text. As some of my fellow Members, such as Mrs Krehl, have said, we will make sure, at mid-term, that we formulate the points of view that will be needed to change the wayward paths that may have been taken.

Second point: I must emphasise the motivation for these strategic guidelines. The contacts that I currently have refer me to a Brussels 'technostructure' and to a Parliament that decides on strategic guidelines. All of that is very complicated. People forget too quickly, far too quickly, that it is in fact thanks to these Structural Funds and to these guidelines that, in previous years – with Portugal, Spain and Ireland – we have achieved important results, and this for the benefit of human beings who experience unfavourable circumstances in disadvantaged regions. They forget that our commitment to solidarity, which is being expressed today in this cohesion policy, is designed to allow all the communities and each and every inhabitant of the disadvantaged regions to have access to the same benefits as people in the more well-off regions.

I should like briefly to say how much I welcome the flexible approach announced at the very start of this text. It is an approach that, in taking account of the strengths and weaknesses of each region, should enable priority to be given to transport, to the environment and to energy, in particular.

Finally, like our fellow Members from the intergroup, who have already highlighted this point, we welcome the fact that this text emphasises the importance of cities. Having been in Germany myself a few days ago, I am in a position to say – and my German fellow Members will correct me if I am wrong – that 90% of the German population live in towns or cities with more than 2 000 inhabitants. In the text submitted to us, the importance of cities is emphasised. What I should like to say is that, aside from the words, aside from the financial amounts that are going to be dedicated to the Cohesion Fund, there will be the means to use the fund.

Commissioner, in your communication on cohesion policy and the cities, you have reserved a special place for the integrated approach. I should like to say, at this stage in the debate, that we must remain extremely vigilant and ensure, above all, that the implementation of the integrated approaches does not only affect the cities in the strictest sense of the word, but also the communities surrounding the cities. We were talking about this matter with my fellow Member, Mrs Bourzai, who is present in this House, at lunch. It is not just the city that counts, it is all of the land that surrounds it, within a radius of 10, 20, 50 or 100 km, in which people live together on a daily basis. If people are to live together harmoniously, the various topics concerning transport, society and education must be linked together effectively.

I shall conclude by saying that the actors must also have good links with each other: actors at national, regional, local and other levels. Just as an orchestra, with its violins and its pianos, needs a conductor in order to play well, we will ensure that there is a good conductor for all of these arrangements, one who is capable of making a success of this Cohesion Fund.

### IN THE CHAIR: MR FRIEDRICH

*Vice-President*

**Bairbre de Brún**, *on behalf of the GUE/NGL Group. – (The speaker spoke Irish)*

I would like to thank the Commissioner for coming so frequently to Parliament to discuss her proposals with us. I would like in particular to thank Mrs Krehl for her work to bring some improvements to the Commission's original proposal, particularly in regard to partnership, the role of cities and their hinterlands, civil society, access for the disabled and the environment. I must, however, reiterate concerns that I have raised repeatedly about earmarking, which remains central to the Commission's guidelines. It has been and will continue to be used at Member State level to downgrade much of what Parliament has sought to do and what people have spoken about here this evening. It champions Lisbon over Gothenburg and some elements of Lisbon over others.

In Ireland, at present, there is another concern, unrelated to the guidelines, which I take this opportunity to raise. Namely, that in the future 'Peace Programme' funding will be distributed in a way contrary to equality measures and equality provisions. I hope to speak to the Commissioner further about this.

*(The speaker continued in Irish)*

We need to remember the original reasons for these funds and programmes and to look at them again in the mid-term review. As Mr Beaupuy reminded us, we in Ireland, north and south, experienced great benefits and great strides with the help of those funds. We have to remember our solidarity and allow other areas to do the same in the future.

**Mieczysław Edmund Janowski**, *on behalf of the UEN Group. – (PL)* Mr President, I would like to congratulate Mrs Krehl on her work. Today, in the European Parliament, we have discussed Romania and Bulgaria's accession to the European Union. In relation to that enlargement, I would like to highlight a statement contained in the introduction to the Council's decision. It reads as follows: 'The enlargement of the European Union to include 25 Member States is an unprecedented opportunity to strengthen both the economic competitiveness and the internal cohesion of the European Union.'

Of course, we should also be fully aware that at the moment, significant divergences remain in relation to wealth and the rate of development in certain regions. However, barely 28 months after the accession to the European Union of 10 new Member States, we can already see that even the poorest regions are developing at a significantly faster rate and now have relatively high growth rates. I speak as a citizen of one of these areas, the Podkarpacie region in south-eastern Poland.

The word cohesion does not mean homogeneity or uniformity, but rather it describes a state where a given structure remains an intrinsic whole without internal tensions or fissures. This is my understanding of the European Union's cohesion policy. Activities undertaken in the framework of efforts to foster solidarity between countries and nations within our Community will attain faster and greater success if there is a greater level of macroeconomic stability and essential structural changes are implemented in a more effective manner.

It is therefore vital to define the principles for cohesion for the entire European Union and correlate them with the strategic frames of reference created by individual countries. Accordingly, we should welcome the fact that between 2007 and 2013, cohesion policy will aim to provide financial support

for the least developed areas while also focusing on fostering economic growth and increasing employment. I am pleased to see that the territorial dimension of cohesion policy has been emphasised, as it aims to create a balance between the development of urban and rural areas, as well as of regions with specific characteristics.

It will be extremely important to make sensible use of financial instruments, which is why the mid-term assessment will play such a significant role. We should take a long-term view of our activities in Europe. I therefore think that we need to breathe new life into the Lisbon Strategy. We need to encourage innovation in all possible fields, we need to base our economy on knowledge and education and we need to foster entrepreneurship, irrespective of the size of the companies in question. These are the approaches that will guarantee success. However, we must remember that all our actions should treat people as individuals, as family members, as members of local and regional communities, as nationals of specific countries and as citizens of the whole Community. This also applies to disabled people. It is therefore very important to take account of the demographic dimension of cohesion policy.

**Konstantinos Hatzidakis (PPE-DE).** – *(EL)* Mr President, with the report by Mrs Krehl, whom I would like to congratulate on the work which she has done, we are finishing the legislation relating to the Structural Funds for the period from 2007 to 2013 and we are moving on to practice, in other words to the application of the legislation.

However, the question that arises is: is the legislation which we have voted through the best? I say not. In my view, it could have been much better. However, given the equilibriums which exist in this Union, of which our countries are Member States, this European Union of twenty-five states, I can say that it is the best possible legislation. Consequently, we now have before us the challenge of seeing not only and merely how the 308 billion cohesion budget will be taken up by the Member States and the regions, but also how they will make use of all this money. Within this framework, the strategic guidelines which we are discussing today are important, because they refer precisely to the content of cohesion policy: where the money will be directed and which the priority sectors will be. Of course, it is absolutely right for cohesion policy to be linked to the Lisbon Strategy and this is clearly expressed through the guidelines. It would perhaps be better if the link had been clearer or more specific or if the Lisbon Strategy had been given a narrower definition, in order to cover certain truly leading sectors for the economy of the European Union.

In all events, the time of responsibility has come. The time of responsibility for the Commission, the time of responsibility for the Member States, especially for the ten new Member States which need to learn fast lessons in order to see how the Community Support Framework operates, and for us as far as control is concerned.

Our work does not end today. I would say that today is when it starts.

**Bernadette Bourzai (PSE).** – *(FR)* Mr President, Commissioner, ladies and gentlemen, I should like to begin by thanking our colleague, Mrs Krehl, for, and congratulating her on, her report and, in particular, on her first own-initiative report, which has enabled the European Parliament to voice its opinion on the guidelines on cohesion fairly early on, with the aim of being heard and of having an influence on the second version that has been proposed by the Commission and that we are debating.

It must be stressed, in fact, that the procedure has been slightly surprising. While, at Community level, we had not yet adopted the strategic guidelines, the Member States were already in the process of preparing to adapt nationally. Admittedly, the Member States were motivated by a legitimate desire to use the new Structural Funds from 2007, but this at the risk of a lack of overall consistency.

Indeed, the regional policy reform took place not only in the difficult context of the expansion and the renewal of the financial perspective, but also in the context of the revival of the Lisbon Strategy, something that clearly reoriented the objectives. The fact is that reorienting them exclusively towards innovation, the knowledge-based economy, competitiveness and entrepreneurship is not enough to guarantee the objectives of territorial cohesion and sustainable development, which seem to me to take priority.

I deplore in particular the fact that the earmarking of the appropriations in relation to the Lisbon objectives, together with the classification of expenditure, should not have been made subject to the agreement of the European Parliament. I also regret the fact that the territorial dimension of cohesion should not have been explicitly taken into account as a strategic guideline, even though I have fully



noted the developments in relation to urban policy. I am worried, however, about the gaps, the shortcomings in relation to the rural environment, the funds for which are not very ...

*(The President cut off the speaker)*

**Alfonso Andria (ALDE).** – *(IT)* Mr President, ladies and gentlemen, the Community's strategic guidelines lay down the principles and priorities of the cohesion policy and suggest measures to allow the European regions to make full use of the EUR 308 billion appropriation allocated to national and regional aid programmes over the next seven years.

I should like to focus in particular on a factor that is decisive for the effectiveness of the cohesion policy: the quality of the partnership among all the local and regional actors involved in preparing and running the programmes. Strategies drawn up at the closest possible level to the citizens really must form an integral part of the efforts to promote growth and employment. The role of small and medium-sized enterprises, the need to fill local skills shortages, the importance of groupings and the need for local innovation centres are so significant that a bottom-up approach is crucial in most cases.

Involvement concerns not only the economic agenda, but also the more direct involvement of citizens through partnerships and the mechanisms of governance at various levels, in the context of which the cohesion policy is managed, in order to achieve the Union's objectives of growth and employment. Closer cooperation between the Commission and the Member States' authorities is crucial for drawing up a cohesion strategy that addresses Community priorities in a national and regional context and also for it to have a useful effect on the ground through an operational programme.

I also want to congratulate Mrs Krehl, who, with her usual competence, very skilfully stimulated debate on such an important topic as the subject of this recommendation.

I am pleased to note, Commissioner, that the strategic guidelines give due credit to the hard work done by Parliament over the last two years. It is a result that we consider to be highly significant and important. Indeed, they take into consideration important topics on which my fellow Members have focused and which have been examined in the relevant parliamentary committee and debated here in this Chamber.

To conclude, I hope, or rather expect, that my fellow Members will vote in favour of the legislative resolution and thus acknowledge all the hard work that has been poured into it.

**Rolf Berend (PPE-DE).** – *(DE)* Mr President, Commissioner, I should like to start by expressing my appreciation and congratulations to Mrs Krehl for this, an important component of cohesion policy for the coming years. After all, it is the task of the strategic guidelines to supplement the Regulation governing the Structural Funds and to support the national and regional authorities in programme planning. Consequently, these guidelines contain the political priorities for the investments to be made.

The new strategic guidelines rightly focus more than before on growth and jobs, with the emphasis on knowledge and information society, entrepreneurship and employment. In other words, the priority here is the Lisbon Strategy, but I should like to emphasise that this is pursued never as an end in itself, but rather – within the framework of cohesion policy – always with a view to achieving the objective of strengthening economic cohesion and of pan-European competitiveness. In so doing, these guidelines must also take account of the promotion of investment in individual businesses by means of subsidies designed especially for SMEs.

Concern must still be expressed about the considerable administrative burden in the field of European structural policy, which, unfortunately, is not significantly reduced by the requirements set out in these guidelines. I should also like to emphasise that we must not only make intelligent, efficient, targeted use of the scant resources at our disposal, but also attach great importance to private cofinancing at project level. Unfortunately, public-private partnerships are still used much too rarely in connection with the Structural Funds, particularly because of a large number of unresolved legal issues. We must now do our utmost, as quickly as possible, to enable countries to submit their operational programmes soon, and particularly to afford them a smooth transition to the new aid period.

**Iratxe García Pérez (PSE).** – *(ES)* Mr President, Commissioner, I would like to begin by echoing the expressions of gratitude for the work of Mrs Krehl, thanks to which we have been able to reach a common position within Parliament, which has undoubtedly considerably improved the content of these strategic objectives. This will allow us to enable the European regions to benefit as much as possible from the

budgetary contribution allocated for that purpose, and we have proposed the bases for the national strategic frameworks, that is to say the search for a balance between growth and territorial cohesion.

We must not forget that Europe is made up of a large number of regions which have great similarities but which also have many special characteristics of their own, and we must take these into account from the point of view of cohesion: the urban environment and the rural environment, where agriculture is the main activity, the outermost regions, islands and regions suffering depopulation. In short, the cohesion policy must be aimed at eliminating the specific difficulties faced by each of them, thereby guaranteeing equal opportunities.

Within the framework of the strategic guidelines, therefore, recommendations have been introduced which must be stressed: the creation of more and better jobs; innovation and the knowledge-based economy, which contribute to the elimination of the digital divide; environmental investments, which guarantee sustainability and the management of natural resources; transport infrastructures and accessibility, which allow equal opportunities to be offered to the people most in need of them, such as the elderly, the disabled and women. The incorporation of these elements has been crucial to the proper implementation of the cohesion policy, and they will ensure that the objectives initially set are achieved.

Finally, we must point out that the principle of participation in the drawing up of European policy has been taken into account. We will have thereby created the bases for mobilising the economic growth potential of all of the regions, with a cohesion policy that improves the geographical balance of economic development, increases the growth of the Union as a whole and ultimately lays the foundations for a stronger, more cohesive and more cooperative Europe.

**Ambroise Guellec (PPE-DE).** – *(FR)* Mr President, Commissioner, we are hardly in any doubt as to the outcome of tomorrow's vote on the strategic guidelines, which will probably gain the support of virtually all of our Assembly; I, like many others in this House, believe that the work of our rapporteur has got something to do with that.

It is, however, as everyone knows, quite late in the day to be talking about this, here and now. The drafting of the operational programmes is already well under way in most countries. Obviously, it is the result that interests us. What will the Union's regional policy, which represents almost 40% of the Community budget, really be of use to: the Lisbon Strategy, territorial cohesion, or indeed both? We hope that it will be of use to both.

It seems to me, at any rate, that the principle on which Parliament was not consulted – earmarking, which mainly concerns the old Member States – is one of the most technocratic and, in my modest opinion, undoubtedly one of the least intelligent ever thought up in Europe. It is the combination of two technocracies, that of the Commission, whose skill in this area is renowned, and that of the Member States, which is as varied as it is developed. What will come of this? We can still hope for the best. To do so, we shall have to wait for the Commission to examine the operational programmes submitted by the Member States, a process that will take months.

I hope that these programmes will respond first and foremost to the needs and to the will of the urban populations, and of the rural populations, to which they apply. We know that you are paying attention, Commissioner, to these well-founded concerns. Let us hope that you can convince your interlocutors and colleagues of this.

**Lidia Joanna Geringer de Oedenberg (PSE).** – *(PL)* Mr President, the Community Strategic Guidelines for cohesion is one of the most important documents for planning structural fund spending in the Member States of the European Union. This document outlines the main priorities for countries applying for cohesion fund aid between 2007 and 2013. The guidelines provide the basis each Member State needs in order to draw up a strategic frame of reference defining national development priorities. These guidelines will direct future cohesion policy measures towards improving competitiveness so as to foster economic and employment growth.

In order to achieve this objective, the European Union must primarily focus on knowledge, innovation and investment in human capital, as well as on work aimed at eradicating disparities between levels of development in particular regions. Making effective use of available funds is a key task and involves measures such as fostering public-private partnership programmes, especially at a local level. It is also extremely important to pay particular attention to the urban dimension, as it is in towns and

conglomerations that problems such as crime, social exclusion, pollution or heavy traffic generally make themselves felt.

This House should be satisfied with the current version of the strategic guidelines. We can now only hope that the Member States will be able to effectively implement cohesion policy on the basis of these guidelines.

Finally, I would like to congratulate the rapporteur, Mrs Krehl, on a very thoroughly prepared document.

**Lambert van Nistelrooij (PPE-DE).** – *(NL)* Mr President, I too should like to sing the praises of Mr Krehl's report and the results that have now been incorporated in the directive, including those achieved in the past two and a half years by Mrs Hübner in the debate at European level. I am in favour of earmarking; we should be able to admit to this in this Chamber, and I am the first to do so. This also means, though, that we can eliminate the noncommittal dimension and fragmentation to the left and right in policy. In doing so, we can update the cohesion policy to include it in a new agenda: that of Lisbon.

The emphasis is shifting from less concrete and less asphalt to training our people in knowledge society. We will, in the next 20 years, need to focus on cut-throat competition at world level. Central will then be the role of Parliament in this new era, with an interim review in 2009-2010. What we can then look forward to is agriculture being weighed up against cohesion policy and against Europe's external role in the world. The focus will then be even more on the policy's added value. It is because of that role that in the committee, I pledged my support to the amendment tabled by the Group of the Greens/European Free Alliance that looks to enhance Parliament's role during reassessment.

I am also asking the Commissioner and the European Commission whether we will have sufficient information at our disposal in order to be able to hold a proper debate on the financial reprioritisation. I am asking you for information about what the nation states are now doing. I sense a reluctance among our Member States to report adequately, and I regard that as a real disgrace. They are given the instruments and should respond accordingly.

It is true that the new synthesis for the new era and the new financial proportions will require a significantly reassessed policy, as well as a permanent role for the regions and the towns in the cohesion policy.

**Jamila Madeira (PSE).** – *(PT)* Mr President, Commissioner, ladies and gentlemen, the proposal for a decision on strategic guidelines on cohesion, to which we have been asked to give a favourable response, and which will serve as the basis for drawing up national strategic reference frameworks, strikes me as an excellent statement of intentions for the Council, for which we must thank Mrs Krehl. The strategic guidelines make it clear that Europe needs to concentrate on meeting the Lisbon Strategy objectives, which are of course close to my heart, in terms of both fostering employment and growth, and encouraging innovation and a knowledge-based economy.

In our quest to meet the challenges facing the EU on the world stage and in light of our new size and scale, we must always ensure that all parties are involved, be they social partners, NGOs, local authorities or regional authorities. We have become a giant with ambitions to match our size and we cannot afford to neglect any part of the territory; together, we must meet the objectives that we have set ourselves.

We have to prove that the classic, multi-level model of our society is sufficiently sound. Full employment, a qualified workforce, lifelong training and increased productivity are essential prerequisites if economic, social and territorial cohesion in the EU is to be a success. For this to happen, these factors must be embraced by all of us in a spirit of cooperation.

The report gives due prominence to the factors of investment in innovation and researchers by means of incentives to encourage such talented people to remain in Europe, and the setting up of centres of excellence; these are vital tools for economic development in the regions and the Member States.

There is an increasing awareness of the need to decentralise knowledge hot-spots, away from the large population centres towards the less populated areas. Such areas may prove highly conducive to the establishment of centres of excellence.

**Antonio De Blasio (PPE-DE).** – *(HU)* Mr President, the Community's strategic guidelines for the upcoming seven years that are before us represent a considerable step, and are particularly helpful in

shaping the new Member States' cohesion policy, which will ultimately mean a more unified and cohesive Europe for all of us within a few years.

The European Parliament has acted with the greatest possible speed in preparing the Community's strategic guidelines, and now it is up to the Member States to draw up the best, most credible and most feasible national development plans possible, and to submit these to the European Union.

Allow me to draw attention to a few aspects of the document which did not receive much emphasis earlier, and which therefore did not constitute the same sort of incentive when the Member States were drawing up their own development plans. I would like first to mention the part of the document which stresses the broad participation and involvement of the various civil and professional organisations, and urges giving equal say to all in the process of preparing Member States' national development plans.

The perspective according to which health is considered an economic value and a motor of development represents a great advance in the document, which recommends the same approach in preparing national development plans. Today health no longer means simply improving the health care system or making it more accessible, but includes creating more and better jobs, the goals of sustainable development as well as the principle of equal opportunity already mentioned. The attention to improving the transparency and accountability of European Union support is a very important step forward, and thus strengthens trust among the Member States.

We all know what an enormous job it is to prepare such a document. For my part, I can only thank and congratulate the rapporteur, Mrs Krehl, and the shadow rapporteur, Mr Olbrycht, for their excellent work.

**Brigitte Douay (PSE).** – (FR) Mr President, reducing the disparities among regions, and particularly border regions, is an important challenge for the Community's strategic guidelines. With this in view, we should emphasise the actions that will have a long-term impact, such as those carried out not only within the transport and environment sectors, but also in connection with the Lisbon Strategy, regarding support for SMEs and the cross-border labour market.

It is regrettable, however, that, in this quest for balanced development, the border regions underpinning regional policy should sometimes be very different entities in terms of size and population and may have significant disparities linked to the statistical nomenclature. That can in fact result in unequal amounts being allocated from the Structural Funds, and there is, then, a great risk that strengthening the competitiveness of these cross-border regions – one of the priorities of cooperation – might turn into a form of fierce competition among neighbouring regions. The inequalities in development that could result on both sides of the borders would be liable to harm the European Union's cohesion policy, even though one of the aims of this policy is to mitigate the negative effect of having borders.

How, in this case, can we enable the citizens concerned to recognise the added value of the European Union? It is therefore imperative that we create the ideal conditions for balanced cross-border economic and social development and pay special attention to programmes aimed at achieving this cross-border cooperation.

Finally, I should like to conclude by thanking Mrs Krehl for her report and, above all, for her boundless enthusiasm in championing a form of lasting cohesion.

**Jim Higgins (PPE-DE).** – Mr President, I welcome the strategic guidelines on cohesion and the three priority areas identified. Like everybody else, I compliment the rapporteur, Mrs Krehl.

As an Irish Member of the European Parliament and coming from an economy that has been transformed in 15 years from the weakest in the EU to one of the strongest, I wish to acknowledge the huge role that the cohesion and structural funds have played in bringing about the economic miracle known as the 'Celtic Tiger'. The EUR 308 billion for 2007-2013 will go largely to the new Member States. Ireland's entitlement is reduced from EUR 3.7 billion for 2000-2006 to EUR 901 million, which is a barometer of our economic success. I have no problem with that.

However, I should like to ask my colleagues in the new Member States not to give their national governments the power to decide at central government level how and where the money is to be spent. They need regional structures with real development power, real decision-making powers for the regions.

I speak from experience. I represent a constituency in Ireland known as the BMW region. It is one of the poorest regions, bordering the Atlantic Ocean and largely mountainous. It is still the only region in Ireland that retains Objective 1 status, though that, through national economic performance, ceases on 31 December 2006. Over the years, funds that flowed from the cohesion and structural funds and were intended for regions such as mine were channelled to Dublin, the east and the south of the country and co-financed national development plans. I do not exaggerate. EUR 680 million of co-financed monies intended for the BMW region have gone to Dublin, the east and the south. Why? Because in Ireland there is no regional authority with real decision-making powers. Everything is decided in Dublin at central government level.

Now is the time for the new Member States to ensure that they have real regional authorities – not just paper tigers – otherwise they may find that the Irish experience will be their experience tomorrow. Commissioner Hübner reiterated that this evening. I think it should happen, it must happen, and the Commission has a role here as well in insisting that it does happen.

**Sérgio Marques (PPE-DE).** – *(PT)* Mr President, Commissioner, ladies and gentlemen, I too should like to congratulate Mrs Krehl on her excellent report on the proposal for a Council decision on Community strategic guidelines. The report was a vital factor in the Council welcoming a number of Parliament's positions, on issues such as sustainable development, the urban dimension, equal opportunities and renewable energy sources. For this and other reasons, Mrs Krehl is justified in recommending that Parliament vote in favour.

Once this Council decision has been adopted, the Member States will not have much time to submit their strategies for implementing the Structural Funds, incorporating these Community guidelines, to the Commission. It is regrettable that this tight schedule may adversely affect the implementation of the new cohesion policy as of January 2007.

I should also like to say that I endorse the proposed guidelines and priorities, and in particular the idea that cohesion policy is a vital tool for implementing the Lisbon Strategy.

Let us not forget, however, that the Lisbon Strategy is primarily based on the notion of promoting European competitiveness, as opposed to the notion of solidarity on which the cohesion policy is based. It will not always be easy to work with these two different approaches in tandem, but a balance needs to be struck.

Accordingly, I have serious doubts about the idea of obliging the old Member States to set aside high percentages of the funds for meeting the Lisbon Strategy objectives, and, at the same time, to promote an effective cohesion policy, not least in the area of territorial cohesion.

I trust, therefore, that the national strategies to be submitted succeed in achieving the best possible balance between competitiveness and solidarity.

**James Nicholson (PPE-DE).** – Mr President, first of all, cohesion funding has been very important in underpinning the success of the 2004 enlargement and, like others, I would like to thank the rapporteur for her work in that area. The economic progress seen over recent years in the EU-15 Member States that enjoyed cohesion funding represents something of a model for what we can do when EU resources are properly targeted and implemented.

While the implementation of the Lisbon Agenda is largely a matter for the Member States, I am nevertheless pleased that the strategic guidelines set out an ambitious programme for growth and jobs, which we hope will be realised throughout the European Union.

When the ten new Member States joined in 2004, we welcomed their membership for various reasons, not least because those countries in central and eastern Europe had marked a major milestone in their remarkably short transition from the horrors they had experienced under communism to democracy. We welcomed enlargement in the political sense. However, we also recognised that if enlargement was to work it would be necessary to provide adequate funding for the new Member States in order to boost their economies, thereby creating growth and jobs. I am pleased that we are using tried and tested mechanisms of structural and cohesion funding to achieve that important goal.

The United Kingdom Government announced last year that it would offer an extra EUR 8 billion over the 2007-2013 budget period to help the new Member States build their economies and societies. While my constituents in Northern Ireland recognised that enlargement would bring with it a financial burden

on the richer Member States, they were also keen to ensure that funding is allocated in ways that will bring sustainable improvement throughout the entire European Union. We appreciate that the economic development of eastern Europe will in the longer term bring economic advantages for all of us.

As someone from Northern Ireland, I would just like to say that the people there were very envious of the cohesion funding received by the Republic of Ireland, because it certainly helped that country. It is an awful pity that Parliament, the Commission and the Council did not listen to us in the past when we asked for cohesion funding for Northern Ireland.

**Oldřich Vlasák (PPE-DE).** – (CS) Mr President, Commissioner, ladies and gentlemen, the Community's strategic guidelines on cohesion are an extremely important document, which should contribute towards finalising national framework reference strategies regulating the draw-down of structural funds in the individual Member States. Unfortunately, however, the adoption of this document has been greatly postponed in comparison with the original timetable. National materials are now ready in most Member States and logically this document cannot be formally implemented while they are being drawn up. This will lead to further complications throughout the process. Concerning the implications for the preparation of operational programmes and their necessary adoption by the Commission, we should be aware that the programming will now be delayed, thereby postponing the prospect of risk-free draw-downs of financial resources from the Structural Funds for individual Member States.

On the other hand, it must be said that these strategic principles take on board the great majority of our comments. I am especially pleased that the crucial role of local authorities in particular, that is to say the towns and cities, has not been overlooked in the process of improving competitiveness across the Community as a whole. I feel that this declaration will not merely gather dust, and that we will all strive to ensure that the principle of partnership between national administrations, regions, communities and other entities is fully honoured in all Member States.

Ladies and gentlemen, there is still much work to be done on explaining certain aspects such as, for example, the programming method for the urban dimension. In future, the form of the integrated urban plans must be clarified, so that there is no miscommunication and so that the goalposts are not moved, as was the case with the release of aid aimed at improving municipally-owned waterworks infrastructure in the Czech Republic. I should like to conclude with a vote of thanks to Mrs Krehl.

**Tomáš Zatloukal (PPE-DE).** – (CS) Mr President, Commissioner, ladies and gentlemen, the most recent enlargement, through which the EU gained ten new Member States, at the same time brought to the Community deeper differences in economic development, a geographical shift of inequality to the east, a doubling of socio-economic differences and a drop in average GDP. This is in spite of the fact that the new Member States actually have some of the highest rates of economic growth. With the impending accession of Romania and Bulgaria, whose GDP stands at a third of the current EU average, I believe that we now need the strategic guidelines on cohesion more than ever.

European solidarity is referred to in the preamble of the Treaty on the European Union, which specifies that the Community will strengthen its economic and social cohesion with a view, above all, to reducing differences in the level of development between different regions. The EU earmarks over a third of its budget to reducing differences in development between different regions, as well as inequalities in the standard of living. Through the fund, the EU is contributing towards the development of regions that are lagging behind, the restructuring of industrial regions and the revitalisation of neglected urban areas. The reform of cohesion policy should offer the opportunity for greater effectiveness, transparency and political accountability. In the next programming period, cohesion policy must be clearer and more coherent and I personally expect it to become more goal-orientated and focused. Concerning the countries in receipt of support from the Cohesion Fund or the Structural Funds, it is necessary to take account of enlargement and to distinguish between the various kinds of action supported by the funds.

**Danuta Hübner, Member of the Commission.** Mr President, while I believe that the guidelines now take on board Parliament's main concerns, as you know we were not in a position to accommodate all of them fully. I am thinking in particular of certain provisions that are now enshrined in the regulations and which cannot, by definition, be contradicted in the guidelines. Certainly earmarking is perhaps the principal example of such a provision which Parliament has tended to oppose, but let me emphasise very strongly that earmarking is not anti-cohesion.

It is a recognition that the world has changed and that we need to redirect efforts towards new priorities in order to achieve sustainable cohesion. At the same time, compared to the Commission's initial

proposal, the final list of earmark categories has been enlarged during the negotiations to include other expenditures, especially in the convergence regions, but not only those regions. In addition, the regulations now provide for the possibility, during the programme negotiations, for the national authorities and the Commission to agree to earmark other expenditure categories that do not appear on the final list, where these are held to be of national or regional importance.

We are now on the home strait with regard to the implementation of the EU cohesion policy. We have the regulations in place and by the beginning of October, assuming Parliament's assent tomorrow, the guidelines will be adopted as a first phase in the programming exercise. While it is the home strait, we should not underestimate the challenges that lie ahead in reaching the finishing line, but I can assure you that I will spare no efforts in persuading our partners in the Member States and regions to put in place ambitious and innovative programmes.

**President.** The debate is closed.

The vote will take place tomorrow.

#### *Written statements (Rule 142)*

**Gábor Harangozó (PSE).** – (HU) First of all, I would like to thank all my colleagues, the colleagues at the Commission and the Council and of course Mrs Krehl for the effort they have made on behalf of improving the guidelines.

The essence and the real achievement of the agreement, from the perspective of the regions, micro-regions and cities of the new Member States, is that their situation has convincingly improved. Sources can be used:

- with greater certainty (counting with greater certainty on a 2007 start, and planning on full operation)
- with greater ease (with much less individual effort and more favourable regulations)
- in a customised fashion (new specific goals such as home renovations, mass transit, road building).

Areas of development are expanding, there is greater freedom of choice in their uses and value – this significantly increases our chances for dynamic growth and cohesion.

Out of 27 countries, mine ranks second highest in the amount of cohesion/convergence support per head, out of which development worth at least 8 billion Ft can be realised.

In the regulations aimed at our cohesion and thus in the strategic guidelines as well, the majority of Hungary's requests and proposed amendments formulated in the committees of Parliament and the Council received support, indeed we even received things we did not request or even hope for.

All the conditions are present for the regions of Europe that are still lagging behind to align themselves with the front line. Continued success depends on whether we manage to build our country with the kind of collaboration one finds in Brussels, and whether we will be able to deal with the real issues, so that instead of futile arguments, we will be able to raise Hungary and the other new Member States to the rank of Europe's top players. It is now up to us ...

**Francesco Musotto (PPE-DE).** – (IT) Statistics show that between 1988 and 2001 the gap between the poorest regions and the EU average was narrowed by one-sixth, precisely because of the results achieved by the cohesion policy.

The year 2005 was a record year for the cohesion policy in terms of resources invested, with a total of EUR 38.3 billion committed to the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the pre-accession fund for candidate countries (ISPA).

In the same year, the reform of EU regional policy achieved notable results, including its official recognition as an instrument for growth and employment under the Lisbon Strategy.

Recent research shows that the overall growth in GDP in the new Member States from 2007 to 2013 will be in the region of 7-12%, and that 2.5 million jobs could be created.

The new strategic guidelines approved in this Chamber today focus more on growth, showing that in future the cohesion policy should place the emphasis on the knowledge and information society,

entrepreneurship, the environment and employment, in order to promote the even more balanced and sustainable development of the Community.

**Margie Sudre (PPE-DE).** – (FR) I am grateful to the European Commission for having significantly enhanced the inclusion of the territorial dimension of cohesion policy in the latest version of its strategic guidelines.

I endorse the Commission's desire to seek mechanisms for executing cohesion policy that will help guarantee that all regions are treated fairly on the basis of their individual capacities in relation to factors of competitiveness.

For the next generation of programmes, territorial cohesion must be promoted in such a way as to allow Europe as a whole to contribute to the measures in favour of growth and employment, thanks in particular to high-quality partnerships gathering together actors at every level: national, regional, urban, rural and local.

The new legislative framework also makes provision for a special allocation to be granted to the outermost regions in order to take account of the high costs they incur as a result of being so remote. I concur with the Commission's objective, which consists in ensuring that this allocation will also help create sustainable growth and employment in the outermost regions.

## 18. GALILEO (debate)

**President.** The next item is the debate on the oral question to the Commission by Mrs Barsi-Pataky and Mr Rübige on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats, Mr Glante on behalf of the Socialist Group in the European Parliament, Mrs Hall on behalf of the Group of the Alliance of Liberals and Democrats for Europe and Mr Pirilli on behalf of the Union for Europe of the Nations Group, on taking stock of the Galileo programme (O-0094/2006 – B6-0430/2006).

**Etelka Barsi-Pataky (PPE-DE), author.** – (HU) Mr President, Mr Vice-President, a year ago the European Parliament voted here in Strasbourg at first reading on the financing of the GALILEO programme, and on the whole it unanimously supported the programme. A great success of the past year has been the fact that the GIOVE-A satellite went into orbit and occupied its frequency. Our gratitude goes to the European engineers and developers.

Discussions regarding the realisation and operation of the project are under way, and Parliament takes note of the Commission's communication to the effect that the first result of these talks will be the so-called 'head of terms' regarding its financing, which is to come before us before the end of this year. We request the Commission to do everything possible in the interest of fulfilling the common objective of financing the GALILEO programme by a two-thirds/one-third split between private capital and the Commission.

Despite the results, we must express our concerns. The programme is considerably delayed. We realise the significant difficulties which the Commission faces daily. The European legal and regulatory system is difficult to use when it comes to realising a joint project. Furthermore, it is our experience that this is a new and difficult task, as regards financing, risks and operations, for the European space industry selected to carry it out.

We agree that the European GALILEO programme has entered the global sphere and has offered its services worldwide. If, however, cooperation with third countries is also to figure in the overall institutional transformation of the Supervisory Authority, then the European Parliament wishes first to give its opinion on this matter.

We, the various political groups in the European Parliament, consider that what the GALILEO programme now needs is what is known as 'good governance'. For this reason, I wish to ask the President and Vice-President what the Commission plans to do to ensure that this promising programme, which is one of the vehicles for the Lisbon Strategy, will be realised without further delay. When will the regulations on its uses be ready, allowing European undertakings to prepare in sufficient time for the participation that is the key to the success of the entire programme?



**Fiona Hall (ALDE), *author*.** – Mr President, I, like Mrs Barsi-Pataky, am also particularly concerned about the issue of timing. Delay is absolutely critical, because Galileo's unique attractiveness to investors is lost once the American GPS 3 system has reached operational capability, which is estimated to be in about 2015. I should be grateful if the Commissioner would spell out to what extent the delay is going to be detrimental to Galileo's success in the international market for satellite navigation.

I am concerned that the delay undermines Galileo's business plan in other respects as well. Firstly, with the delay have come increased costs. Indeed, the costs of Galileo have already exceeded the budget by over 40%. Secondly, the delay undermines the potential for revenue. The most important source of revenue is expected to be royalties from intellectual property rights. Receiving manufacturers would pay a licence fee to the Galileo-operating company in order to have their receivers Galileo-enabled. But what manufacturer will want to pay a licence fee for Galileo if it does not offer any added value when compared to an upgraded GPS? Therefore, delay to the Galileo programme is not just unfortunate: it could have really grave consequences for the financial burden which is carried by the public purse. I should be very grateful if the Commissioner could give us some explanation on this.

**Jacques Barrot, *Vice-President of the Commission*.** (FR) Mr President, first of all I should like to thank Mrs Barsi-Pataky and Mrs Hall, as well as Mr Rübige and Mr Glante, who should be with us soon. I am grateful to them, and particularly to Mrs Barsi-Pataky, for the close attention they have paid to the development of this great Galileo programme.

I will try to provide you with some specific answers, because I should like to put to rest certain fears that, in spite of everything, seem to me to be rather excessive. I would remind you that the Galileo programme was designed in three stages. First, there is a development and validation phase, involving the development of the satellites and terrestrial components of the system and their in-orbit validation. This development phase runs from 2003 to 2009, and is currently being managed by the Galileo joint undertaking. This will be followed, from 2009 to 2010, by the deployment phase, involving the production and launching of the satellites and the full instalment of the terrestrial component. Finally, the operating phase will start in 2010.

The deployment and operation phases will be covered by a concession contract lasting around 20 years. The Supervisory Authority, which is a Community agency, will manage these two phases, and will act as the licensing authority.

Within this schedule, there is one date to which we absolutely must stick – and on this point you are quite right – namely the date from which businesses and citizens will be able to receive accurate and reliable signals from Galileo. That will be at the end of 2010, when the first Galileo satellites will start transmitting their signals.

That said, I have no intention of glossing over the difficulties. Galileo is not only a technological innovation, but also, at institutional level, a very particular operation. The project now involves eight industrial players, 25 public players and three institutions. In the long term, this multiple patronage will be Galileo's strength, but it is true that all of these players, all of these supporters of Galileo, will really need to adapt in order to make progress on the matter together.

When, in 2005, I observed the problems between the eight members of the future industrial consortium, I appointed Karel van Miert to resolve the problems, which he did with remarkable success. We also needed to deal with the changes in safety and security requirements that necessitated a further delay for technical examination. Be that as it may, the important thing is the result in 2010.

Having said that, we also need to make steady progress in the schedule of intermediate steps, paying close attention to the quality and viability of the project. For example, the industrial activities of the in-orbit validation phase, which are the responsibility of the European Space Agency, began in December 2004. The contract regarding the completion of this phase was signed on 19 January 2006, and the work is currently progressing satisfactorily. The technical feasibility of the project has been proven, and it is now a question of laying the foundations for a true public/private partnership for the next 20 years. It goes without saying that I will inform you of any problems that arise regarding the signing of the concession contract.

I should now like, in response to your second question, to turn to the European Supervisory Authority. This is the authority responsible for supervising the future concessionaire. The Supervisory Authority will have to ensure that the concessionaire complies with the concession contract and the annexed terms

and conditions, and it will take all appropriate measures to ensure that services are not interrupted if the concessionaire goes bankrupt. In addition, the Supervisory Authority will also have to monitor all the technical, security and financial aspects of the concession. In this regard, I would say that the wording of the concession contract is obviously very important, because it will be the primary instrument on which the Supervisory Authority's ability to monitor the concessionaire will be based. The concession contract must therefore be worded quite unambiguously, and I will of course inform Parliament of it, as the Commission has made a commitment to inform you of the content of the concession contract before it is signed by the Supervisory Authority.

Two final problems remain to be addressed: first of all, the financial issue. The distribution of financial contributions between the Member States and the industrial players is largely dependent on the risk assessment, but this assessment itself requires the best possible understanding of Galileo's possible applications. That is why, by the end of November, I will publish a communication in the form of a Green Paper on these applications. For that purpose, we have come up with a competition to appeal to the imaginations of the European people regarding the possible applications of Galileo. I am quite sure that we are still underestimating the potential of Galileo, and I would urge you, ladies and gentlemen, to make efforts yourselves to encourage all our European industries to contribute to this discovery of the possible applications of Galileo.

The second problem is that of cooperation with third countries. As you will be aware, the international agreements regarding the Galileo programme are negotiated on the basis of Article 300 of the Treaty. The procedure laid down in that article must always include consultation of Parliament before such agreements are concluded, and I will see to it personally that this takes place. It is quite certain that cooperation with third countries regarding Galileo represents an opportunity, but this opportunity must be managed, and the Commission will send another communication to Parliament and the Council this autumn, setting out the broad outline of this cooperation policy.

Mr President, ladies and gentlemen, I do not want to gloss over the difficulties that go hand in hand with the implementation of a project as ambitious as this one, but at the same time I would draw your attention to the risks involved in giving the impression that this programme will in some way be subject to crucial delays that cast doubt on the viability of the project. That is not the case, and nor will it be, because I personally intend, with your help, with the active support of Parliament, to ensure that this great project can be put into practice in accordance with the schedule that we set to guarantee its viability, because you are quite right that there will be no shortage of competitors. Galileo therefore needs to be put into operation within the timeframe I have set out. I really will keep a close eye on this throughout the procedure, aided and supported by your Parliament.

**Lambert van Nistelrooij**, *on behalf of the PPE-DE Group.* – (NL) Mr President, I am particularly pleased that we are discussing this topic – albeit at this late hour – because it is indeed the case that we need to get our skates on. We must keep the momentum going, not least in view of global competition. Mrs Barsi-Pataky already gave an excellent outline of the framework with regard to the possible delay, the legal framework and so on. I hope you will allow me briefly to dwell on this public-private cooperation this evening.

It is estimated that a future-oriented project such as this can yield 150 000 extra jobs, and I know that industry cannot wait to take part in it. Moreover, there are also regions in Europe – Bavaria and North Netherlands for example – that are prepared to invest money from the structural funds in developing this further. That has also been done before for the LOFAR radio telescope project in North Netherlands.

As you, Mr Barrot, will know, since you have been Commissioner for Regional Policy, structural funds must, more than ever, be invested in technologies and information. Would you be prepared to take over this development of decentralised involvement and funding? You have mentioned a Green Paper. Could that be the bridge that can bring about this acceleration?

I am also mindful of the new rules for state support. Mrs Kroes outlined possibilities for projects of this kind a moment ago. I think that we are under-using the other instruments in this Parliament and in the European Union.

Galileo is still in pole position globally. Europe is still ahead, but Galileo cannot afford to fall flat on its face in the implementation stage. Galileo should not carry on drifting, it must land.

**Teresa Riera Madurell**, *on behalf of the PSE Group*. – (ES) Mr President, I would like to thank the Commission for its explanations; I believe that it has grasped that we are worried about the situation with the Galileo programme – which is similar to what is happening in the case of Airbus, for example. That is the true purpose of the debate. Time planning and compliance with the timetable laid down are crucial to the commercial viability and success of the programme.

A considerable delay is building up in relation to Galileo, in terms of the 2005 forecasts. The tender procedure has been extended, and that is going to have serious repercussions for the programming of the project as a whole. That too is why our question is relevant. We must ensure the continuity of the project and seek the most creative and appropriate solutions in the light of the programme's objectives.

We would urge the Commission to continue with its negotiating efforts and ensure that there are going to be no further delays, so that Galileo, the largest of the European-scale industrial projects, moves forward under the best possible conditions and can play its appropriate role in the achievement of the Lisbon objectives.

We would also ask that the Commission carry out the reforms necessary also to promote the participation of SMEs.

In order to support Galileo, Parliament needs to be kept informed. The commitment is there and you have mentioned it. We must also be informed of the costs and consequences of the delay. I agree that it will be useful for Parliament to monitor the project periodically. To that end, it is important that the supervisory authority, which you have mentioned, also send its reports to Parliament and that the expert appointed by Parliament has the status of observer in the authority's activities.

In fact, this Parliament has previously expressed its full support for the Galileo programme, taking on legislative and budgetary commitments and clearly acknowledging that Galileo is a strategic project, one of the pillars of the Lisbon Strategy, which in turn offers great opportunities to our small and medium-sized businesses.

**Jacques Barrot**, *Vice-President of the Commission*. (FR) Mr President, you know, I would be happy to continue this discussion all night, because Galileo is a really exciting project.

Even so, I should like once again to reassure the honourable Members: the first of the two experimental satellites was launched from Baïkonour on 28 December 2005, and it has successfully transmitted all of the signals allowing us to guarantee the use of the frequency bands allocated to the European satellite navigation system. The second satellite, GIOVE-B, will be launched in the course of 2007. It will carry other technologically advanced equipment such as the passive hydrogen MASER atomic clock, which will be the most precise atomic clock ever launched into space. In parallel with this, the industrial activities of the in-orbit validation phase began in December 2004. I have already said, and I will say it again, that the entire contract for the validation phase, amounting to EUR 1 038 million, was signed on 19 January 2006.

We are now entering a new phase, which will involve investigating all the possible applications for Galileo. As I have explained, we have issued a kind of appeal to all small and medium-sized enterprises and engineers able to develop innovations in this field. The Green Paper will in fact aim to ask the right questions, which should enable us to reach a better understanding of all the possible applications. Next, when this has given us an overall vision of the applications, we will be better able to deal with the public/private partnership and to plan how to distribute efforts. The industrial sector also needs to be involved, to the extent that it can benefit from these applications. That will finally allow us to found this concession contract on a reasonable financial basis. There is no reason to think, at this stage, that we will find ourselves in a situation difficult enough to upset the balance of the project.

That being said, I have made a genuine commitment to keeping Parliament informed – Mrs Barsi-Pataky, as rapporteur, is well aware of this, and I should like to thank her once again. I am absolutely committed to coming to Parliament whenever necessary to explain how things stand and how they are developing. You suggested that Parliament should have observer status; we have already explained our position in this regard to the competent committees. It would be difficult for Parliament to try to be an observer at the same time as performing all of its monitoring activities.

In any event, however, Mr President, I should like to reiterate this evening the commitment I have made: I will keep Parliament fully informed of everything that happens, both of the implementation of the

concession contract and the public/private partnership and of how we are going to manage the contributions of third countries and their participation in Galileo.

**President.** I am much obliged to Commission Vice-President Barrot.

To wind up the debate, a motion for resolution<sup>(4)</sup> has been tabled under Rule 108(5) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday.

## **19. Agenda for next sitting: see Minutes**

## **20. Closure of sitting**

*(The sitting was suspended at 11.40 p.m.)*

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<sup>(4)</sup> See Minutes.