

TUESDAY, 12 DECEMBER 2006

IN THE CHAIR: MR OUZKÝ

Vice-President

1. Opening of the sitting

(The sitting was opened at 9 a.m.)

2. Debates on cases of breaches of human rights, democracy and the rule of law (announcement of motions for resolutions tabled): see Minutes

3. Documents received: see Minutes

4. Transfers of appropriations: see Minutes

5. Legislative and work programme of the Commission for 2007 (motions for resolutions tabled): see Minutes

6. Russia-EU Summit (motions for resolutions tabled) : see Minutes

7. Decision on urgent procedure

Amended Proposal for a Decision of the European Parliament and of the Council establishing for the period 2007-2013 the specific programme 'Fight against violence (Daphne) and drugs prevention and information' as part of the General programme 'Fundamental Rights and Justice' [KOM(2006)0230 — C6 0095/2005 — 2005/0037B(COD)]

Proposal for a Council Decision establishing for the period 2007-2013 the specific programme 'Fundamental rights and citizenship' as part of the general programme 'Fundamental Rights and Justice' [KOM(2005)0122 - C6-0236/2005 - 2005/0038(CNS)]

Proposal for a Council Decision establishing for the period 2007-2013 the specific programme 'Criminal justice' as part of the general programme 'Fundamental Rights and Justice' [KOM(2005)0122 — C6-0237/2005 — 2005/0039(CNS)]

Proposal for a Decision of the European Parliament and of the Council establishing for the period 2007-2013 the specific programme 'Civil justice' as part of the general programme 'Fundamental Rights and Justice' [KOM(2005)0122 - C6-0096/2005 - 2005/0040(COD)]

Proposal for a Decision of the European Parliament and the Council establishing the European Refugee Fund for the period 2008-2013 as part of the General programme 'Solidarity and Management of Migration Flows' [KOM(2005)0123 – C6-0124/2005 – 2005/0046(COD)]

Proposal for a Decision of the European Parliament and the Council establishing the External Borders Fund for the period 2007-2013 as part of the general programme 'Solidarity and Management of Migration Flows' [KOM(2005)0123 – C6-0125/2005 – 2005/0047(COD)]

Proposal for a Decision of the European Parliament and the Council establishing the European Refugee Fund for the period 2007-2013 as part of the general programme 'Solidarity and Management of Migration Flows' [KOM(2005)0123 – C6-0238/2005 – 2005/0048(COD)]

Proposal for a Decision of the European Parliament and the Council establishing the European Return Fund for the period 2008-2013 as part of the general programme 'Solidarity and Management of Migration Flows' [KOM(2005)0123 – C6-0126/2005 – 2005/0045(COD)]

Proposal for a Council Decision establishing the specific Programme ‘Prevention, Preparedness and Consequence Management of Terrorism’, for the Period 2007-2013 - General Programme ‘Security and Safeguarding Liberties’ [KOM(2005)0124 – C6-0241/2005 – 2005/0034(CNS)]

Proposal for a Council Decision establishing the specific programme ‘Prevention of and Fight against Crime’ for the Period 2007-2013 - General Programme ‘Security and Safeguarding Liberties’ [KOM(2005)0124 - C6-0242/2005 - 2005/0035(CNS)]

Jean-Marie Cavada (ALDE), *Chairman of the Committee on Civil Liberties, Justice and Home Affairs*. – (FR) Mr President, the Committee on Civil Liberties, Justice and Home Affairs has already presented to plenary the reports by Mrs Kudrycka, Mrs Segelström and Mr La Russa on the legislative proposals for which the Commission requests use of the urgency procedure. We believe that, from a political point of view, the compromise that we have been able to achieve with the other institutions is acceptable, and we are therefore in favour of plenary adopting these reports during this part-session.

Ewa Klamt, *on behalf of the PPE-DE Group*. – (DE) Mr President, I would like to say – speaking on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats – that we are in full agreement with that, and I think that the Members belonging to the other groups in this House will be able to give their consent too.

(Parliament adopted the urgent procedure)⁽¹⁾

8. Financing instrument for development cooperation – A financing instrument for cooperation with industrialised and other high-income countries and territories (debate)

President. The next item is the joint debate on the

- Recommendation for a second reading, by Mr Mitchell, on behalf of the Committee on Development, on the Council common position for adopting a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation (11944/2/2006 C6-0357/2006 2004/0220(COD)) (A6-0448/2006)

and

- the report by Mr Martin on behalf of the Committee on International Trade on the draft Council regulation establishing a financing instrument for cooperation with industrialised and other high-income countries and territories (11877/2006 – C6-0265/2006 – 2006/0807(CNS)) (A6-0430/2006)

Gay Mitchell (PPE-DE), *rapporteur*. – Mr President, this regulation has been in gestation for almost two years. At times, the pressure on Parliament to cave in, to divide, to give up our legislative role, was barely tolerable. I have been taken aback by the willingness of fellow MEPs, at times, to give other institutions carte blanche in this important area, so long as some little interest of theirs or influence was not lost. However, I wish to pay tribute to my colleagues in the Committee on Development – Members who did not allow pressure to divide us, across all groups, and who, in the end, carried the day. I should also like to pay tribute to the secretariat of the Development Committee and to the secretariats of those groups that worked constructively with us in these negotiations.

Having threatened to reject the original Development Cooperation and Economic Cooperation Instrument (DCECI), as it was called, which sought to take away codecision powers by changing the legal base from Article 179 to Article 181a and to include developed countries and expenditure on non-development issues in a development instrument, we have negotiated with the Council and the Commission an instrument which few thought possible 12 months ago, one that will streamline EU activities for the developing world while maintaining accountability and transparency.

I should like to pay tribute, in particular, to the negotiating team who accompanied me at those talks, to the successive presidencies for the work they have put in and to the Commission for a good outcome. I have one reservation, however. I believe it was Voltaire who said, ‘I do not agree with what you say, but I will defend to the death your right to say it.’ Having approached the whole of the negotiations in

⁽¹⁾ For further details: see Minutes

a way that sought to accommodate, I was very disappointed that, on one particular issue, my views were not accommodated.

It is not about diluting the availability of health services for women in need. In fact, if my amendments – which were modest – had been carried, the Cairo Conference and all the related issues would have been respected. Indeed, having been at the centre of compromise, finding and supporting others, I was surprised that my modest proposals did not receive proper consideration. Part of the reason for that seems to me to have been a piece of written advice that was circulated, which pre-empted my proposals by claiming that PPE policy had been decided. As the signatures to the amendments show here today, that is not the case and should not have been stated, especially at what was a very sensitive time in the concluding stages of the negotiations.

I can support the general content of the common position, with that one reservation. I think it is a very good outcome for us: Parliament has gained, insofar as we have maintained codecision under Article 179, which is a very important principle to us. It is to be time-limited legislation. The specific instrument for development policy is this instrument; it will not have any other content. There will be more detailed financial provisions: the financial provisions of the proposal were another area of very serious concern for the Committee, as they were extremely general and very far from the level of detail to which Parliament, as part of the budgetary authority, was accustomed. That has now changed, and the common position now includes a breakdown of funding by programme and, in some cases, within programmes.

We are also breaking new ground. The new DCI will, for the first time, enshrine in a legal text the internationally accepted definition of development policy set out by the OECD Development Assistance Committee. A Commission declaration attached to the new DCI will contain, also for the first time, the benchmark that the Committee on Development has been using since 2003 to promote increased focus on the key MDG sectors of basic education and basic health, and the Commission has never before accepted the Committee's 20% benchmark for these sectors, which has been accepted on this occasion.

In relation to democratic scrutiny, further headway has also been made on the matter of the dialogue between Parliament and the Commission on the draft strategy papers to allow effective Parliamentary scrutiny of the implementation of the DCI, and I wish to thank Commissioner Ferrero-Waldner and Commissioner Michel for their letter to me and to the chairperson of the Committee confirming that. Parliament does not want, or need, to be involved in micro-management, but it does give us an opportunity, through whatever structures we decide ourselves, to get involved at an early stage, thereby giving Parliament a much improved role in the whole area of transparency and accountability.

With the exception that I mentioned, I consider the common position as established by the Council to be a very good outcome for the European Parliament. As I said at the outset, I doubt very much that anybody 12 months ago would have thought that we could have achieved what we did achieve. But it shows that, when Parliament stands together, when the different groups do not allow themselves to be divided and are determined not to give away the powers of this House, we can, with the other institutions, come up with a very good instrument and one that ensures that the prerogatives of this House are protected.

David Martin (PSE), rapporteur. – Mr President, before turning to my own report, let me congratulate Mr Mitchell on his. As the House will know, these two instruments started life as a single instrument and the Committee on Development was correct to argue that they needed to be separated because we were mixing apples and pears. The development instrument essentially aims to promote the interests of developing countries. The economic instrument, the one I am responsible for, is about promoting – not exclusively, but mainly – the interests of the European Union. It was therefore wrong that these two objectives should have been contained in a single instrument. The Committee on Development was correct to argue for a separate instrument and it was also correct to argue that it should be pushing hard for the European Parliament's involvement to at least be the same as it is under the plethora of existing instruments. So, I congratulate Mr Mitchell on his report.

Turning to my own report, it is small in importance compared with the other external instruments, but still a significant tool of this European Union. It expands on the existing programmes, firstly in terms of geographical areas: the existing programmes cover just six countries, this new instrument will cover 17 countries. It is expanded in terms of objectives and, as one would hope with both the objectives and the geographical area being expanded, it is also expanded in terms of its budget. So, while it is the smallest of the external instruments, it is still a significant instrument.

It focuses on furthering EU interests in industrialised countries and it builds on the highly successful executive training programme for Japan and Korea and the Gateway to Japan programme. Both have been subject to a Commission-financed study, which demonstrates that they have increased the access of European companies in both Japan and Korea and increased the awareness of the European Community in those two countries and so are worthwhile in themselves.

The new programme will have five key objectives: to build on public diplomacy and outreach; the promotion of economic partnership and business; people-to-people links, particularly through education; encouraging dialogues; and finally the evaluation of small-scale cooperation projects to assist small and medium-sized enterprises to get access to third country markets. These are all very worthwhile objectives.

In terms of the Committee on International Trade's approach, we have concentrated on three things. First, given that the scope of the programmes has expanded from 6 to 17 countries, we have insisted that there is room for differentiation within the programme – a one-size-fits-all approach would simply not work in a programme like this. I am glad to say that the Commission has gone along with the idea that the programme should be country-specific, rather than a general programme for 17 countries.

We have also tabled amendments to ensure that this programme is complementary to the other instruments that we will be adopting either today or at a later stage.

Again, given that the programme has expanded, we have insisted that there should be human rights and rule of law clauses in these instruments. Again both the Council and the Commission have indicated a willingness to accept those amendments.

I am also pleased to say that, despite this being only a consultation and not a codecision matter, unlike Mr Mitchell's report, the Council has agreed to attach the two interinstitutional agreements on budgetary discipline and democratic scrutiny. It has also agreed that Parliament should be more involved in this programme than originally envisaged and has accepted that, if the scope of the programme is altered, either geographically or in terms of its objectives, Parliament will be fully consulted. The Commission has also agreed to bring forward multiannual planning for consultation with Parliament on this. So the level of parliamentary involvement has been significantly increased.

Finally, let me conclude by saying that there is a chance that, if we adopt all the amendments today, this instrument will be adopted by the Council in exactly the form that it leaves Parliament. That is quite an achievement, given that it is only a consultation exercise. I would like to thank the Commission for its excellent cooperation, and particularly the Finnish Presidency, which, on a relatively minor instrument compared to the other instruments, has been fully engaged in Parliament's work, has kept us fully abreast of its position and has made compromises. We have made compromises with the Presidency. I think in the end we have got a very workable instrument and I would like to thank all the institutions for their cooperation.

Benita Ferrero-Waldner, Member of the Commission. Mr President, this December part-session is an important milestone in establishing an effective and streamlined legislative framework for the Community's external spending. I must say I feel honoured that I represent the Commission in this part-session, as we are now close to concluding negotiations on the four remaining instruments for the delivery of external spending, for the future period from 2007 to 2013.

We have all come a long way since the Commission tabled these proposals two years ago. The new simplified architecture was the first attempt to streamline all the instruments for external spending. This was deemed the highest priority for the Commission in order to increase our own efficiency and coherence and that of our external action as a whole.

While both Parliament and the Council welcomed the simplification process, these proposals generated a very substantial debate. Important questions were raised soon after Parliament began its work. I greatly appreciate the efforts made by Parliament and the successive Council presidencies to find constructive solutions to the challenges we have encountered with these innovative proposals. These efforts culminated in a successful trialogue in June 2006 when an overall agreement was reached on the architecture of the external financing instruments.

Reflecting your concern to ensure a strong development focus for the development cooperation instrument, we agreed to separate the instrument for cooperation with industrialised countries. A specific human rights instrument was also established.

To address your further concerns, it was agreed that the instruments be adopted under codecision whenever the Treaty made this possible, and a separate instrument for nuclear safety cooperation was created so that the instrument for stability could pass from consultation to codecision. In total four of the seven new instruments are now co-decided. This gives Parliament a legitimate and unprecedented degree of legislative power over the framework covering external spending.

As for the development cooperation instrument, which represents the central brick in this new architecture, I greatly appreciate the fruitful cooperation with Parliament, especially during the last five months, and I thank the rapporteur, Mr Mitchell, for the central role he has played in bringing the negotiations to a positive and timely conclusion. I should further thank the Committee on Development's negotiating team. The compromise as reflected in the negotiated common position of the Council represents a finely balanced solution. I also appreciate that the Committee on Development endorsed this compromise and recommended the approval of the negotiated common position of the Council at second reading.

As requested by Parliament, the development cooperation instrument now includes indicative financial allocations, a mid-term review and an expiry date. For the new co-decided instruments, we have also agreed that before undertaking the review Parliament should examine the operation of the instruments to identify any dysfunctional situations which may have arisen. Parliament's report would be considered by the Commission in carrying out the review of the instruments. This review should be carried out in 2009. In response to the letter sent by the chair of the Committee on Development, Mrs Morgantini, I am pleased to confirm that this review date will also apply to the development cooperation instrument.

In comparison with the development cooperation instrument, and if budgetary clout is a measure of importance, the instrument for cooperation with industrialised countries does not stand out as the biggest amongst the external action instruments, but this should not lead to underestimating its utility and its relevance in enhancing the role of the European Union in the wider world. Indeed, this instrument will directly help promote the EU's objective of becoming a more visible player on the global stage. It will achieve this objective by providing a framework in which, through concrete initiatives, we can strengthen relations with key developed partners, promote Community interests, and also raise awareness about the EU there.

Since last June, the rapporteur, the Finnish Presidency and the Commission have worked hand-in-hand to ensure a timely adoption of the instrument, while making sure that the views of each institution are duly taken into consideration. In this regard I would like to express my appreciation to the rapporteur, David Martin, and the Committee on International Trade as a whole for their hard work and the spirit of cooperation demonstrated in expeditiously processing the dossier.

This ongoing dialogue has permitted the factoring-in of Parliament's views in preparatory discussions in the Council held in parallel with parliamentary work and therefore, thanks also to this collaborative approach, beyond the Commission's own view and without encroaching on the Council's prerogatives.

I can envision with some confidence that key amendments regarding, in particular, references to the core values of the Community – democracy, the rule of law, respect for human rights; the protection of the Community's interests; reinforced evaluation and reporting provisions for the specification of an indicative financial envelope for the period 2007-13; or the inclusion of the review clause – will find their way into the final text. Furthermore, additional editorial changes will bring the final text more into line with language suggested by Parliament and with language already agreed in other external action instruments, to ensure sound coherence between them.

I am looking forward to a positive outcome to the votes on the development cooperation instrument today. That will allow the Commission to start its work as of 1 January and for the delivery of the external assistance without any further delay, which is so important. With an agreement on the remaining legislative proposals the European Union will significantly increase the effectiveness of its external spending and, in particular, its visibility on the international scene, allowing it to live up to its role as major donor of development aid.

Similarly, I welcome the positive view taken on the industrialised countries instrument in the report that is put before Parliament today. I can give you a clear assurance that the final text, which the Council is set to adopt very soon, will also substantively reflect the main thrust of Parliament's resolution. That is a testimony to our willingness to work constructively with Parliament on this dossier, something that will continue in future in implementing cooperation activities, with industrialised countries as well.

Syed Kamall, *on behalf of the PPE-DE Group*. – Mr President, I wish to thank the Commissioner and to thank the rapporteur for all his work and cooperation on this report.

The rapporteur and I often joke that we find very little to disagree on when it comes to international trade issues. When it came to shadowing this report, once again we found very little to disagree on, partly because the rapporteur is such an expert in this area and has dealt with it in a number of other reports. I should just like to repeat what good cooperation there was, and I have actually learnt quite a lot from him throughout this process. One day I will find something to disagree with him about, but for now let us look at the issues.

We all agree that the proposal should be tightened and clarified. It is very important that we define the EU's strategic interest, and I welcome the amendments adopted in committee to this end. We must also have consistency across the financial instruments. Once again, the rapporteur and I had a number of discussions in this area, and I am very pleased that these were adopted.

The other area is the review clause. It is very important to decide whether this instrument should be reviewed during the lifetime of this Parliament or after the European elections of 2009 when new Members come in. Those new Members will not have our expertise in this matter, and that is why I would have preferred to have seen a review within the lifetime of this Parliament.

Finally, the report has got it right on human rights and democracy, especially when we are dealing with developed countries. Let us hope that we can continue to pursue these goals within the framework of trade agreements and continue to work with our partners.

Margrietus van den Berg, *on behalf of the PSE Group*. – (NL) Mr President, Commissioner, with the new development instrument we are at last getting a piece of development legislation that will give centre stage to the Millennium Objectives, which represent a pledge we made to millions of children in Africa, a pledge that has to do with education and health care. Unfortunately, the bitter reality is that in recent years, the Millennium Objectives have, rather than coming closer, tended to disappear out of sight, and it was for precisely that reason that we were so tough in the debate on the present financing instrument.

For one and a half years, we debated long and hard about this new piece of legislation; that was no mean feat, and it turned out not to be in vain. In the next seven years, we have one clear European Development Act which, with a clear, thematic programme and a geographic programme accounting together for nearly 70 billion, will map out the course. This is putting an end to 16 different regulations that are difficult to implement and monitor. The new Act has two clear priorities, namely the Millennium Objectives, and within these objectives education and basic health care, areas, in short, that really matter.

The campaigns we have launched in order to achieve this have not been in vain. We have campaigned with school teachers' unions and many other organisations from the world of education, including Education International, in order to try to make education more central to European development programmes. The same applies to our campaigns involving health workers in an effort to double spending in basic health care. Finally, the Commission has now officially pledged to at least double its spending by 2008, with at least 20% of the geographical budget being spent on education and basic health care. Including the thematic dimension of the Act, this amounts to more than EUR 2.5 billion.

With this new financing instrument, Europe, with its Member States, can now make a difference in Africa. There are still more than 45 million children who have no access to schooling and millions of patients, especially girls, who have to go without basic health care. In 2015, they will enjoy the education and healthcare provision to which they are entitled. This will put an end to the fight I, together with my group, have put up from the moment I took my seat as an MEP in 1999. I would thank all European citizens and organisations who have helped me along the way, ranging from the 'STOP AIDS Alliance' to 'Bono' – thank you!

On 1 January 2007, we start a fresh chapter, namely that of putting this act, along with all its principles and promises, into practice. This is something to which the Committee on Development will be devoting much of its parliamentary time, both in terms of programming national policy plans and of monitoring their implementation. We do not want a noncommittal attitude. We want 100% commitment from all parties. This is why we do not accept that the programming stage for the period up to 2008 should already be completed. Consultations with civil organisations and parliaments over there and NGOs and our Parliament over here must be done in accordance with the new agreements. This is incumbent on

the Commission by law from 1 January. I assume the Commissioner is in agreement with me on this and that he is prepared to confirm this unconditionally.

Ten days ago, the funding of the Global Fund was yet again set to jeopardise the arrangements made in respect of the thematic section for the Act of 2007. Fortunately, with a letter dated 8 December, the Commission asserted its willingness to respect the thematic programming arrangement for 2007. It would be good if the Commissioner were to confirm this, and by doing so, put the mind at rest of the 23 NGOs that will be presenting President Barroso with an urgent note on this matter this weekend. I would wish the President, Mr Mitchell, the Council and Commission good luck with this success. I am also enormously grateful to them for the thorough cooperation; I do hope that this House will reject the cancellation amendment, because I think we made it clear that we no longer accept amendments. This Act is it; let us make it a success.

Danutė Budreikaitė, *on behalf of the ALDE Group*. – (LT) Mr President, ladies and gentlemen, the proposal for a Regulation of the financing instrument for development cooperation and economic cooperation presented by the European Commission two years ago to the European Parliament did not satisfy the European Parliament. The Regulation sought to curb the European Parliament's general decision-making powers, and it did not adhere to the principles of development cooperation policy, conflating economic cooperation with developing and developed countries.

Today in a second reading we are discussing a differently-named document concerning a European Parliament and European Commission Regulation defining a financing instrument for cooperation that supports development.

It was particularly important for the Committee on Development to have a financing instrument for development cooperation intended only for developing countries.

The document submitted for a second reading is really a compromise European Parliament, European Council and European Commission document, drafted in tripartite negotiations. Consensus rule is back in, as is budgetary transparency and accountability to Parliament; past budget items have been returned along with detailed financial guidelines and specific development cooperation provisions.

It should be stressed that we agreed to rely on EC Treaty Article 179, since a broad definition of cooperation in support of development and a broad choice of action according to geographical and thematic programmes is assured by consensus.

The geographical programmes cover Latin America, Asia, Central Asia, the Middle East and South Africa.

The specified thematic programmes include such programmes as investing in people, management of the environment and sustainable natural resources, including energy resources, participation of non-governmental organisations and local government institutions in the development process, food security and migration, and asylum.

It is gratifying that agreement was reached on basic education and healthcare financing and that more than 20% of the funds allocated to development will be earmarked for this, which is one of the priorities of the European Parliament Committee on Development.

The Commission made a commitment to carry out increased and more precise monitoring of implementation. We regularly felt this was lacking when approving budget implementation.

The Regulation on Financing Instrument for Development Cooperation replaced 16 existing pieces of legislation, which is a good step towards improving and simplifying EU legislation.

I recommend that the Regulation be approved without addition or amendment.

Gabriele Zimmer, *on behalf of the GUE/NGL Group*. – (DE) Mr President, ladies and gentlemen, Mr Mitchell, this House, the Council and the Commission have spent much time wrangling over the future development finance instrument, and have actually ended up finding a largely sustainable compromise. The intention is that the new instrument should help us to achieve the Millennium Development Goals, thus forwarding a very important objective of which both the committee and this House as a whole have been recurrent defenders, and, in view of the UN's recently-published estimate

of their effectiveness to date, particularly in the fight against poverty, I see the EU as sending out a very important message in that respect.

It is evident that Mr Mitchell's dedication, as rapporteur, and that of the Committee on Development as a whole, to changing the regulation as tabled has very definitely paid off, and so, with compromise in mind, all the groups have held back from tabling amendments, although the rapporteur has not, and I have to say, with some regret, that this is where he comes in for strong criticism from me, for, rather than doing what he said he would and supporting those who want to grapple with the wording of the compromise agreement, Mr Mitchell has himself been tabling the relevant amendments, which I see as being, in many respects, highly problematic and outrageous, in that they demand nothing less than that the reproductive health of women should cease to be a goal in development cooperation; his amendments aimed at deleting Recital 18 and parts of Articles 5 and 12 do not merely do away with the wordings he finds disagreeable, contrary to what he has said, but also have the effect of removing other goals as well, among them the right to give birth free of risk and to generalised access to comprehensive, safe and reliable reproductive sexual health care and services, the reduction of infant mortality and the fight against diseases associated with poverty, particularly HIV/Aids, tuberculosis and malaria. In so doing, he disregards not only the compromise already arrived at, but also world opinion as expressed at the UN conferences on population development, in Cairo, and on the situation of women, held in Beijing, and hence also the WHO's definition. That I regard as a scandal, and I think this House would be making itself look utterly ridiculous if it were to adopt his amendments tomorrow. My group will, as a matter of profound conviction, be voting against them.

I think it makes a great deal of sense to combine the EU's aid options – which have hitherto been highly chaotic – in a single instrument, but this must not have the consequence of important matters simply being dropped. Since the rapporteur is questioning the compromise, I can already tell him that my group will, in future, be asking searching questions about one aspect of the new finance instrument in particular, namely the use of development cooperation resources to fund measures aimed against illegal immigration and used for the stepping up of border controls.

Article 16(2)c introduces into this compromise something that perverts virtually the whole of immigration and asylum policy, which, as formulated elsewhere in Article 16, is a positive approach.

You can be sure that my group, in doing this, will avail itself of one particularly positive aspect of the new instrument, namely the better opportunity given to this House to have direct input alongside the Council and the Commission, at whose insistence, significantly, trade will, in future, be included alongside the funding of development. Notwithstanding the fact that the first words of the new instrument stress the importance of the developing countries' trading capacities, we will be most careful to ensure that we do not embark upon a new decade characterised by the covert promotion of external trade. We will ask searching questions and take a critical line if, in so doing, your sole desire is to help the countries of the Global South to sell Europe the raw materials it needs without let or hindrance, for it is not selling all their raw materials, but rather fair trade with finished goods, that offers southern societies a chance to overcome poverty. A fortnight ago, in the *Financial Times*, Philippe Maystadt, the President of the European Investment Bank, warned that Europe was imposing too stringent conditions on financial arrangements to be able to compete with Chinese or Russian businesses for African raw materials. Where is this argument going? Do we not then end up again tolerating slave labour in order not to lose the race for raw materials? I find it quite remarkable, and a cause for rejoicing, that it is stated in the present financial instrument and in our compromise that the criteria to be met include that of 'decent work' on which the mind of this House is shortly to be expressed by a report. I believe that this sends a very important message in response to calls – which I regard as wrong-headed – for the European Union, in future, to be less exacting in its political criteria in terms of the war on poverty and the advancement of development.

Let us instead use the new instrument, knowing how important coherence and policy are, to offer something better, with bauxite being turned into aluminium locally, using environmentally-friendly methods, by workers working under decent conditions and for living wages. The new instrument will have achieved something if it manages to create the conditions with respect to education and health without which productive economic performance that benefits the local community is not even possible.

Konrad Szymański, on behalf of the UEN Group. – (PL) Mr President, our privileged and wealthy part of the world bears a great deal of responsibility towards those who are starving and have no prospects

of development. Of course, the aid which we provide to these people cannot solve all their problems, some of which have deeper, political causes. However, it can help to resolve crises.

I think that we are unanimous in recognising our humanitarian duties, and this gives us great strength. That is why I am all the more opposed to the introduction of legislation relating to so-called reproductive and sexual rights, which implies our political and financial support for abortion. This proposal was not contained in the initial European Commission draft, and was only introduced in this Parliament.

This sends a very negative signal to those Europeans who have moral objections to abortion and do not want to pay for activities which hide behind the façade of the technical term 'reproductive rights'. After all, it is a means of undermining the common front against poverty and of weakening European integration. Is that really what we want? Can we ignore the consciences of many Christians simply because of the fact that today they are in the minority? Today, we are clearly letting them know that Europe has become a project in which they will no longer play any part. I therefore call on you to support Amendments 1, 2 and 3. Without these amendments, I will not be able to vote in favour of this report.

Hélène Goudin, *on behalf of the IND/DEM Group*. – (SV) Mr President, I see that there is a great eagerness in this Parliament to offer opinions on everything under the sun. Everything from extremely important issues such as chemicals legislation to small ones such as the standardisation of windscreen wipers crop up for consideration. We are now debating the financing instrument for the EU's development cooperation. I am convinced that all my colleagues in the Committee on Development want to see a reduction in world poverty so that vulnerable people around the world can live tolerable lives. I believe that most of my fellow Members desire the same thing. I should like, however, to call on them to stop and think a moment.

Is the EU really doing everything in its power to reduce poverty globally? I find it very difficult to understand how, at one moment, people can sit and recommend aid under the auspices of the EU and then, at the next moment, support subsidies for EU agriculture or a harmful fisheries agreement with a poor African country in which corruption is a major problem. If we really want to help poor and vulnerable people in the world, we should really come at things from another angle. Let us abolish the EU's common agricultural policy and protectionist trade policy and let us stop protecting non-competitive European production. My proposals would obviously not solve all the problems in the world, but I believe that they would be a good start.

Irena Belohorská (NI). – (SK) First of all I would like to state that in my opinion both economic and development cooperation should be included in a single financial instrument underpinned by a double legal basis, namely Articles 179 and 181(a). However, I respect the conclusions of the trilateral meetings which resulted in the original financial instrument being divided into economic and development cooperation.

The instrument used to finance cooperation with industrialised and other high-income countries and territories is financially flexible, and its expanded geographic scope reflects the current situation. It also considers countries that are still on the DAC list to be developing countries despite the fact that they have long since ceased to be ones. This includes countries like Brunei, Taiwan, Singapore, Saudi Arabia, Bahrain, Qatar etc. These nations are important trading partners of the European Union, and it is therefore necessary to expand the existing cooperation with countries such as Japan, South Africa and Australia to include the above-mentioned new countries.

As the countries covered by this financial instrument represent a very mixed bag, it is imperative that all treaties should include clauses on human rights and respect for democratic principles. In my amendments to the report, I have highlighted the need for strengthening the role of the European Parliament.

In conclusion, I am in favour of the European Parliament endorsing every change on the list of industrialised countries and of the Commission being required to assess compliance with the original objectives and costs on a regular basis. Finally, Commissioner, I would like to express my admiration for your work.

Maria Martens (PPE-DE). – (NL) Mr President, since development cooperation has its own Commissioner, its own budget, and its own committee in the European Parliament, and since this House has codecision powers in this area, it has been an important sphere of activity since the beginning of European cooperation. The European Union is right to feel responsible for contributing to peace and

prosperity in countries outside of the Union. The fact that the Commission has made an attempt to make improvements is a good thing. While we invest a great deal, the results are sometimes far from satisfactory. Africa is a case in point, for poverty there even appears to be on the increase. Much needs yet to be done in order to achieve the Millennium Development Objectives.

The Commission's original proposal was meant to improve matters, but was, in fact, extremely disappointing and hardly confidence inspiring. Both the budget for development cooperation and this House's involvement were at risk of being adversely affected. The negotiations were not easy as a result. All credit to Mr Mitchell who has done a fantastic job. The upshot is that a separate development instrument will in any event remain in place, with codecision and with Article 179 as its only legal basis. An agreement has been reached on the priorities of the Millennium Development Objectives within which priority has been given to education and basic health care.

This also includes reproductive health, and I should like to add, also in reaction to Mrs Zimmer, that the amendments have been tabled in order to underline the importance of this issue. It is incorrect to say that Mr Mitchell's amendments are opposed to reproductive health. He states – and I am quoting from his explanatory note to the amendments – that it is too important an issue to handle in two sentences flat, which is saying something completely different. The new financing instrument for development cooperation is set to change the way Parliament works; we will need to focus more on the monitoring and implementation side of programmes. I hope that we can count on the Commission's promised cooperation and openness in this matter.

Miguel Angel Martínez Martínez (PSE). – *(ES)* Mr President, this debate is important because we are going to approve the instrument that will serve as a legal basis for using the resources that the European Union allocates to development cooperation and humanitarian action.

While the Financial Perspective for 2007-2013 reduces the Union's capacity to act in almost all fields, paradoxically, the money available to us for our solidarity with the developing world is not being reduced, but rather it is increasing slightly.

This debate provides a satisfactory end to a process that has lasted an exceptionally long time, having had to overcome serious difficulties. However, the instrument that we will approve has the merit of reaching the House as the result of a consensus between Parliament, the Commission and the Council.

The search for that consensus was the reason for the process taking so long. It was a complicated challenge, since the task was to condense, into one single legal instrument, the more than fifteen previously in force over which the bases for our development cooperation actions were spread.

It was a question of rationalising that task, and Parliament agreed with that. Nevertheless, it had to reject the Commission's initial proposals when, supposedly for the sake of greater efficiency, it came to restricting the House's role, that is to say, to restricting democracy. That was something that Parliament could not accept and our Committee on Development acted with a degree of responsibility that we should be proud of.

Despite what some people claimed, it was not a question of promoting the role of our committee. It was a question of maintaining and increasing the role of Parliament, that is to say, the democratic responsibility of our House, in a field that is important from political and budgetary points of view.

Many of us have had to confront totalitarian powers, which justified their authoritarianism by stating that democracy complicated procedures and made management less efficient. We all know what a fallacy that is, however, and that there can be no efficiency without democratic rules, both when actions are decided upon and when the executive's actions are subject to control.

Thanks to our firmness with regard to the work of the rapporteur, Mr Mitchell, and thanks to all of the groups rallying round, our efforts ended in success. We must thank the British, Austrian and Finnish Presidencies for the understanding they have shown towards our points of view, and also the Commission, which has sought ways to take account of Parliament's demands.

The text of the instrument is consistent with the European consensus on development and with the various strategies that we have been approving, particularly the European strategy for the development of Africa. It is also consistent with the text of the Constitution, which makes solidarity with the countries of the South a constitutional priority for the European Union.

My concern is that, having consolidated Parliament's competences, we are now going to fail to meet the responsibilities conferred on us by the instrument and which are going to require a lot of work on the part of the House, its Committee on Development, its staff, which must be increased, incidentally, if we want to be in a position to take on the work, and, above all, on the part of the parliamentary groups, whose obligations are going to be increased since they will have to contribute to the strategy documents for each country targeted by European Union development cooperation, and in monitoring the programmes that are approved.

We must not end up in the ridiculous position of not being able to meet the obligation that we have worked so hard to obtain from the Community's institutional partners.

Thierry Cornillet (ALDE). – *(FR)* Mr President, it is always a pleasure to welcome a consensus and a good result. I therefore join my fellow Members in doing so. Balance has at last been restored. We have a common legal instrument, expiring in 2013, and we have a mid-term review. We have an appropriate instrument at last. We have avoided confusing different terms: no mention is made of industrialised countries or human rights; only development is referred to. We are able to set clear objectives and point out our political priorities.

We have, at last, an instrument that, as my fellow Members have highlighted, has its legal base in Article 179, which reintroduces the codecision procedure. Never again will the European Parliament be unable to co-decide on a development policy.

We have at last managed to ensure that the financial allocations are linked to different programmes, in order to increase our control. I would therefore like to highlight the work of our rapporteur, Mr Mitchell, and the attention given to this matter by the Commission and the Council.

Mrs Ferrero-Waldner, we have taken due note of the Commission's commitments regarding our role during the mid-term review and relating to the rational anchoring of finances, to the dialogue on strategy papers and, as I would like to point out, to our priorities, namely health and education.

To conclude, I believe that our Parliament will have no problem in adopting this report and in adopting it unamended. I will not waste your time by discussing these amendments, which are certainly out of touch and backward-looking and absurd in every way.

Witold Tomczak (IND/DEM). – *(PL)* Mr President, the idea of the European Union providing aid to nations and countries in need is worthy of our support. However, there are doubts as to whether political issues should be included in cooperation policy as conditions for providing this aid.

I understand the principle of not providing aid to countries that infringe human rights or commit various crimes. However, using cooperation policy as a tool for forcing countries in need to adopt solutions applied in the European Union as a condition for providing aid is to put unlawful pressure on these nations and goes against the idea of solidarity.

We will do more to promote democratic processes if we show, in our own back yard, that we can protect civil rights and freedoms and ensure respect for and the development of the values which have always been part of the European identity. Turning cooperation policy into a weapon for militant feminism, for example, which creates a lot of controversy in Europe itself, will undermine our status and power to act in other parts of the world.

Andreas Mölzer (NI). – *(DE)* Mr President, Commissioner, the goal we have set ourselves – of increasing official development assistance and halving global poverty by 2015 – is an ambitious one, but it has to be said that we are a long way away from achieving it. My view is that development assistance has to be a short-term measure, provided where people have nothing, in regions full of refugees or countries in crisis, for example. In the long term, though, it cannot be a substitute for systems that actually work.

What matters, then, is that recipients of aid be given more power over their own affairs, and that some sort of accountability be required as a means of dealing with corruption and so on. Africa is an example of how the way development cooperation works is not always ideal, and no wonder, when it was often used to promote the donor countries' exports, to shore up dictatorships or to drive states into debt and dependency, so it is not acceptable that China, for example, should encourage states to get back into the indebtedness from which they have only just escaped and become dependent in new ways, merely in order to secure supplies of raw materials. Nor, however, is it acceptable that states should be so keen

to hold out their hands to receive development funds when they are unwilling to take back any of those of their own citizens who have, in droves, sought refuge elsewhere.

Nirj Deva (PPE-DE). – Mr President, I rise to congratulate a number of my colleagues in the Committee on Development, and the rapporteur, Gay Mitchell, in particular, as well as my fellow coordinator, Mrs Martens, and all coordinators of political groups, for having conducted this matter over a period of two years to produce this result.

Why did it take two years, one might ask, given that what we have produced now could have been done in three months? It took all that time because of a very stubborn attitude from a member of the Commission – a ‘commissar’, one might say – who was in a senior position in DG RELEX. It is only because the Commissioners and the Council recognise that the European Parliament is a premier democratic institution, which must be able to criticise legislation and make it accountable.

At a time when the European Parliament and the European institutions are being seen to be remote from our citizens, for the Commission, as it was then, to produce a piece of paper that took away the powers of the Development Committee and the European Parliament to set development policy, was outrageous. It is only because Parliament stood together as one, despite attempts by certain people to divide Members and to have us at each other’s throats, that we succeeded in producing this. I want this on the record because, as a coordinator for the Development Committee, I can say we went through hell trying to get this thing passed in a way in which parliamentary scrutiny, parliamentary control of policy, parliamentary control of strategy papers, parliamentary control of time-limits on legislation and parliamentary control of specific instruments for development policy were all going to be very important.

We must connect with our people, with our constituents, with our voters. To have the Commission come in, as though it had come from Moscow in the old Soviet days, was absurd. I say thank you very much to the Commissioners, Mrs Ferrero-Waldner, in particular, and Mr Michel, for understanding that we have a democratic role to play.

Marie-Arlette Carlotti (PSE). – *(FR)* Mr President, a joint declaration on development, a strategy for Africa, commitments on levels of development aid: the EU has certainly revised its political ambitions upwards in recent years when it comes to development cooperation, and this new financing instrument gives us a tool to match our ambitions. A financing programme over seven years, devoted entirely to international solidarity, really is a great victory for our partners in the South, and it is a great victory for us here in Parliament, because, after two years of locking swords with the Council and the Commission, our main demands have been met. It is a victory in terms of the commitment to allocate at least 20% of appropriations to the education and basic healthcare sectors, in order to increase the pace of progress on the Millennium Goals; it is a victory in terms of the creation of a specific instrument to fund the promotion of human rights and democracy in the countries of the South; and it is a victory in that it limits the scope of the new instrument to the countries of the South alone, in order to ensure that development appropriations are not siphoned off to other policies.

Finally, the provision of a mid-term review for this vital instrument will give us the opportunity to rework it shortly and to make any necessary improvements. It is a pleasant prospect, which now allows us to conclude the process of examining this text in peace. These victories will give rise to others, for example the ongoing negotiations on the programming of the European Development Fund (EDF), which I, as rapporteur, will make every effort to give the same priorities.

Although it is true that, despite our best efforts, we have not managed to achieve the budgetisation of the EDF or to get officially involved in the comitology procedure, in order to keep a closer eye on the implementation of development policy, we should nevertheless be delighted at our many victories, the most important of which is the promotion of a generous view of development policy. In establishing this development cooperation instrument, the European Union is, more than ever, establishing itself as a leader in this field. It was already by far the biggest donor in the world in this domain, and it was already doing more than the rest of the world for international solidarity. From now on, it will do even better!

I believe that, today, Europe can be proud of the fact that it has remained loyal to its values of generosity and solidarity. I, too, would like to echo what has been said, and to thank the rapporteur, Mr Mitchell, all those who have worked towards this result – particularly Mr van den Berg – and all those who have made such valuable contributions to it. I hope that this report will be adopted without amendment.

Toomas Savi (ALDE). – *(ET)* The financial instrument for development cooperation involves a very fragile compromise between the commission, the Council and Parliament. We must also recognise that Parliament's views have largely been taken into consideration during the codecision procedure.

Any proposal to add a new instrument would mean that the instrument would not be implemented from the beginning of the following year, and the aid might not even reach those who need it. The instrument will cover a broad range of developing countries, from the very least developed countries to high-income countries. The instrument will also cover a wide range of topics and include activities that were previously financed from the environment budget.

I am satisfied with the course of the proceedings, during which the European People's Party has removed those motions to amend that contained mention of political institutions, and thus I will offer a brief conclusion. I would like to emphasise once again that the financial instrument for development cooperation is a compromise between institutions, and the slowing of its processing would mean the delaying and interruption of aid, which certainly does not serve the instrument's purpose of promoting democracy and human rights. I therefore support the passing of the report without any amendments.

Georgios Papastamkos (PPE-DE). – *(EL)* Mr President, my intervention refers to Mr Martin's report, whom I must congratulate on his creative contribution. His report refers to the financial instrument for developing cooperation with industrialised countries and territories.

The discussion regarding the institution of the said financial instrument is part of a wider problem that concerns primarily the harmonisation of the European Union's actions in *foro interno*, in *foro externo* and secondarily the cohesion of the European Union's entire foreign activity, whether political, financial or commercial.

In particular, the proposed regulation unites a heterogeneous group of countries as well as a wide range of activities in fields such as economy, commerce, research and scientific cooperation. Distributing resources per field of activity on the one hand, and per country or group of countries on the other, should reflect the European Union's strategic, political, financial and commercial objectives.

Ladies and gentlemen, with respect to the cohesion of European Union's foreign activity I would like to refer to the new trade strategy that the Commissioner on International Trade, announced. Given that this strategy concerns our next steps with important European Union trade partners, is a compatibility issue regarding the European Union's political priorities being raised? Does it connect the range of subject matters covered by the proposed financial instrument with European Union's internal political choices? Moreover, should not it promote even more the European Parliament's active role in the determination of priorities as well as the evaluation of programme effectiveness?

IN THE CHAIR: MRS KAUFMANN

Vice-President

Erika Mann (PSE). – *(DE)* Madam President, Commissioner, ladies and gentlemen, it is a good thing that we are having this joint debate, since we will end up, in future, with a shared legal basis differentiating between developing countries and richer, industrialised nations, and so it is good that we should be discussing this today.

Mr Martin, the rapporteur, was right to point out that we have to seek after a more logical and systematic approach when it comes to defending the European Union's interests in our cooperative efforts with others, and I am glad that the Commission treated with respect his argument that further differentiation is needed, along with consideration of the countries' specific interests, more evaluation, and an early review.

I would like to add a couple of other points, which Mr Papastamkos has already addressed. When this review is carried out, this differentiation must be reflected even more logically in our dealings on the foreign policy and trade policy fronts. What I mean by that is that we currently maintain very intensive relations with certain countries, with free trade agreements and partnership agreements, but the thinking on the basis of which we cooperate using financial instruments is not always in line with our thinking about policy.

It follows that we should strive after greater strategic depth in financial cooperation too, for there is no point in having free trade agreements – with Mexico or Chile, for example – and having more of their

kind in mind for the future, while not being logical in our cooperation; it is just as illogical to deny the least developed countries more intensive support than that given to those that are already on their way up and can be described as emerging. It is in just this way that we need to become more specific in future, and I might add that that also involves Parliament being consulted not only on the financial instruments as part of the codecision procedure, but also as soon as dialogue towards the conclusion of bilateral agreements is embarked on, and that its agreement shall be an indispensable requirement, for this House's involvement will otherwise result only, in the final analysis, in a wedge being driven between the Commission and the Member States, and that will make full and democratic support quite simply impossible.

I would like to ask the Commissioner, as a matter of urgency, to stress, in the debates involving the Commission and the Member States, the necessity of Parliament's approval being given in all areas, so that our system of values – about which we talk unceasingly – may remain intact not only when we talk about other countries, but also when we make policy for ourselves.

Jana Hybášková (PPE-DE). – (CS) Madam President, Commissioner, I should like to thank Mr Mitchell and the coordinators, and to congratulate them for managing to assert, through shared moral values, the will of a directly elected Parliament, which they have achieved in part thanks to our support. Development cooperation must lead to development and not to stagnation. It must lead to the rule of law, to the development of a free economy and, in turn, to pluralism in decision-making and respect for human rights.

As many countries in the world have shown, economic development is not in itself sufficient. The pursuit of economic openness and rapid economic development is not enough when, in the absence of the rule of law, there is political stagnation, a closed society, corruption and the usurpation of power. Economic development of this kind leads to serious political failures and security problems, and ends in terrorism.

We in Parliament have at our disposal an instrument whereby we can place conditions on development aid, guiding and earmarking it so that criteria are properly met and genuine development is achieved. This instrument lays down precise financial conditions and provides for precisely controlled funding for development programmes, including those of non-state beneficiaries and local authorities. With everyone better off, it will be possible for Parliament to influence the final form of national strategic documents and to assess their implementation. Speaking as a member of the Executive Committee of the World Movement for Democracy, I welcome the possibility of promoting genuine democracy via our democratically elected Parliament. I should just like to promise that, in common with the other Members of this House, I shall make every effort to ensure that we work effectively in conjunction with the Commission and the Council to achieve development throughout the world.

Proinsias De Rossa (PSE). – Madam President, I would like to congratulate Mr Mitchell and Mr Van den Berg on their excellent work on the development cooperation instrument. I have to say, though, that I strongly oppose the amendments put forward by Mr Mitchell on recital 18, Article 5 and Article 12.

In a few days' time we will not have a separate line for the funding of sexual and reproductive health rights and I think it would be a grave injustice, in particular to the women who are at risk from very serious illnesses in maternity, to remove these references. We are committed in various agreements already made by the European Parliament with the Commission, with the Council and in international agreements, to precisely the language that is contained already in this DCI, and it strikes me as disingenuous for Mr Mitchell to offer by way of explanation for these amendments the assertion that these matters cannot be dealt with in two lines.

These issues have been debated *ad nauseam* by this House and by most national parliaments and the outcome is always the same in this Parliament. This Parliament stands behind the rights of people to choose independently their sexual activity, their sexual proclivities and their right to proper health services and to prevent the appalling death toll of something like 90 000 women who die annually as a result of backstreet abortions. We need to end that and I believe we should leave the report as it stands.

Justas Vincas Paleckis (PSE). – (LT) Today the congratulations are ringing out particularly loudly for rapporteur Mrs Mitchell, who has achieved a good compromise after two years of negotiations with the Council over a very important matter. For the first time we have a definition of development policy that allows resources for the support of development cooperation to be directed only to those countries that are most in need of them. One fifth of the funds will go to the areas of healthcare and education, which

is socially equitable support for countries trying to liberate themselves from the stranglehold of poverty, disease and inadequate education.

It is very important that Parliament will be able to exercise ongoing control and to have an effect on the allocation of funds. The compromise which is being worked out shows that this is essential.

I believe that developing countries will hail this constructive step of the European Parliament and the European Commission, which enables us to hope that the funding of EUR 17 billion will be allocated thoughtfully, with maximum benefit to people facing the greatest adversity. It is important to spread this news within European Union countries as well, particularly in the new Member States.

Eoin Ryan (UEN). – Madam President, I, too, would like to congratulate Mr Mitchell and Mr van den Berg on the success of this report, which focuses on simplifying how EU aid would be spent in developing countries. I also would like to state that unfortunately I will not be able to support the amendments that Mr Mitchell has tabled, for the same reasons as outlined by Mr De Rossa. As he said, this is an issue that has been gone over on a number of occasions, both within Parliament and internationally. I believe that we should stick to the agreements that have been there since Cairo.

‘The US fights, the UN feeds and the EU funds’. Those are the words of a French international affairs student. However unfair, that paints a picture of the importance of the EU to developing countries. In recent years, the world has been tragically hit by disasters such as tsunamis, earthquakes in Pakistan and the recent flooding in Bangladesh. The United Nations fund CERF was designed to fund and provide a rapid response to any sudden global emergencies and to provide critical funding which has already been put in place by international donors. In the first five months of this year, CERF has provided EUR 200 million to more than 320 projects in 26 countries. However, ECHO has refused to contribute to CERF to date, arguing that it has its own rapid funding mechanism for swift and even-handed funding in emergencies. I would argue: what is the point in having two funds supposedly achieving the same goals? Why not have one central fund which deals with these emergencies?

I would urge the EU Commissioner for Humanitarian Aid, Mr Michel, to open a line of discussions with the United Nations to streamline the global response to international emergencies. Bureaucracy must not get in the way of saving people’s lives, because that is what we are talking about. Let us not fight over two different funding blocs when the aim is to feed and fund the people who have been hit by disasters as quickly as we possibly can.

Benita Ferrero-Waldner, Member of the Commission. Madam President, I wish to thank you once again for this closing debate. We had long negotiations, which at times were not easy, many formal and informal dialogues. As always, every party has to make its points clear, and sometimes that takes time. However, the important thing is that we get a good result in the end. I have listened very carefully to all of you and I think we can all live with this result and we can look to the future. There is now a new set of financial instruments and we want to ensure better external action and better visibility in favour of development, stability and human rights.

Let me now say a few words about some specific items mentioned in the debate. On the question of sexual and reproductive health and rights, I am aware that the issue is of a *very* sensitive nature wherever it has come up in all the different fora. It becomes an even more complex matter in a Union of 25 Member States, all of which have their own different traditions. For this reason, the respective provisions in the Development Cooperation Instrument represent a finely balanced compromise, which I admit was difficult to achieve and which should not be reopened. These provisions are largely taken from the old regulation on aid for actions on sexual and reproductive health and rights in developing countries. Hence, these provisions already reflect a certain consensus as the old regulation was approved by Parliament in codecision. Transferring the issue from the Development Cooperation Instrument to a separate regulation would not facilitate the problem, but rather protract the discussions on this very sensitive matter. Such a solution would also go against the aim of simplification, which was the guiding principle for the reform of the external action instruments. The respective provisions on the Development Cooperation Instrument reflect a balanced compromise, which most likely would not be improved by regulating the issue of sexual and reproductive health in a separate regulation.

I should also like to say a word on the question of the main thrust. The Commission reaffirms that eradication of poverty and the pursuit of the Millennium Development Goals are at the core of the primary objective of its development assistance. The Commission commits itself to prioritising basic health and education and social cohesion as a whole in its programming and implementing role for

country programmes. Moreover, the Commission will endeavour to ensure that a benchmark of 20% of its allocated assistance under country programmes covered by the DCI will be dedicated by the year of review, 2009, to basic and secondary education and basic health care.

But I also have to say that the DCI also contains a thematic programme on migration and asylum, which is the successor of the old AENEAS programme. The contents of this thematic programme are the expression again of a finely balanced compromise, in particular with the Member States in the Council. In the light of the challenges which the European Union is currently facing in the field of migration, the thematic programmes will respond to those needs. Indeed the root causes of migration will primarily be addressed through our geographic cooperation – I have just spoken about that. Those who have prospects will not migrate, but there are many others. It is combating illegal migration on the one hand, and working for legal migration on the other. We must not close our eyes to the fact that migration, and especially illegal migration, is one of the big challenges of our time that we have to face.

I look forward to putting those instruments to work, together with you. We have to look to the future. One of the most challenging questions throughout the negotiations on these new co-decided instruments was the role of Parliament in the strategic planning, as expressed in the strategy papers. Based on the declarations attached for the interinstitutional agreement on the new financial perspectives, the modalities of a democratic scrutiny dialogue have been fleshed out in an exchange of letters with the committees concerned. The first pilot country strategy paper will soon arrive in Parliament. We now look forward to the implementation of that democratic scrutiny dialogue.

Regarding the ICI, I should like to say to Mr Martin and Mrs Mann that, as you know, the legal base is Article 181(a) of the EC Treaty, which foresees the consultation procedure with Parliament in the legislative process. But of course the Commission is always ready to exchange views with Parliament on aspects of cooperation with industrialised countries too. We will certainly take the utmost account of any resolution that Parliament might adopt in that respect.

If, in the developing countries, we have not yet always seen the results we wanted to see, that is also because sometimes good governance has not yet been achieved. That is another very important factor I should like to highlight because we are providing a lot of funding and we try to do our best. Unfortunately, however, sometimes good governance is not there.

In conclusion, negotiations are always complicated, but what we wanted to have was simplification. It is so important to simplify in order to achieve visibility and efficiency. Reducing more than 40 different legislative instruments to seven policy-driven instruments has been difficult but I believe that in the end it has been a rewarding challenge. Three new instruments are already in force: pre-accession, the neighbourhood policy instrument and the stability instrument. Four instruments will be adopted shortly: the DCI and the ICI, the nuclear safety and the human rights and democracy instruments. Everyone who has spoken today of the positive results of our negotiations on the DCI and the ICI has also seen that.

What this whole exercise has shown is that if we, the three institutions – the Commission, the Council and Parliament – work together in a constructive manner, in the end we can produce results of quality. Again, I look forward to working together with you to secure a really good, efficient and visible implementation.

President. The debate is closed.

The vote will take place at noon today.

9. Protection of groundwater against pollution and deterioration (debate)

President. The next item is the report (A6-0446/2006) by Mrs Klaß on behalf of the Parliament and Council delegation to the Conciliation Committee on the protection of groundwater against pollution (PE-CONS 3658/2006 – C6-8209;0382/2006 – 2003/0210(COD)).

Christa Klaß (PPE-DE), rapporteur. – (DE) Madam President, Commissioner, Members of the Commission, ladies and gentlemen, the environment is a broad field; all human life on our continent is dependent on both air and water, and groundwater is among the most important and most vulnerable resources that we humans possess. It recovers lost quantity only very slowly, and regains its original

state only very slowly after pollution; cleaning polluted groundwater can be done, if at all, only at enormous expense and with recourse to enormous technical resources.

Our experience with air is currently teaching us that all the measures we have taken over the past decade have proved insufficient to prevent climate change and all its deleterious side-effects. Where air is concerned, we in Europe can accomplish relatively little unless other industrial states around the world lend a hand. Where groundwater is concerned, here in Europe, we alone have the power to secure this precious good for future generations, and in that the precautions we take and the protection of the groundwater ecosystem are of the utmost importance.

This has been my core concern, the thing for which I, as rapporteur, have fought, and I am grateful to all those who have supported me in this, by which I mean primarily you, the Members of this House, for, without your convincing votes at first and second reading, we would not have been able to achieve the result that we did in the conciliation negotiations with the Council, even though we had the Commission's support. I would like to thank the Council and the representatives of the Commission for their constructive cooperation and for their support in the quest for compromises.

What, then, have we achieved? The protection of the groundwater ecosystem and the precautionary approach have been explicitly included, the latter of which meaning, with regard to groundwater, that water that is still clean must be kept in good or very good condition. It means not leaving action until the conditions defined by the limit and threshold values as 'poor' have already come about. The reversal of trends and deterioration are regulated in such a way that not only the transition from good to poor conditions, but also ongoing increases in values within a category are considered and have to trigger action. When laying down the threshold values for the materials described in part B of Annex 2, the Member States shall be required to take account of knowledge concerning toxicity to humans and the environment as well as of hydrological conditions, in other words, of background levels, in order to be able to take better account of the differing conditions from one European region to another.

For the purpose of reviewing the effectiveness of these measures, the introduction of a review clause was especially important. The observation on the Nitrate Directive in Annex 1 was deleted and the reference to it in Annex 4 has been expanded. The targets for protection and repair laid down by the Nitrate Directive and the Water Framework Directive in conjunction with this Groundwater Directive, which is derived from them, are comparatively stringent, and the new Article 11, on evaluation, is important in this regard. The Commission's reports on groundwater must include an assessment of this directive in its relation to other relevant environmental legislation – such as the Nitrate Directive – and of the degree to which it is in harmony with it. The wording of the directive has now been made clearer and less ambiguous, with concepts such as 'background concentration', 'starting point', or 'significant upward trend' being defined, and requirements that are unclear or open to reinterpretation being deleted. Where its implementation is concerned, the Member States are allowed more scope for devising their own solutions, with the possibility left open of contractual agreements between, for example, farmers, water treatment companies, and local authorities, and, when the directive is adapted in future, this House will be allowed more scope for its own input, since the new comitology procedure enables it to raise objections when the lists of pollutants, indicators and limit values are altered, and its consent is required before specific substances can be deleted from the list.

The rural development regulation makes it possible for agriculturalists to be compensated for losses of income sustained by them in consequence of constraints imposed on their management of their land in order to protect groundwater. We sought compromises, and we have managed to find them. I am firmly convinced that we will be able to sustain and defend all this. There are some irregularities remaining in the various language versions, and I ask the language service to iron them out. The new groundwater directive will be an effective aid in protecting our groundwater, and so I ask all of you to vote to accept that which has emerged from the Conciliation Committee.

Stavros Dimas, *Member of the Commission*. (EL) Mr President, I would like to both congratulate and thank the Parliament delegation that participated in the Conciliation Committee on 17 October. In particular I would like to thank Mrs Roth-Behrendt, who chaired the Parliament delegation and rapporteur Mrs Klass on their outstanding work and the result they achieved.

The Conciliation Committee's discussions were constructive. As stated before by Mrs Klass, Parliament achieved positive results on certain important issues, especially on the vital issues of prevention of deterioration of groundwater and establishing quality standards for groundwater. I am positive that Parliament will endorse the good results achieved by its delegation.

The European Commission supports the document that was adopted by the Conciliation Committee.

Péter Olajos, *on behalf of the PPE-DE Group.* – (HU) When I entered the European Parliament two and a half years ago, I must admit I was afraid my fellow Members and I would become part of a Babelish confusion, and in fact, we would be able to do very little in terms of making decisions affecting half a billion citizens in Europe.

Well, now I am standing here and I can say that yesterday we helped to deliver the new chemical industry law, and today I may be actively involved in delivering another piece of legislation offering great hope: the law on groundwater protection. I have spoken a great deal with Mrs Klaß, whom I would like to thank at this point for her selfless efforts, about how important and significant this law is. About how we cannot be allowed to pollute the water we drink, without which life on Earth cannot be sustained.

It is not that anyone would have argued against the principle of it, but when it got down to the nitty-gritty, touching on actual cooperation between Member States, nitrate limit values and protection zones, some countries started giving their own interests priority over the Community's interests.

Finally, however, common sense prevailed and the agreement was adopted. As a result of the successful 'trialogues', every citizen in Europe, regardless of whether their country shares a groundwater base with another country or not, is now in the same position, and will be able to enjoy a considerably higher level of water quality and safety than before.

It is now up to the Member States as to how they implement this law, how they integrate groundwater protection into their rural development policy and how they encourage agricultural practices to be adapted to this new directive. Congratulations to Mrs Klaß, the Commission and Council on this water protection law which is of great importance to Europe.

María Sornosa Martínez, *on behalf of the PSE Group.* – (ES) Madam President, Commissioner, ladies and gentlemen, I would like firstly to congratulate Mrs Klaß and the other Members for their work on the drawing up of this report. I believe the result to be positive, thanks to the work of this House, which has improved it considerably, to the efforts that the Commission has made in helping us, and also, lastly, to the understanding of the Council in the Conciliation Committee.

Groundwater provides around 65% of all of Europe's drinking water. The fact that we have obtained a definition of deterioration and that precaution and prevention are now seen as a principle, is really very positive. In order to protect the environment as a whole and human health in particular, we must prevent and reduce the dangerous concentration of harmful pollutants in groundwater, I believe that this Directive is moving very much in the right direction.

The quality of water and, hence, the health of human beings are threatened by the presence of high concentrations of nitrates, pesticides, heavy metals, hydrocarbons and a long list of pollutants. I am therefore particularly pleased with the agreement that we have reached with the Council, which will make it possible to implement a whole series of rules for preventing pollution and protecting groundwater.

These rules will oblige the Member States to prevent or restrict the entry of dangerous substances into groundwater, and in this field it is also very important that we take account of the different hydro-geological conditions in the different regions of Europe, because soil that continuously receives water is not the same as dry soil, which faces other kinds of problems.

Furthermore, I would like to stress the possibility for the Member States to establish protection areas of a size that the water authority, or other competent national body, considers necessary in order to protect drinking water supplies. I believe that this is one of the most important elements to have been introduced.

I would like to end by calling on the Members to vote in favour of this report and I hope that the States will implement these measures as soon as possible, with a view to preserving the environment and protecting human health, thereby moving us in the direction of the sustainable Europe that we all want to see.

Marios Matsakis, *on behalf of the ALDE Group.* – Madam President, Commissioner, my congratulations to the rapporteur Mrs Klaß, the EP delegation chairwoman, Mrs Roth-Behrendt, Commissioner Dimas, the Council and all those who have made it possible for this directive to go through conciliation successfully.

Many will say that this directive is long overdue, and they are most probably right. But, as my English colleagues wisely say, better late than never. Many will also say that this directive does not go far enough in ensuring the utmost protection of our groundwater and they, too, are probably right; but when the issue at hand is so complicated and when the stakes and stakeholders involved are so numerous and significant, the need for an agreed compromise is paramount and essential. Indeed, some compromises were made, for example on nitrates and on the revision clause period, but these were part of an overall balanced and fair agreement.

On the other hand, issues like the protection of public health being sufficient justification for laying down more stringent limit values for pollutants such as pesticides were correctly re-emphasised in the directive. Additionally, and most significantly, reference to the water framework directive was justifiably included in a recital. But, perhaps most significantly, the EP delegation secured a broader role for Parliament in future decision-making and consequently a role in overall surveillance of correct and adequate implementation. Indeed, implementation is an area where I feel that weaknesses may emerge and it cannot be emphasised too strongly that a watchful eye and strict adherence to the rules and regulations must be achieved if we are to secure high quality of our valuable groundwater reserves for ourselves and for future generations of Europeans.

In conclusion, we have before us a balanced and most satisfactory compromise that deserves our full and undivided support.

Hiltrud Breyer, *on behalf of the Verts/ALE Group.* – (DE) Madam President, ladies and gentlemen, Mrs Klaß, Commissioner, that the groundwater directive has not been watered down amounts to a tremendous success, and the proposals now made are a real step in the right direction, although we would, of course, have expected even more.

As we know, 80% of all drinking water is derived from groundwater, but 40% of Europe's groundwater is already polluted. In Germany, the pollution of rivers in North Rhine-Westphalia and Bavaria through fluorinated tensides has made it abundantly clear in just what peril our number one nutrient now is. That the groundwater directive now contains a legally binding ban on the introduction of pollutants into groundwater must be counted a success, and it is to be hoped that this will bring in strict and efficient measures for sustainable water protection.

It is cause for rejoicing that Parliament has torn up the 'shopping list' of derogations from second reading, and fortunate that the agricultural lobby's feeble excuses for upper limits on nitrate have been thrown out; even farmers have to comply with the 50 microgram/litre tolerance limit, which is not actually that much to expect of them. Nitrate is associated with cancer, and it has been found in Germany in concentrations of up to seven times those that are permitted, which makes it abundantly clear just how disturbing the situation is.

If this precious resource of ours is to be effectively protected, what we could actually do with is a limit value of less than 25 micrograms per litre. Nitrates pollution continues to be the biggest and the most expensive problem where the protection of European groundwater is concerned, and so I regard it as seriously negligent of this House, and the Council too, to fail to push the case for protection against nitrates in order to set ambitious targets for it, but the fact that it has been confirmed and laid down that groundwater is, as such, to be protected, constitutes a major triumph.

We still know too little about the characteristics of our ecosystem, for preventive protection of groundwater is ten times as beneficial as measures to clear up the damage after it has been done, which are, in many cases, impossible. We need to adopt the groundwater directive, and it must be the starting point for further measures to protect the environment. In the forthcoming process of producing legislation on pesticides, I shall, in my capacity as rapporteur for the Committee on the Environment, be paying very special attention to the maximum quantities of pesticides in groundwater, for it is important that that be dealt with if the groundwater is to be better protected.

Leopold Józef Rutowicz, *on behalf of the UEN Group.* – (PL) Madam President, the Directive on the protection of groundwater from pollution and deterioration is a necessary document. It will have a positive effect on access to drinking water and water used in farming and industry, of which there is a shortage in many regions within the European Union.

Water is an economic and humanitarian matter in these regions. Water shortages and the poor quality of the water available mean that it often needs to be delivered to holdings, where people work and live, from places ranging from a few to more than a dozen kilometres away.

The Directive does not restrict the implementation of national policies, which take into account the specific circumstances of individual countries. It is a document which represents a compromise between our wishes and reality. In its approved form, it is a document that is worth adopting. I would like to thank the rapporteur, Mrs Klač, for her work. The UEN Group will support the jointly approved text of the Directive.

Johannes Blokland, on behalf of the IND/DEM Group. – (NL) Madam President, I too should like to congratulate Mrs Klač warmly on the result achieved. Although the circumstances with regard to groundwater can be very different and the effects do not always extend across the border, it is useful nevertheless to have the prospect of a sound groundwater directive. We have even managed to bring in the more ambitious requirement that the quality of groundwater should not deteriorate, and so, rather than fighting a running battle, we really are clamping down on pollution.

I am pleased that the directive has taken into consideration the specific protection measures that are already in place in some Member States, and I say that with particular reference to Denmark, which applies strict standards for pesticides on account of the fact that groundwater is used directly as drinking water.

Although the Treaty already provides for this, it is good that this directive explicitly confirms that Member States are allowed to take further action.

Finally, I should like to add that the option of withdrawing the current Nitrate Directive should be given serious consideration. The objective, a limit value for nitrate, has already been laid down. An effective regulation for the measuring method is also in place now. The Nitrate Directive is now only about the means to achieve this end. As I see it, the means should remain secondary to the end. The mother can now throw away the bathwater with confidence, because the baby has now been washed, the mother, of course, being the framework directive on water, the bathwater being the Nitrate Directive and the daughter being the Groundwater Directive.

James Hugh Allister (NI). – Madam President, the Commission, the Council and Parliament have all talked much of better regulation and removing duplication. Yet here we have a new groundwater directive not to consolidate or replace, but to supplement, the existing directives: the Water Framework Directive and the Nitrates Directive.

The overregulated farmer, instead of having one clear-cut directive with which to comply, has to contend with aspects of four directives on this subject. So, far from the promised rationalisation of legislation, we seem to be seeing more proliferation. As for the assurance that loss of income suffered by farmers as a result of restriction on farming practices can be offset under the Rural Development Regulation, that is of no comfort in a country like the United Kingdom, where a large part of the funding for rural development is coming from the farmers themselves, through top-slicing their single farm payments via the misnamed ‘voluntary modulation’.

Richard Seeber (PPE-DE). – (DE) Madam President, I, too, would like to thank Mrs Klač for the outstanding work she has done. When one first comes to the subject, one asks oneself who actually can be opposed to the protection of groundwater; one ought, of course, to immediately answer that question with ‘nobody’, but, as we see, we have among us a number of Members from the United Kingdom who still take the view that these are rules and regulations of which we have no need.

It must, though, be clear to anyone that our primary source of sustenance, on which we depend for our existence more than on anything else, needs to be protected. Perhaps the news has reached even the United Kingdom that groundwater does not stop at national borders, and that is why we have the task of enacting regulations applicable to Europe as a whole. What is being taken here is a first step, and in that respect at any rate, Mrs Breyer has got it right. We must keep on working on this, but let us just remember that we have laid down standard values for pesticides and for nitrates, and the Member States are mandated to specify, subject to their own national circumstances, limit values for ten other pollutants. We have managed, through tough negotiations, to bring in a prohibition of deterioration. All these things are milestones as we journey in the right direction, and it really would be completely wrong to say that Europe is doing nothing in this area.

Perhaps I might also point out that it is now, in fact, possible to use European funds to compensate for the losses in income of which some Members have spoken, and so, in other words, the European Union is helping, by making the necessary funds available, the farmers, some of whom would certainly find implementing this problematic. It is also for the Member States to put in place comparable rules by way of standardised measurement and testing procedures. As I see it, we have taken a very good step in the right direction, but it is only a first step, and we have more work to do. I think it would be fundamentally wrong to demand 'less Europe' in this area.

Karin Scheele (PSE). – *(DE)* Madam President, I too would like to join in the congratulations to our rapporteur, Mrs Klač; the adoption of this compromise from the conciliation committee brings us to the end of the process of legislating on this extremely important matter.

Groundwater is the most vulnerable of the European Union's fresh water resources, and is one of the main sources for the public water supply not only in my own country but also in many other European regions. Uniform standards for the most important pollutants, applicable right across Europe, are essential to the protection of our groundwater, for it is these alone that can prevent distortions of competition and environmental dumping. This directive lays down limit values for nitrates and pesticides right across Europe, leaving it to the Member States to bring in their own threshold values for other pollutants such as arsenic, mercury, lead and chlorine.

The limit value laid down for nitrate is 50 mg. It is fortunate that this House's demands, and the pressure it brought to bear, meant that the derogations provided in the Common Position in respect of agricultural activities could be deleted, for it is still the case that agriculture is primarily responsible for the pollution of our groundwater in many European regions, and if it is to be better protected, the practices of those engaged in agriculture and forestry in many parts of Europe will have to change.

The directive on the protection of groundwater obliges the Member States to take all action necessary to prevent hazardous substances finding their way into groundwater. That they will in future be obliged to actually take these steps and will no longer be allowed merely to aim to do so is another of the significant triumphs of the conciliation process.

Even though the right of the Member States to take more stringent measures is already specified in the treaties, I am delighted that this principle has once again been explicitly entrenched in the groundwater directive.

Anne Laperrouze (ALDE). – *(FR)* Madam President, Commissioner, ladies and gentlemen, water is one of the most abundant resources on the planet: the oceans and seas cover 70% of the Earth's surface and produce three quarters of the oxygen we breathe. However, we can only actually use 1% of this water, and many human activities are putting a major strain on the resource. Polluted water, regardless of where the pollution comes from, gets back into nature one way or another, and is therefore liable to harm human health and the environment.

This proposal for a directive is a step forward for the protection of groundwater and in preventing its deterioration, because it provides for compliance with the precautionary principle, specifically in Article 6. It will now be the responsibility of the Member States to take the necessary measures to prevent and limit the discharge of hazardous substances by defining zones to guarantee the protection of the bodies of water in question. Farmers will be able to obtain compensation to cover the loss of revenue attributable to the obligations imposed in the protection zones, particularly in drinking water catchment zones. Parliament will also be more deeply involved in future decisions, because it will be able to oppose amendments to the list of pollutants.

I would therefore like to thank our rapporteur, Mrs Klač, and Mr Florenz and Mrs Roth-Behrendt for the tenacity they demonstrated during the negotiations with the Council and the Commission. Parliament's delegation succeeded in toughening the obligations imposed on Member States with regard to the protection of groundwater. Under these circumstances, I recommend that we adopt the joint draft at third reading.

Carl Schlyter (Verts/ALE). – *(SV)* Madam President, we have reached agreement, and it is now important that these things be properly implemented. I should, of course, have liked the Member States to have been forced to take measures whenever a tendency to exceed the limit values is noted instead of once we have already damaged the groundwater irreparably. In spite of everything, however, this compromise has its advantages. I am particularly pleased about the opportunity it gives countries to ban

dangerous chemicals throughout their territories in order to protect their drinking water. I think that this is a good addition.

We must remember that, in the future, it is climate change that may be still more of a factor in destroying the groundwater. It is important for us to take measures to combat climate change, as a further problem will arise if there are floods that sweep through, for example, poison stores in factories, causing the poison to end up in our watercourses and then to sink down into the groundwater. Firstly, then, we need the Groundwater Directive, but we must solve the climate problems if we are to have a chance of protecting the groundwater in the future.

Kathy Sinnott (IND/DEM). – Madam President, I also wish to thank Mrs Klač and the parliamentary team. At this stage in the process so much has been said that I shall use this minute to recall some basics on groundwater.

It is important to remember that groundwater is very different to surface water, which moves in a continuously renewing cycle of flow, evaporation, precipitation and flow. Only some groundwater is renewable and it can take water a very long time to percolate through the layers of the Earth's crust to renew the underground source which we can so quickly deplete. Some sources of groundwater are not renewable. We sink wells which, once exploited, go dry.

Lastly, pollution works in two ways. Groundwater may be safe to use or it may not. During the UN International Water Decade in the 1980s, deep bore wells were drilled in parts of water-starved India. By the end of the decade people were beginning to show symptoms of skeletal sclerosis. Now six million people suffer from severe skeletal sclerosis and 66 million to a lesser degree from naturally contaminated water. As we search for more sources of water, it is important that groundwater be protected from pollution, but it is also important to remember that protection from pollution works two ways.

Proinsias De Rossa (PSE). – Madam President, I want to thank the rapporteur, Mrs Klač, and the Chair of the Conciliation Committee, Mrs Roth-Behrendt, for this very good report and for the agreement that was achieved with the Council. Clean water is, clearly, vital to life, and we are fortunate in Europe to have, at least relatively speaking, an abundant supply. We must maintain, and indeed improve, the quality of that supply, reversing the damage already done. I believe that in Ireland, in particular, considerable damage has been done by illegal landfill sites and the abundant spreading of pig slurry by farmers on land.

Despite the concessions made to the Council, I still believe we have a strong defence of the environment and water supply here. The key points are the 'protection against deterioration' requirement on Member States, the requirement that nitrate quality standards be consistent with the Water Framework Directive and the requirement for a revision to be carried out every six years.

Finally, I want to refer to the enhanced role of Parliament under the new comitology procedure.

President. The debate is closed.

The vote will take place at noon today.

(The sitting was suspended at 11.00 p.m. and resumed at 11.30 p.m.)

IN THE CHAIR: MR BORRELL FONTELLES

President

10. Welcome

President. I would like to welcome to the official gallery a delegation from the Afghan Parliament led by the President of the National Assembly of Afghanistan, Mr Mohammad Yonus Qanoni.

(Loud applause)

Mr Mohammad Yonus Qanoni is accompanied by four other Members of the Afghan Parliament. Tomorrow I will have the pleasure of meeting this delegation personally. It has already held an exchange of views with the Committee on Foreign Affairs and the Committee on Development.

We welcome you most warmly and we would invite you to remain in the gallery for the award of the Sakharov Prize to Mr Milinkievitch and, later on, the important debate on the European Union's annual report on human rights.

11. Voting time

11.1. Nomination of the Bulgarian Commissioner (vote)

President. The next item is the vote.

(For results and other details of the vote: see Minutes)

We shall begin with the proposals for decisions on the appointments of the new Commissioners nominated by Bulgaria and Romania, respectively. The President of the Commission, Mr Barroso, will speak on its behalf.

José Manuel Barroso, President of the Commission. Mr President, today you are asked to give your opinion on the appointment of the two Commissioners that have been nominated by Bulgaria and Romania, Mrs Meglena Kuneva and Mr Leonard Orban. It is the first time that an accession treaty explicitly makes provision for consultation of the European Parliament on the appointment of Commissioners from new Member States. I very much welcome this important role given to your institution as it increases both the democratic rights of Parliament and the Commission's accountability.

I stand here before you today to ask for your approval of our two new colleagues. I do this because I sincerely believe that they both fulfil the highest standards. The approval by the European Parliament of the appointment of the two Commissioners-designate will allow the Council to formally appoint them. Mrs Kuneva and Mr Orban will thus become full Members of the Commission as of 1 January 2007.

As Commission President I am particularly happy and proud that Mrs Kuneva and Mr Orban – two remarkable personalities – will join my team. Both have worked incredibly hard to help their countries to successfully complete their final preparations for accession. With their experience and their European conviction, both will bring a valuable contribution to the collegial work of the Commission on moving Europe forward, including the institutional settlement necessary to ensure a more democratic, transparent and efficient Europe.

In the course of the last weeks many of you had the opportunity to get to know the two Commissioners-designate, be it in a bilateral context or through the hearings. Mrs Kuneva and Mr Orban have successfully passed in the relevant parliamentary committees. It is my firm belief that both candidates in the course of the hearings proved their personal integrity and independence, their general competence and professional experience, as well as their deep and genuine European commitment.

The promotion of linguistic and cultural diversity in the European Union touches the very substance of our European values and identity and is the prerequisite for communicating Europe and multicultural dialogue. I am sure that Mr Orban is the right person to do this job.

The protection of consumer rights is central to the interests of each and every one of our citizens. I am sure that Mrs Kuneva is the best person to do this.

1 January 2007 will be a truly historic moment. The accession of Bulgaria and Romania will complete the fifth enlargement of the European Union. Enlargement has not only contributed to peace, prosperity and stability throughout Europe but has also made all of us richer socially, economically, and culturally. With Bulgaria and Romania becoming members of the European Union, we will see the fulfilment of the ambitions and hopes of so many people who have fought for freedom in Europe for so long.

The new Member States will now be firmly anchored in the community of European values which inform and permeate the public purpose of the European Union. Their rightful place at the heart of this community will give them new confidence and new dynamism which I am sure will generate benefits for the whole of our Union.

(Applause)

Hans-Gert Poettering, *on behalf of the PPE-DE Group*. – (DE) Mr President, I am, quite honestly, surprised at being called on to speak right now, but life is always full of surprises. I was very glad to hear what the President of the Commission had to say: the hearings have been held, and the result is that both Mrs Kuneva and Mr Orban have met with the approval of the relevant committees. It is for me an honour and a joy to be able to affirm these two Commissioners; we, in the Group of the European People's Party (Christian Democrats) and European Democrats will endeavour to work very well with both of them. We have the goodwill to do so, and we say 'yes' to the appointment of both of them.

(Applause)

Martin Schulz, *on behalf of the PSE Group*. – (DE) Mr President, ladies and gentlemen, the hearing of members of the Commission is an important prerogative of this House; it is one that we take seriously, and it appears to us that the Commission does so too. It is for that reason that Mr Vosgenian, the first Romanian candidate, did not even get as far as a hearing that he would not have got through, and you, Mr President of the Commission, did the right thing in learning from that and taking action to get another candidate; that shows that Europe's democratic structures work when the institutions take their roles seriously.

Far from being a formality, these hearings are a real testing process, and the Socialist Group in this House believes that both candidates, Mrs Kuneva and Mr Orban, have come through it well, and that they are equal to the task allotted to them, and so we will be voting in favour of both of them being appointed.

Even so, it still has to be said that the letter you, Mr Barroso, wrote in response to our questions, does nothing to make it any the clearer precisely what portfolio has been allocated to Mr Orban, and that shows that the search for a portfolio in a Commission consisting of 27 members can be interpreted to mean only that this Commission is being formed on the basis of the Treaty of Nice, a treaty that was, in the opinion of those who drafted it, not even suitable for 15 states, and it certainly does not work for 27 of them.

(Applause)

Institutionally speaking, then, we have reached our limit. This criticism must neither be held back nor taken to be directed at Mrs Kuneva or Mr Orban, for it is to the discredit of neither of them.

Now, Mr Orban, Mrs Kuneva, we knew even before the hearings that neither of you are enthusiastic supporters of the social democratic movement, but we will not hold that against you, for everyone has the right to be wrong; even so, though, we appeal to you to take care, when you become members of the college, that that college does not lose sight of the need for a political balance, in Europe, between economic and social responsibility. By voting for you, we are expressing our confidence that you will come to see that.

(Applause)

Graham Watson, *on behalf of the ALDE Group*. – Mr President, the imminence of the accession of Romania and Bulgaria is underlined by today's vote on the nominees for the posts of two Commissioners and two Members of the Court of Auditors.

Both Meglena Kuneva and Leonard Orban were deeply involved in the negotiations for their respective countries' membership. Each was dealt a tough hand of cards, especially if you think of the distance that each country has travelled on its road to membership. It proved tougher than expected and needed two years more than other countries emerging from the former Europe.

We must learn now to adapt our Union to a wider membership – a fuller house – with inevitable family disputes. All must learn to give a bit if they are to take. Whether we yet have a full house, of course, is still a matter for debate and maybe Mr Brok would enlighten us towards the end of this week?

It is fitting that those who bore the burden of accession negotiations bear some of the fruit of their labours. Mrs Kuneva and Mr Orban have a great deal to contribute to Europe. The depth of knowledge they have gleaned from the talks will stand them in good stead for their collegial decision-making on the upper floors of the Berlaymont.

Whether they choose to play the Queen of Hearts or the Ace of Spades in President Barroso's House of Cards is up to them, but I remain convinced that Romania and Bulgaria will be an asset to the Union, and not a burden as some would have us believe.

I know that some in this House are thinking of voting against one of the nominees for the Court of Auditors. If we are serious about bringing two countries into the Union, let us be serious about bringing them in properly and not play games with the nominees.

Let me offer a word of advice to President Barroso as he chews on how to use the talents of his two latest recruits: there are not enough jobs for 27 Commissioners. That is why we supported the Constitution's provisions to slim the College down. Please ensure that Members of the Commission act in the Community interest and not as representatives of their home states; define their jobs clearly, more clearly than you have done in your letter to President Borrell, allegedly 'clarifying' the role of intercultural dialogue. It has left many of us with more questions than answers. However, we wish you success. We wish the two new Commissioners success and we expect that you will do the job we need to advance the cause of Europe.

(Applause)

Monica Frassoni, *on behalf of the Verts/ALE Group.* – (IT) Mr President, ladies and gentlemen, the President of the Group of the Greens/European Free Alliance will vote in favour of the integration of Mrs Kuneva and Mr Orban into the Commission.

We would like to congratulate them on their nomination and we hope that they will be able to work in a team whose internal cohesion, motivation and European vision is not, unfortunately, that which we hope for and which the European Union needs.

In this respect, our vote of approval today is more a sign of welcome to the two new Member States, represented here by the two new Commissioners, than support for the current Commission and its policy.

Mrs Kuneva, you will very quickly become aware that, in the Commission that you are entering today, the industrial lobbies have much easier access and much easier lives than the consumer movements. I hope that you will be able to introduce change and stand up to this in some way.

Mr Orban, you will quickly become aware that protecting the cultural dimension of the European Union is a very difficult task, in a Commission which is perhaps too open to one part of our world rather than to others.

Mr President, casting our vote of approval in this matter for us also means setting a precedent in some way, by voting on individual Commissioners; this is something that we have often called for and that we hope to be able to do in the future.

(Applause)

Francis Wurtz, *on behalf of the GUE/NGL Group.* – (FR) Mr President, Mr President of the Commission, I would like, on behalf of the Confederal Group of the European United Left – Nordic Green Left, to welcome our two new Commissioners, Mrs Kuneva and Mr Orban. My group will approve these two nominations.

I myself would have preferred it if the President of the Commission had made the most of the conclusion of this stage of enlargement to engage in a fundamental debate on an interim assessment of his Commission, to reshuffle the cards within the enlarged Commission, if appropriate, and, finally, to submit the whole of his team to Parliament's vote. At a time when so many questions are being asked about the operation, the direction and the future of the EU, this would have done the Commission's authority and parliamentary democracy no harm at all. As we can see, this was not what was decided. Even so, all the best to Mrs Kuneva and Mr Orban.

(Applause)

Brian Crowley, *on behalf of the UEN Group.* – Mr President, today we mark another step in the progress of Romania and Bulgaria towards welcoming them back into the family of democratic nations within the European Union. I welcome the appointment of Commissioner-designate Kuneva and Commissioner-designate Orban, and I hope that all colleagues within this Chamber will not use political points to try and attack them in the important role that they will undertake in the future.

In particular, the respect for diversity that will be required in the European Union of the 21st century is encompassed by the portfolio that Commissioner Orban will have, and I call on all colleagues to be as generous as possible towards him, and to all the Commissioners, but in particular to be helpful towards him in suggesting new ways in which that diversity can be protected within the European Union.

Finally, at this important juncture, it is vital that all peoples across Europe come together and unite, and understand that, no matter what may divide us in our different ideologies, or in our different political opinions, or, indeed, in our different religions, the things that bring us together, the things that we share, are far more powerful and far greater, in order to effect change for the good, not only in Europe but on the world stage. Rather than being bogged down in mere politics, let us look to the bigger picture. Let us grasp the opportunities that have been given to Romania and Bulgaria today, but, most importantly of all, let us grasp the opportunities which have been given to the European Union to act as a beacon of hope, of democracy, of freedom, of respect for human rights, across the world. In particular, let us ensure that we can do this collectively for the betterment of all mankind.

(Applause)

Jeffrey Titford, *on behalf of the IND/DEM Group*. – Mr President, today we are being asked to approve the nomination of European Commissioners from Bulgaria and Romania. Well, I do not approve. I voted against the accession of Bulgaria and Romania, as did many of my colleagues from the IND/DEM Group.

My colleagues and I from the UK Independence Party were vilified in 2004 because we opposed the accession, but we did so for several reasons, not least that we are totally opposed to the European Union's empire-building because it is a thoroughly undemocratic organisation that undermines self-government. We also voted against it because we knew that there would be mass migration from some of the new Member States to Britain – a mass migration with which my country's infrastructure cannot cope. Two years later we have been shown to be right: an estimated 650 000 people came to Britain from the accession countries during the first year of membership. Furthermore, such has been the drain of skilled workers, that we now have the ridiculous situation in which the President of Poland is putting out statements calling for his fellow countrymen to return to their homeland.

Will the EU empire-builders ever consider the immense social cost of their actions? We now stand at the cusp of a tragedy: two further countries, which have recently thrown off the yoke of communism and grasped their freedom, are about to throw it away by taking on the yoke of Brussels, with all its suffocating bureaucracy and its relentless pursuit of power. It will not be many years before Bulgaria and Romania discover what a mistake they have made in subjecting themselves to the will of an intolerant European Commission. It will be like exchanging an iron curtain for a vast curtain of paper, which could end up being almost as big a threat to civil liberties and prosperity as was its predecessor.

Freedom is indivisible. It should never be given up in the pursuit of economic gain, particularly when it has been won at such a high price.

(Applause)

Bruno Gollnisch (NI). – *(FR)* Mr President, ladies and gentlemen, I would like to add two quick comments to what Mr Titford has just said with regard to these Commissioners from two friendly nations – one Slavic and the other Latin – which have recently been freed, it is true, from the yoke of communism, and who we hope will not find themselves under another yoke.

My first comment is that Mr Orban's portfolio, multilingualism, must treat the learning and use of the national languages of the Member States as a priority, including within the European institutions. In a little while, ladies and gentlemen, we are going to give our opinion on the appointment of two members of the Court of Auditors. I have in front of me the French versions of those reports: one of them has been drawn up by Mr Pomés Ruiz, a Spanish rapporteur, on the Bulgarian candidate; the other, by a Hungarian rapporteur, on a Romanian candidate! In these French versions, the biographies of the members of the Court of Auditors and the questionnaires are in English. So there we have an important area for Mr Orban to work on: ensuring that linguistic diversity is respected in our institutions!

I would also like to wish Mrs Kuneva good luck. She has had a very difficult job defending the interests of her fellow Bulgarians during the negotiations: I hope that she will find it easier to defend the interests of European consumers.

I would finally like to say that we are opposed to the application of the protocol annexed to the Treaty of Nice that states that, from the point when the European Union has 27 Members, the number of Commissioners will be less than the number of Member States, which would deny some of them any representation within that institution. We have two and a half more years to show that that measure is entirely useless and contrary to the equality amongst nations that should govern the future of our international organisation.

President. We shall now proceed to the vote on the proposal for a decision on the appointment of the new Commissioner proposed by the Republic of Bulgaria, Mrs Meglena Kuneva. The vote will be by roll call in accordance with Rule 99(4) of the Rules of Procedure.

(Parliament approved the decision)

(Loud applause)

Thank you very much. Congratulations, Mrs Kuneva. Few Commissioners have received such long and loud applause as you.

11.2. Nomination of the Romanian Commissioner (vote)

President. We shall continue with the vote and vote on the proposal for a decision on the appointment of the new Commissioner proposed by Romania, Mr Leonard Orban.

(Parliament approved the decision)

(Loud applause)

Thank you and congratulations to you too, Mr Orban.

(The sitting was suspended for a few moments while awaiting the award ceremony for the Sakharov Prize and resumed at 12 noon)

12. Formal sitting – Award of the 2006 Sakharov Prize

President. Ladies and gentlemen, Mr President of the Commission, Commissioners, it is a great pleasure for the European Parliament to receive the winner of the 2006 Sakharov Prize, Mr Milinkievitch, leader of the opposition United Democratic Forces in Belarus.

Please believe me, Mr Milinkievitch, when I say that we are particularly happy to have you here with us today.

(Applause)

There have been times when we thought that you would not be able to come. Our Sakharov Prize winners have often been unable to come here to receive the prize. Aung San Suu Kyi, Wei Jingsheng and the Women in White have regrettably been unable to attend this ceremony.

We should remember that we Europeans, at home in our consolidated democracies, often take human rights for granted, seeing them as something natural and indisputable, like the air we breathe. We enjoy our political and civil freedoms, sometimes forgetting what it costs to obtain them and accustomed to exercising them. We become accustomed to good things very quickly, and even countries that have obtained freedom later enjoy it as if they have always had it and as if everybody had it.

We must remember, however, that billions of people on our planet lack the freedom that we enjoy.

Our Union is based on respect for human rights, and defending them and promoting them around the world is part of our *raison d'être*. Not just for moral reasons, but also in our own interest. In terms of Europe's interests, it is a priority that our freedom should be exercised by the whole of humanity.

The Sakharov Prize is therefore an expression of the European Union's defence of and commitment to human rights, and this year it is being awarded to a person who is dedicating his life to the fight for freedom in his country.

Everybody knows that the presidential elections in Belarus in March were neither free nor fair and that the European Union was not able to send its observers, their access to the country being denied.

Mr Milinkievitch has had the courage to challenge the last dictatorship in Europe; he has managed to unite the democratic opposition forces in order to restore political rights and freedoms in his country.

He has headed mass demonstrations and has been arrested for urging his fellow countrymen to defend their fundamental rights.

Mr Milinkievitch, you have become a symbol of resistance to oppression and of hope for a democratic future.

We share your ambition that Belarusian society should obtain the right to elect its leaders democratically, the right to independent information, the right to create non-governmental organisations and the right to an independent and impartial judiciary.

That is something that the European Parliament has always defended. We have protested against the violence, the arbitrary arrests and the politically-motivated sentences by the Belarusian regime against people fighting for fundamental rights in that country.

The Prize that you are receiving today is a demonstration of our support for all of the people fighting alongside you.

This is not the first time that we have awarded this prize to people from Belarus. In 2004, this Parliament awarded the Sakharov Prize to the Belarus Association of Journalists, to professionals who were risking their lives in order to discover the truth and to make it known.

Today, two years later, we are once again showing our full support for the fight for democracy in Belarus, because things have not improved since then.

The death penalty is still carried out regularly in that country. I wish to condemn the arrest and sentencing of Aleksander Kazulin, who is currently on hunger strike in prison, and I wish to tell you that we are convinced that Belarus's future lies in sharing in the freedom and prosperity of democratic Europe.

You are a scientist, Mr Milinkievitch, as was Andrei Sakharov himself. Both of you have shared the same opinions, the same values and the same education and you have experienced the same tragic consequences of confronting a totalitarian regime.

Today, the prize bearing the name of the scientist Sakharov is being awarded to another scientist, but above all it is being awarded to the hope of a democratic Belarus and to all the people fighting alongside you to make it a reality.

You have the floor, Mr Milinkievitch.

(Sustained applause)

(The President awarded the Sakharov Prize)

Mr Milinkievitch, *leader of the democratic opposition in Belarus.* (FR) Mr President, ladies and gentlemen, I shall speak in my mother tongue because I would like to say what I think, and I always think in Belarusian. I am therefore going to speak in the language that best allows me to express my feelings.

(Parliament stood and applauded Mr Milinkievitch.)

(The speaker spoke in his mother tongue, the text below being a translation)

I would like to begin by thanking the European Parliament most warmly for awarding me this high honour, the Andrei Sakharov Prize, named after the brilliant physicist and ardent defender of human rights. I would also like to thank you for giving me this opportunity to speak to you.

This prize is not for me alone! It is for all the Belarusians, for all of those who were in the square in Minsk last March, who have been thrown into prison and expelled from universities and workplaces. This prize is for all of those who are carrying on with the fight. There are many of us! We are the ones who want Belarus to return to the family of European democracies and who are ready to sacrifice our personal well-being, our freedom and even our lives to get there.

Belarus has always been a European country. It has given a lot to Europe, making many sacrifices. In the 19th century, it gave Europe a prototype for a first democratic constitution, the statute of the Grand-Duchy of Lithuania. It gave the world several eminent personalities, such as Guillaume Apollinaire, Marc Chagall, Fyodor Dostoevsky, Dimitri Shostakovich and Tadeusz Kościuszko. The Belarusians were the second in Europe to translate the Bible into their mother tongue. During the Second World War, it was in Belarus that the most powerful resistance movement in Europe emerged, costing the lives of one out of every three inhabitants. Of the six million Jews exterminated in the Holocaust, one million came from Belarus.

If anyone deserves freedom, it is us! We have earned it through the whole of our history and the sacrifices we have made on its behalf. Every century, as a result of endless wars, Belarus lost from a quarter to a third of its sons and daughters. It lost its elite. Our people have suffered the forced uprooting of their national identity and the eradication of their historical memory. In 1991, we were delighted to finally achieve our independence, but at the time we did not realise that freedom and independence are not the same thing.

Today, we are once again fighting for freedom and defending our independence. We are doing so not just for ourselves, but also for our children, who, like French, Lithuanian, Polish and British children, have the right to live in a free country. It was our children who spent long nights standing on the square in Minsk after the elections on 19 March, when the adults could not stand the cold and returned to their homes. It was our children who were thrown into closed lorries, suffocating, and imprisoned, while their parents spent days looking for them. It was our children who, having been released from prison, were expelled from universities for their choice of conscience. But not for one moment did they doubt the justice of our common choice. I am proud of them.

Throughout the week following the elections, when we were remaining on the square and protesting against the outrageous falsification of the results of those elections, the authorities arrested more than a thousand people. Minsk's prisons had never been full to bursting: that was exactly what happened during that week. The regime realised that that protest movement could only be ended by military force. That is why, during those few days, the authorities arrested everybody who came to the square, even those who were simply bringing food, water and warm clothing to the people living in the 'tent city'.

On 19 March, the authorities did not expect to see tens of thousands of people coming out, despite the threat of reprisals. That was our first victory. I am very well aware that we will need many more similar victories before we can put an end to that illegal regime.

The former presidential candidate, Mr Aliaksandr Kazulin, is now in prison, sentenced to five and a half years. He has now been on hunger strike for more than 50 days. His state of health is extremely serious: he has lost 40 kilos, and his life is in danger. This prize is also for him, and for Zmitser Dachkevitch, Pavel Seviarynets, Mikola Statkevitch and Andrei Klimaŭ and all of the other political prisoners in my country. This prize is a sign of Europe's awareness of the situation in Belarus. This prize is a wonderful example of moral politics. This prize is a recognition of Belarus's European future.

This high distinction today could have been received by the person who was the leader of the Belarusian democratic movement for several years, Professor Hienadz Karpienka. Or by the former Internal Affairs Minister, Yury Zakharanka. Or by Viktor Hantchar, the vice-president of the last legitimate parliament in Belarus. These people are heroes, fighters for the freedom of Belarus, but they have disappeared without trace or have been murdered. These are the methods, as old as human hate and as horrifically outmoded as the inquisition, that the Belarusian authorities currently use against their opponents.

In his speech on receiving the Nobel Peace Prize, Andrei Sakharov said: 'I am convinced that international trust, mutual understanding, disarmament and international security are not possible without an open society with freedom of information, freedom of conscience, *glasnost*, the right to travel and the right to choose one's country of residence'. I share that view. The academic Sakharov always preached non-violent resistance. I agree with him in that regard too. We have everything we need to win: faith in Belarus's European future, solidarity, courage and experience. For many young people, blue – the colour of the European flag – has become a symbol. In March, that flag was raised alongside our white, red and white national flag. As a sign of those countries' solidarity with us, the flags of Lithuania, of Ukraine, of Poland, of Russia, of Estonia, of Azerbaijan and of Georgia were also flown.

We must conquer the fear that has impregnated people's consciences over the last ten years as a result of constant propaganda. Andrei Sakharov issued a warning: 'Freedom of thought is the only safeguard

against the contamination of people by collective myths, which, in the hands of perfidious hypocrites and demagogues, can turn into a bloody dictatorship'.

That is what is happening today in Belarus. Monuments to the glory of Stalin are reappearing. Resurrecting the 'best' traditions of the Soviet system, the official media endlessly pours out torrents of lies and slander, as in Sakharov's era. The main enemy is the West and local democrats are depicted as its agents.

The regime is in a difficult situation today. Its planned economy is not efficient, and Russia is threatening to put an end to economic preferences. For that reason, the government is getting nervous and is trying to blame its political opponents. At the end of November, at his meeting with Ukrainian journalists, Mr Lukachenka stated that, 'this opposition sneaks abroad to call for the application of economic sanctions against the country and is then happy that gas prices are going to rise tomorrow'.

I would like to take this opportunity to state from this European platform, taking full responsibility and to everybody, particularly the Belarusian people, that these are lies! We have never called for economic sanctions against our country and we are perfectly aware that such sanctions primarily hit the ordinary citizens of Belarus. The regime in power will always find ways to sustain its officials. We have always stated that Russian gas would no longer be cheap for Belarus, that it was going to become expensive in Russia itself. It is a shame that the Belarusian leaders have not taken the opportunity that had presented itself and that they have not taken advantage of the possibilities they have had for a long time to carry out real economic reforms. Now the Belarusian people are going to suffer the consequences.

The main conditions that Moscow currently imposes on Mr Lukachenko in return for their long-standing economic and political support include joining the monetary union, effectively the Russian rouble, and the adoption of the constitutional act of what the Russians call the 'Union State'. Accepting these conditions would inevitably mean a loss of sovereignty for Belarus.

The Belarusian political leaders are currently still resisting a move in that direction. Mr Lukachenka has recently openly expressed his concern about the country's independence. He talks about the link, which Belarusian democratic forces have been talking about for a long time, between independence and well-being. But in his case, defending independence must not be confused with defending his personal interests and his desire to hold on to power at all costs. He and his entourage are perfectly aware that, with the loss of independence and the arrival of Russian capital in the country, very few of them would keep their positions or their wealth. We cannot rule out the possibility, however, that, led by an instinct for self-preservation, the Belarusian regime will accept Moscow's conditions and call a referendum to approve them. There can be no doubt that only democracy, rather than dictatorship, can guarantee Belarus's independence.

The fact that we have not so far found a common language with Moscow does not mean that the Belarusian democratic forces are against Russia. We want to live in a sovereign State and build the best possible relations with Russia. We are prepared to take account of its interests, provided that they do not run counter to our own interests. Russia is a strategic partner for us, as it is for the EU. A democratic Belarus will be a credible and reliable friend to Russia.

We believe that banning entry to the countries of the European Union for people violating the Constitution and participating in repression is a very effective measure. This list of enemies of democracy should be extended.

At the same time, I would appeal to you not to increase the cost of Schengen visas for Belarusian citizens. From 1 January 2007, the cost of a Schengen visa is expected to be EUR 60. For the overwhelming majority of Belarusians who desperately need free contacts with the West, that cost would be prohibitive. That decision is in danger of creating a new 'iron curtain'. These measures will benefit Mr Lukachenka, who is always telling the Belarusian people that 'nobody wants us in the West'.

We were very pleased with the European Commission's proposals last month. They offer Mr Lukachenka's government a good opportunity to leave behind the international self-isolation and the poor economic situation that it is stuck in. Aliaksandr Lukachenka himself was obliged to acknowledge, at the meeting of the government, that next year will be 'catastrophically tough'. If the regime accepts these proposals, Belarus will be able to receive considerable support for the launching of the political and socio-economic reforms that have been so necessary for so long, and to begin a genuine rapprochement with Europe, including by means of gradual economic integration.

However, there is practically no hope that the Belarusian Government will accept the course of rapprochement with the European Union. There have already been plenty of similar proposals, but the regime has never responded in a positive concrete fashion. Its faithful are perfectly aware that, once it is launched, democratisation will inevitably and very quickly put an end to their stranglehold. The current leader of Belarus would never win genuine free elections.

At the same time, this European Union proposal offers us the opportunity to make the citizens of our country understand that, despite what the State propaganda says, Europe is leaving the door open to Belarus, but to a free and democratic Belarus. These proposals have appeared at a very appropriate time, during the local election campaign. There will be no genuine elections, just as there is no genuine local government in Belarus. Within the context of that campaign, we are distributing information on the European Union's proposals.

We appreciate your assistance very much and we thank you most warmly for it. I would, however, ask you to extend it and make it more flexible. We are talking about things that are already well-known: assistance for free media, support for civil society and for repressed people. The European Union's current programmes are drawn up for countries that are already moving towards democracy and carrying out reforms, but they cannot work in the case of Belarus. In order to promote democracy in countries such as mine, it is high time that a European Fund for democracy were created with real resources geared towards countries with dictatorial regimes. Europe must not shrug its shoulders and say 'what can we do about it?'. There is a lot you can do! You can help us to break down the barriers to information and the restricted view of the world imposed upon my fellow countrymen by government propaganda, to create a public space conducive to open debate amongst the citizens, bringing together independent authors, intellectuals and moral authorities. This will undoubtedly help civil society in Belarus to develop more quickly.

Europe's recent message to the Belarusian people was both a demonstration of your solidarity and a reminder to the current regime of its responsibility for its crimes. The most important thing, however, is that that message should make clear that our country belongs in Europe. It is my profound conviction that Europe will never be complete without Belarus. That is why we repeat the same slogans as my ancestors who rose up against tyranny for the sake of freedom: 'For your freedom and for ours.'

As a Belarusian and a citizen of a European country, I would like to thank you from the bottom of my heart and I also thank you on behalf of all of those people who were on the square in March and those who have been, or still are, in prison for defending their fundamental right to live in a free country. I thank you for having faith in our victory. I promise you that our victory will not be long in coming. My country has changed. It is less afraid and it believes in change.

Belarus will soon return to the European family and will once again be a free and democratic State. Historically, dictatorships have no future and, as history shows, they end badly for the tyrants. Under a dictatorship, the only real option is to fight, simply because we have no other choice. Thank you for your support and long live Belarus!

(Parliament stood and applauded the speaker)

President. Thank you very much, ladies and gentlemen. Thank you, Mr Milinkievitch.

The European Parliament is proud to have awarded you this Prize and is sure that the words you have spoken today will go down in history.

(Applause)

(The sitting was suspended for a few moments while awaiting the continuation of the vote)

IN THE CHAIR: MR ONESTA

Vice-President

13. Agenda: see Minutes

Hannes Swoboda (PSE). – *(DE)* Mr President, this morning's sitting was yet another that ended half an hour early, and Mrs Kaufmann, who was in the chair, deserves thanks for having apologised for this to the visitors who were pouring in at the time.

I would ask that the person in the chair at any given time be given a bit more speaking time if it is in any case clear that the sitting is going to end earlier. It is not good for visitors to come into the Chamber in the expectation of hearing a reasonably interesting debate, and then to find the place empty. It would be possible to be a bit more flexible in this respect, and it would keep the Members happy too.

(Applause)

President. – I share your desire for flexibility, Mr Swoboda. I am very firm when time is limited. When possible, I would like to increase the maximum speaking time. Having said that, when the agenda's time, and the Members' time, has run out, what can we do?

Richard Corbett (PSE). – Mr President, may I just say in that regard that you do not only have the option of letting speakers speak for longer, you also have the option of taking additional speakers under the 'catch the eye' procedure, which is perfectly within the Rules of Procedure.

President. – Of course, Mr Corbett, provided that the speakers in question are here, because a President cannot give the floor to absent Members!

14. Voting time (continued)

President. – We shall now resume voting time.

14.1. Nomination of the Bulgarian Member of the Court of Auditors (vote)

Bruno Gollnisch (NI). – *(FR)* Mr President, I should like to invoke the Rules of Procedure. I feel obliged to point out – as I said a moment ago – that the report by Mr Pomés Ruiz is not available in French, or, to be more precise, the version of this report presented as the French version contains the biography of the candidate as well as a reply to questions exclusively in English, which seems to me to violate our Rules of Procedure.

President. – Mr Gollnisch, since you are a stickler for the rules, I am going to do you the favour of giving you the only reliable information: you are absolutely right, we should have full translations of all texts put to the vote. And that is actually the case. All of the texts put to the vote are available in all languages. Annexed documents themselves are not in any way put to the vote, according to our Rules of Procedure, and are not therefore subject to translation in their entirety. Now you are fully informed!

14.2. Nomination of the Romanian Member of the Court of Auditors (vote)

14.3. Modalities of Iceland and Norway's participation in the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (vote)

14.4. Community action programme in the field of consumer policy (2007 - 2013) (vote)

- Before the vote

Marianne Thyssen (PPE-DE), rapporteur. – *(NL)* Madam President, ladies and gentlemen, I simply want to note that we, since we have reached an agreement with the Council and Commission ahead of time, can finalise this report at second reading, which will make it possible for the action programme in question to enter into effect on time, that is to say on 1 January of next year.

Secondly, I should like to point out that we have managed to secure a separate consumer programme after all, one with its own budget and that can develop its own momentum, and I think this is something the consumers will appreciate.

Finally, we have pinpointed three important new areas for consideration:

First of all, we have asked for more attention for new Member States that do not have as long a tradition in the area of consumer protection. Secondly, we have managed to turn the spotlight to the older consumer, for, after all, consumer law should give due consideration to demographic developments. Thirdly, in this action programme, we have managed – and this I consider to be of particular importance – to draw particular attention to the vulnerable consumer who in consumer law, where we need to work with the concept of the average consumer, cannot really be given a voice.

I do think this is important. We may not have had a debate, but I thought it would be useful anyway to share this information and drive these important points home to you. I can only emphatically appeal to you to vote in favour of the common position, for it reproduces exactly our agreement in this House and among the institutions.

14.5. Prevention, control and eradication of certain transmissible spongiform encephalopathies (vote)

14.6. Statistical data on landings of fishery products (vote)

14.7. Protection of minors and human dignity and the right of reply (vote)

14.8. Customs 2013 programme (vote)

14.9. A paperless environment for customs and trade (vote)

14.10. Community surveys on the structure of agricultural holdings (vote)

14.11. Cooperation between Asset Recovery Offices (vote)

14.12. Expenditure in the veterinary field (vote)

14.13. Protection of groundwater against pollution and deterioration (vote)

14.14. Financing instrument for development cooperation (vote)

14.15. Community Customs Code (vote)

14.16. Circulation of compound feedingstuffs (vote)

14.17. Statistics on foreign affiliates (vote)

14.18. Financing instrument for the promotion of democracy and human rights worldwide (vote)

- Before the vote

Hélène Flautre (Verts/ALE), rapporteur. – (FR) Mr President, I would like to say briefly that I hope that we are on the point of adopting, by a large majority, this European instrument for promoting democracy and human rights, because it is the only instrument enabling us to support projects for promoting democracy in third countries, without the support of the governments, and it is therefore the only instrument that can provide a response to the issues that have just been raised by Mr Milinkievitch. How can we support free media, how can we support independent civil society, how can we defend and protect the defenders of human rights in third countries, without the support of governments? The answer is by means of this instrument.

(Applause)

Edward McMillan-Scott (PPE-DE), rapporteur. – Mr President, I should just like to inform the House that not only have we achieved a separate instrument to promote democracy and human rights as a successor to the European initiative, against the original wishes of the Council and Commission, but we have managed to achieve all the objectives set by the European Parliament.

In reply to Mr Milinkevich this morning, it is true now that that instrument can have the capacity to operate within his country, without his country's consent as Mrs Flautre says. Moreover, this year I visited a number of what we call 'difficult countries' – China, Cuba, even Russia today, parts of the Arab world – where the democracy backlash is moving in.

I should like to read from the letter that Mrs Ferrero-Waldner sent last Friday to the rapporteurs and the Chairman of the Committee on Foreign Affairs, Mr Brok: 'This provision may also include working with democratic political partners in third countries, provided that the principle of impartiality towards such partners is respected. On the other hand, funding of political parties as such remains excluded from the scope of the draft regulation.'

So, Mr President, this is part of the process of the moral politics that Mr Milinkevich talked about, but it is only part of it. We must do a lot more and not leave that field to the Americans.

(Applause)

President. – If I am not mistaken, you are proposing an oral amendment to Amendment 147.

Hélène Flautre (Verts/ALE), rapporteur. – *(FR)* Mr President, you are indeed not mistaken. This is an oral amendment to Amendment 147 which, in order to conform precisely to the terms negotiated with the Council, is intended to replace the phrase

'including rights of migrants, asylum seekers and internally displaced persons' with 'including migrants' enjoyment of human rights, rights of asylum seekers and internally displaced persons'.

(The oral amendment was accepted)

14.19. Prevention of injury and the promotion of safety (vote)

- Before the vote

Kathy Sinnott (IND/DEM), rapporteur. – Mr President, I shall be brief. I wish to thank the shadow rapporteurs and the Secretariat, and to say that safety is something that affects us all. A split second can change our lives, and the challenge is to save lives and to preserve health.

14.20. A financing instrument for cooperation with industrialised and other high-income countries and territories (vote)

President. – That concludes voting time.

15. Explanations of vote

Proposal for a decision (B6-0644/2006)

David Martin (PSE), in writing. I voted in favour of the appointment of Mrs Meglena Kuneva, the Bulgarian Commissioner designate. However, while I have no problem with the individual herself or with the appointment of a Bulgarian Commissioner, I have serious doubts about there being enough jobs for 27 commissioners. I look forward to a Treaty change that significantly reduces the number of Commissioners.

Alyn Smith (Verts/ALE), in writing. Mr President, my party is keen on the continuing enlargement of the Union, and we look forward to our Bulgarian and Romanian colleagues joining us. We have paid close attention to the confirmation process of our two new Commissioners, and are satisfied that both are welcome additions to the College. I am pleased to support Mrs Kuneva's appointment today.

Proposal for a decision (B6-0645/2006)

David Martin (PSE), in writing. I voted in favour of the appointment of Mr Leonard Orban as Romanian Commissioner. However, I very much regret that the Nice Treaty makes it necessary for us to have one Commissioner per Member State. I simply do not believe that there are enough serious jobs for 27 Commissioners and look forward to a Treaty reform along the lines of the draft Constitution that significantly reduces the number of Commissioners.

Alyn Smith (Verts/ALE), in writing. Mr President, my party is keen on the continuing enlargement of the Union, and we look forward to our Bulgarian and Romanian colleagues joining us. We have paid close attention to the confirmation process of our two new Commissioners, and are satisfied that both are welcome additions to the College. I am pleased to support Mr Orban's appointment today.

Report: Pomés Ruiz (A6-0442/2006)

David Martin (PSE), in writing. I welcome the appointment of a Bulgarian Member of the Court of Auditors and am glad that this proved uncontroversial in the light of other difficulties.

Report: Fazakas (A6-0443/2006)

David Martin (PSE), in writing. I voted in favour of Mr Ispir despite allegations of corruption involving Mr Ispir being made in the Romanian media. The Committee on Budgetary Control could find no evidence to support these allegations in their hearing. Mr Ispir has also strongly denied any wrongdoing. On the evidence available the allegations against him appear to be politically motivated. However, if any evidence of wrongdoing emerges I would expect Mr Ispir to resign from the Court.

Report: Thyssen (A6-0408/2006)

Andreas Mölzer (NI), – (DE) Mr President, if a stop is to be put to meat scandals and the back-door introduction of genetic engineering, then consumers need to be told the blunt facts, with nothing left out, but it cannot be acceptable that the stringent food regulations we impose on our own farmers and producers should be regularly circumvented by imports from third countries, a state of affairs that I regard as unfair to our farmers, counterproductive in terms of consumer protection and therefore needing to be done away with at once. It is for that reason that I voted against the Thyssen report.

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV) The June List thinks it crucial for there to be proper consumer protection within the EU. However, funding the necessary measures is primarily a national issue. We do not, then, believe that there is any justification for the budget heading of EUR 156.8 million entailed by the present consumer policy programme.

We are also extremely critical of the proposal to support financially the development of master's degree courses in consumer issues within the framework of an integrated European examination. It is not, of course, for the EU institutions either to determine the type of educational courses to be established in the Member States or to finance these. We should, then, have voted against this report.

Mary Lou McDonald (GUE/NGL), in writing. Irish consumers know only too well the reality that is Rip-Off Ireland. Spiralling costs of basic services such as gas and electricity, or outrageous mobile phone and roaming charges continue to hit Irish consumers hard. Of course those living in or at risk from poverty are hardest hit.

In order to counter this unacceptable situation, government needs to step in with stronger regulation and resourcing of the relevant consumer protection agencies.

In this context I welcome today's report by Marianne Thyssen MEP. The aim of the report is to initiate an action programme in the field of consumer protection for the years 2007 to 2013. The programme seeks to complement, support and monitor the policies of the Member States and to contribute to protecting the health, safety, economic and legal interests of consumers. The programme would also attempt to promote consumer rights to information, to education and to organise themselves in order to safeguard their interests.

In Sinn Féin's view the Irish Government need to take a lead in strengthening the rights and protections of consumers. However, there is clearly a role for the EU, to assist Member States' agencies in sharing models of best practice and ensuring a level of consistency throughout the European Union.

Bernadette Vergnaud (PSE), in writing. – (FR) The Community action programme in the field of consumer protection for 2007-2013 is intended to complement, support and monitor the policies of the Member States.

It will contribute to protecting the health, the safety and the economic and legal interests of consumers, and also to promoting their right to information, education and organisation with a view to defending their interests. The actions will contribute to guaranteeing all of the Union's consumers a high level of protection and to ensuring the effective application of the consumer protection rules.

I am delighted that this programme has been divided into two parts, thereby distinguishing between health and consumer protection.

While I regret that the Commission has reduced the financial envelope from EUR 233.46 million – at first reading – to EUR 156.8 million and that the number of actions in the field of consumer protection has been reviewed and reduced from 20 to 11, I have voted in favour of Mrs Thyssen's report, so that consumers' organisations can benefit from this programme in the interests of our fellow European citizens.

Report: Roth-Behrendt (A6-0445/2006)

Carlos Coelho (PPE-DE), in writing. (PT) This regulation details how to address and combat diseases such as BSE and scrapie, which affect ruminants as a whole.

Firstly, the number of categories of risk of contracting BSE is reduced from five to three, in line with World Organisation for Animal Health recommendations.

The regulation bans the use of animal proteins in feeding ruminants, but states the quantity up to which the addition of such proteins is considered insignificant.

The report also calls for a review of the rules on the use of mechanically processed meat for human consumption and lays down new rules on providing better information to consumers.

In order to prevent mass, indiscriminate slaughter and the ensuing losses for the producer, the report also defines the use of animals up to the end of their productive lives. This will naturally be monitored very closely given that there is no scientific data confirming that BSE is transmitted via milk or from cattle to their offspring.

Prevention programmes for transmissible spongiform encephalopathies are to be carried out on a voluntary basis, and there is to be regular assessment of the scientific results of these programmes.

The Portuguese Social Democrat MEPs thus support the Roth-Berendt report.

Report: Morillon (A6-0400/2006)

Duarte Freitas (PPE-DE), in writing. (PT) This proposal, submitted for a second reading, differs from the legislation in force in three key areas.

One purpose of the proposal is that data be submitted annually rather than monthly. According to recent studies, monthly data forwarded up to six months after the event are of limited use in day-to-day market management, whereas the compilation of annual data can be useful for medium- to long-term market studies and can help reduce the workload for the national authorities in forwarding data.

According to the proposal, data submissions are to be required by the flag (or nationality) of the vessels responsible for the landings. This requirement, as opposed to the current submissions by broad groups of EU, EFTA and other vessels will enable the data to be analysed in greater detail and yet will not significantly increase the workload of the national authorities which already collect the data to this level of detail.

Lastly, this proposal for a regulation provides for a more flexible approach, enabling sampling techniques to be used to estimate total landings. National authorities may, to an appropriate extent, use sampling methods for data collection purposes, providing that they justify their use and analyse the quality of the resulting data in a methodological report ...

(Explanation of vote abbreviated in accordance with Rule 163(1) of the Rules of Procedure)

Report: De Sarnez (A6-0433/2006)

Luís Queiró (PPE-DE), in writing. (PT) The new information and communication technologies have raised pertinent questions regarding the protection of minors and human dignity, given the amount of illicit, harmful and undesirable content that can easily be found on the Internet. There appears to be a desire for regulation on this issue that has come up against technical and legal difficulties.

Measures to protect minors and human dignity are undoubtedly needed. It is therefore necessary to discover more about, and to assess, these new technologies and not to downplay the progress that they have brought to our societies, the consequences of which have, in the main, been beneficial to the quality of life of the poorer as well as the wealthier sections of society. Universal access to information gives the poorest people quicker access to solutions to day-to-day problems.

Accordingly, as regards protecting minors, the recommendations proposed here are eminently sensible criteria that we must disseminate in our societies by raising awareness among parents and teachers and by ensuring that regulatory bodies exchange experiences in classifying audiovisual content. From a very early age, children are consumers and quickly take to these technologies.

Report: Heaton-Harris (A6-0407/2006)

David Martin (PSE), in writing. I welcome this report which aims at the implementation of automated customs systems and of coordinated processes and services under both the current and future modernised Customs Code. The main objective of this Decision is to determine what action needs to be taken for the achievement of a simple and paperless environment for customs and trade. This is highly laudable but I hope it does not prove to be a pious goal.

Report: Brejc (A6-0388/2006)

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV) The June List is in favour of cross-border police cooperation. It is necessary to confront contemporary international crime, but this has been done successfully for decades by the international police body, Interpol. The June List is very sceptical about measures to combat crime being taken at supranational level. We are in favour of intergovernmental cooperation and opposed to common legislation. The Commission recommends that Asset Recovery Offices be set up in the Member States, directly subject to EC legislation and administration. This means further interference in the Member States' national legal systems and a weakening of Interpol's respected position.

The June List is therefore voting against the report as a whole.

Report: Figueiredo (A6-0409/2006)

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV) The June List believes that cross-border animal diseases are an important area for cooperation within the EU, but it is not for the EU routinely to finance the fight against animal diseases.

We want to point out that, in the final analysis, it is the responsibility of the Member States, both financially and in terms of the measures taken, to combat animal diseases and zoonoses within their respective territories.

We therefore object, in particular, to Amendment 6, tabled by the European Parliament's Committee on Agriculture and Rural Development, whereby each Member State would be able, depending on its specific circumstances, to submit national programmes to be financed by the EU.

We are voting against the report as a whole, since it is based on the European Union taking major financial responsibility for combating animal diseases. EU funds are not a horn of plenty that can constantly finance measures within the agricultural sphere. Sweden, for example, has conducted a long and successful fight against salmonella within its own borders and is proof that the Member States themselves can engage in such battles without the need for funding by the European Union.

Report: Klab (A6-0446/2006)

Andreas Mölzer (NI). – (DE) Mr President, nature has a long memory, and so, for example, thanks to the EU's 'Groundwater 2010' programme in Austria, pollution of the groundwater from the past twentieth century is being laboriously cleared up. The amount of nitrates finding their way into it from agriculture creates major problems in some regions in that it makes the maintenance of the prescribed chemical

conditions difficult. This underlines once more the importance of biologically and ecologically reasonable modes of management, which, when properly applied, can make a vital contribution, and so I do believe that it is important that much more be done to promote their use, and have voted, accordingly, in favour of the Klač report.

Richard Seeber (PPE-DE). – (DE) Mr President, I, too, voted in favour of the compromise, even though I also take the view that it would have been desirable, in view of groundwater's extreme importance as a primary source of food, to have a single set of European rules applicable to all hazardous substances. Let us also bear in mind that our health and that of our children are at stake here. Since short-term economies will prove to be problematic not only for the state but also for the healthcare systems, I call on all the Member States to put everything rigorously into effect, while at the same time joining in working on a further package of measures with ambitious limit values.

Ian Hudghton (Verts/ALE), in writing. Groundwater is a valuable natural asset and must be protected wherever possible. It is also extremely awkward to treat for pollution, even when the source of pollutants has been removed.

I broadly support the intentions of the new directive, which would help preserve Scotland's reputation of having a clean, unspoiled environment.

There must be a balance, however, so that any new directive that is passed is not unnecessarily obstructive to farmers and agricultural business. For example, in 2003, Scottish farmers faced groundwater charges when those in England did not.

As long as this proposal does not produce extra bureaucracy or impractical demands for those who work around groundwater, then I think this directive is a worthy one.

David Martin (PSE), in writing. I voted in favour of the Klač report on the protection of groundwater against pollution. I believe the report is now much stronger than the Commission's original proposal. We will now have more stringent rules to prevent or restrict inputs of hazardous substances into groundwater with a possibility to have even more stringent national measures. As regards nitrates, the provisions are now consistent with the Water Framework Directive.

Peter Skinner (PSE), in writing. Because the south-east of England has suffered so much from drought orders which have affected water usage by consumers, this directive is extremely important. Some 70% of south eastern England's water comes from groundwater resources. Protection of this resource, therefore, is essential to allow for both the capacity of such resources to recover as well as for nitrates and other chemicals to be excluded as far as possible from reaching the UK's drinking water.

Parliament has stuck steadfastly to its view that Member State governments must do far more to prevent this type of pollution, such as arsenic, biocides and cyanide. Parliament's approach to 'toughen up' the legislation in this field is very much welcomed.

Bart Staes (Verts/ALE), in writing. (NL) Water is the basis of all life, and in this sense, a matter of life and death. The European Environmental Agency regards the situation as serious: 87% of groundwater in agricultural areas fails to meet EU standards on the presence of nitrates, and most of the Member States have reported on the risk of contamination by pesticides. A strict new Groundwater Directive is therefore of vital importance.

The text approved by the conciliation committee deserves our support. This House has managed to make the notion of 'protection against quantitative decline' legally binding. Moreover, steps have been taken to ensure that the measures for achieving the quality standard for nitrates draw on the Water Framework Directive. More emphatic demands are also made of Member States and regions to prevent and reduce the introduction of dangerous substances into groundwater. They are now required to 'take' all the measures necessary, and not just to 'strive towards' them. The result at first reading was, from an environmental point of view, a huge disappointment, and the Council's common position was also a complete disaster. These have now been put right at second reading in this House and the subsequent conciliation procedure. As we should be pleased with the outcome, I have endorsed the agreement reached.

Report: Mitchell (A6-0448/2006)

Vytautas Landsbergis (PPE-DE). – Mr President, in all the continuing debates surrounding abortions performed on those who could live, one rather individual moment is presented by a seemingly neutral formula: reproductive healthcare, which is a catch-all term, and in a sense a confusing one. Therefore, we should speak openly about non-reproductive health and show concern about how to limit or lessen reproductivity inside European society without causing physical harm to women.

Such harm is a very bad thing, but the time should come to realise that the problem is broader, as the harm includes psychological and social aspects and should deal also with the lack of compassion and growth of cruelty in our societies, which are turning them demographically into suicidal ones.

Those are the reasons why I voted for the deletions proposed by Mr Mitchell.

Sérgio Marques (PPE-DE), in writing. (PT) The original proposal for a regulation, tabled by the Commission and establishing a financial instrument for development cooperation was unacceptable to Parliament, given that it jeopardised its codecision powers and the very principles of development policy.

Following the amendments introduced by Parliament, however, I support the final text of the regulation, which provides for time-limited legislation (2013) and a mid-term review (2009), the creation of a specific instrument for development policy – the Development Cooperation Instrument (DCI) – as distinct from the policy of cooperation with industrialised countries, a single legal basis and the drafting of more detailed financial provisions. It also safeguards Parliament's right to define development policy under the codecision procedure.

David Martin (PSE), in writing. The Development Cooperation Instrument covers over EUR 16 billion of development spending over the next financial perspective. The Instrument is in two main parts – geographic and thematic. Geographic spending covers the money that will be negotiated between the Commission and partner countries through Country Strategy Papers (CSPs) – almost EUR 11 billion. I welcome the fact that Parliament insisted in negotiations that social services, and particularly health and education, be prioritised by the Commission when drawing up CSPs. Parliament also got a commitment from the Commission that 20 % of spending on geographic programmes would be on basic health and basic and secondary education – an important and longstanding priority of the Socialist Group.

Luís Queiró (PPE-DE), in writing. (PT) Promoting development is, *mutatis mutandis*, equally as important in the EU's external policy as promoting human rights and democracy.

Whenever the EU boosts the growth and development of third countries within the framework of external cooperation, it is to promote a better world and, indeed, to promote its own interests, a fact that must be acknowledged but that does not in any way diminish the virtues of the gesture. Quite the opposite, in fact.

In the area of illegal immigration, for example, it should be stressed that this policy is one of the most powerful weapons at our disposal, especially when used in conjunction with our neighbours.

As regards development, it is, like democracy and human rights, a universal good.

Konrad Szymański (UEN), in writing. Our part of the world having the privilege to live in wealth has a great responsibility to those who suffer hunger and whose future is uncertain.

I believe we can speak with one voice according to our humanitarian responsibility. United in this noble cause we can change a lot.

That is why I am against paragraphs introducing so-called 'reproductive and sexual rights' which are simply trying to win our support for abortion. This subject was not in the original Commission proposal. It appeared in Parliament. It is very unfortunate message for those Europeans who do not agree with abortion and do not want to pay for such practices, hidden in this document under the technical term 'reproductive right'.

Do we really want this message to be sent? We cannot disrespect Catholics' beliefs only because they are in minority today. Our message to them is clear: it says that Europe is not their responsibility any more!

In conclusion it weakens our fight against poverty and weakens European integration.

Therefore I called for support for Amendments 1, 2 and 3. I could not vote in favour of this report without them.

Report: Fourtou (A6-0429/2006)

Georgios Toussas (GUE/NGL), in writing. – (EL) The Group of the Greek Communist Party in the European Parliament voted against the report regarding the Commission's proposal for a regulation on a 'Modernised Customs Code', because it clears the path for invasion of major monopoly enterprises (especially logistics) in the sector of customs procedures. Establishing a 'certified financial body' in combination with the replacement of Article 5 of Regulation 2193/92, which refers to customs representatives, will result in the loss of jobs for all customs brokers in Greece and several EU Member States, who will be replaced with monopoly enterprises at the expense of the security of customs procedures.

The new Customs Code follows the framework of the Lisbon Strategy, which aims to increase the prosperity of the capitalists. This policy, apart from destroying labour, salary, insurance and social rights of the workers, which are its primary goal, will have devastating consequences on the self-employed and the small to medium-sized enterprises.

This reactionary policy by the EU is aimed against all grassroots classes.

Therefore, it is absolutely essential to form an alliance between the small- to medium-sized enterprises and the working class, a people's alliance that will put an end to the aspirations of the monopolies and imperialism and will claim its own power and open the road to social prosperity.

Report: Graefe zu Baringdorf (A6-0411/2006)

Diamanto Manolakou (GUE/NGL), in writing. – (EL) It is the farmer's and consumer's right and obligation to look after their health and safety and know the composition of each product, including animal feed. Therefore, we agree on the amendments and amendment proposal regarding the directive on the circulation of compound feedingstuffs.

However, certain companies appealed to the European Court with the pretence that the 'financial interests of the manufacturers would be seriously harmed' and that intellectual property would not be safeguarded, in order to circumvent from their obligation to inform the consumers on the composition of feedingstuffs, something that would provide farmers and consumers with the right to choose but also protect their health.

At the same time each manufacturer would be controlled as to whether the product he is selling corresponds to the ingredients printed on the label and regulations on the protection of public health.

However, we should not be fooled by thoughts that legal and other barriers can prevent monopoly enterprises in the animal feed sector from acting unscrupulously, given that such companies are responsible for the dioxin and Bovine Spongiform Encephalopathy scandals. For these enterprises profit is the number one priority and not the protection of public health. Moreover, for as long as there is a lack of adequate state control bodies and control responsibility is handed over to private individuals, we should be very worried about the protection of public health and the safety of the food chain.

Mairead McGuinness (PPE-DE), in writing. I supported this report so as to allow for a swift correction of Directive 2002/2/EC by deleting the obligation for feed manufacturers to inform customers on request of the exact composition of compound feedingstuffs, in line with the ruling of the Court of Justice.

The ECJ ruled that this provision provided too little in the way of additional health protection to justify the serious impact on the interests of the manufacturers.

However, I am concerned and disappointed that the legal services of the institutions prevented elected MEPs from tabling more far-reaching amendments to this controversial piece of legislation.

The intention was to amend the rules that currently require all feed materials in a compound feedingstuff to be indicated with a declaration of percentage by weight.

Disclosing exact percentages for animal feedingstuffs goes beyond the equivalent provisions applicable to food for human consumption.

In most cases, ingredient listing by weight is sufficient to protect the interests of farmers and consumers and the formulations of the manufacturers. I expect the Commission to take on board these concerns in its review of feed legislation programmed for next year.

Neil Parish (PPE-DE), in writing. Conservative MEPs supported this report so as to facilitate a swift correction of Directive 2002/2/EC by deleting, in line with the Court of Justice's ruling, the obligation for feed manufacturers to inform customers on request of the exact composition of compound feedingstuffs. The ECJ ruled that this provision provided too little in the way of additional health protection to justify the serious impact on the interests of the manufacturers.

However, we express our disappointment that the legal services of the institutions prevented elected MEPs from tabling more far-reaching amendments to this controversial piece of legislation. Our intention was to amend as well the rules that currently require all feed materials in a compound feedingstuff to be indicated with a declaration of percentage by weight. We do not believe that exact percentages need to be disclosed and note that this goes beyond the provisions applicable to food for human consumption. In most cases, ingredient listing by weight is sufficient to protect both the interests of farmers and the trade secrets of the manufacturers. We expect the Commission to take on board our concerns in its review of feed legislation programmed for next year.

Report: Flautre (A6-0376/2006)

Marco Cappato (ALDE), in writing. (IT) I support the report by Mr McMillan-Scott and Mrs Flautre on the European Instrument for Democracy and Human Rights, because democracy is a fundamental universal right, and, as such, should be promoted by transnational institutions.

The radicals in this Parliament have fought for years for the 'democratic clauses' contained in many agreements between the EU and authoritarian countries such as Laos, Vietnam and Uzbekistan to be respected. These agreements must be applied to the letter; however, the promotion of the right to democracy cannot be a mere by-product of policies on cooperation, international trade or humanitarian aid. We need to take action, devising a genuine European policy on democracy in the world, because the right to democracy cannot stop at Europe's 'neighbours'.

All over the world we need to succeed in building an alliance between Europe and pro-democracy forces: that is what the rapporteurs aimed for. The EU's ability to act in the future will tell us whether this aim has been achieved, or whether new, more flexible and effective instruments will be needed.

Kartika Tamara Liotard and Erik Meijer (GUE/NGL), in writing. (NL) Socialists can look back on a long tradition of international solidarity. They champion human rights, peace, democracy, social security, fair sharing, public services and a clean environment not only for the sake of people in their own towns, regions or countries, but also for the people in neighbouring countries and in other parts of the world.

Human rights for others are more important than the economic benefits accruing to us from cheap imports from countries where human rights are trampled underfoot. It is this conviction that has led us to back boycott campaigns against dictatorial minority regimes in South Africa, the former Rhodesia, the former Portuguese colonies and Pinochet's Chile. By joining forces with opposition movements in those countries, we have managed to help bring about major changes.

This is why we, representatives of the Dutch Socialist Party, support the Flautre/McMillan-Scott report on human rights in international treaties and relations with dictatorial states. We are aware that this report can be misused for measures against Venezuela or other states where the people have opted for radical steps towards human equality, and maybe even as justification for military interventions on allegedly humanitarian grounds. We regret that fear of this appears now to have prompted some of our Confederal Group of the European United Left/Nordic Green Left to opt for a principle of non-intervention, and hence, albeit unintentionally, for turning a blind eye to unacceptable dictatorships.

Luís Queiró (PPE-DE), in writing. (PT) The fact that the EU explicitly links its external policy with promoting human rights and democracy should be highlighted and lauded. Yet not everyone in Parliament, and in other Community institutions, will share the same views on which human rights have been violated and on where there is and is not democracy. Perhaps it would be better to avoid this question at this time, although in so doing we would be sweeping the situation under the carpet rather than addressing it.

That being said, the first of these points should be brought to the fore. The expansion of democracy and the protection of human rights is intrinsically a good thing that brings benefits to the people of countries in which there is neither democracy nor respect for human rights, as well as to the people of neighbouring countries (which is why promoting these values in our neighbourhood is so important) and of the world as a whole.

For these reasons, albeit with the reservations to which I have referred, I support the report before us.

Georgios Toussas (GUE/NGL), in writing. – (EL) The ‘financial Instrument for the promotion of democracy and human rights worldwide’ is a blatant admission that in the name of ‘democracy and human rights’ we are establishing the EU's right to imperialistic interventions at the expense of nations around the world.

The Commission report moves in an even more unacceptable, reactive direction, by stating that it will be used ‘without the consent of the host country’s government’, in order to provide plenty of money to the long arm of EU imperialistic policy, to various non-governmental organisations and moreover to organisations that are not officially registered in their country, that is illegal organisations. It provides for the creation of a productive workforce for independent civil society organisations, namely training of secret agents. Its objectives include the strengthening of the International Criminal Court, and moreover special international criminal courts.

The EU proclaims itself the universal protector of democracy and human rights, in the sense of a ‘Trojan horse’ that will be used to undermine the national and social sovereignty of nations that oppose the EU’s decisions and overturn governments that do not agree with them.

Let the nations draw their own conclusions. They should strengthen their struggles against this barbaric imperialistic union of monopolistic capitalists and send into history's trashcan the imperialists’ ambition to be elevated to the position of worldwide policemen.

Report: Sinnott (A6-0398/2006)

Ilda Figueiredo (GUE/NGL), in writing. (PT) The high number of injuries arising from accidents or violence in the Member States remains cause for concern. We therefore welcome the focus on the causes of these injuries, on the circumstances in which they occur and on why, when and where they occur. There are numerous factors behind the injuries, including social, economic and cultural factors. The more we understand these aspects, the bigger and, more importantly, the better, will be the measures put in place to prevent them from happening. Hence the report adopted today to place the emphasis on prevention.

The first step is therefore to gather information. The bottom line, however, is that people’s living conditions must be improved, which entails, for example, maintaining a public health policy with guaranteed access for all to healthcare regardless of economic circumstances, ensuring high quality public education and reducing or eliminating inequality. Accident and injury comes at a very heavy human price – premature death, years living with incapacity – and entails high costs in terms of healthcare and loss to society owing to lack of productivity. Injuries can be avoided, however. It is therefore essential to adopt healthier lifestyles and to adopt public policies that help make living conditions safer. Prevention is better than cure.

Diamanto Manolakou (GUE/NGL), in writing. – (EL) The primary reasoning of the ‘effort to prevent injuries’ is to invest in sectors that will offer something back. They promote cost-gain reasons instead of health. We disagree with these free market motives that drive this so-called effort to prevent injuries.

Dissimilar incidents are being lumped together and addressed within the framework of individual responsibility on the grounds that they all classify as injuries. The true causes of accidents are being concealed, thereby sending the strategy for preventing and addressing them off the rails.

Personal responsibility is stated as the main cause of these ‘injuries’ in order to cover up managerial liability for accidents at work.

The promotion of ‘safe behaviour’ conceals the need for a prevention strategy directed at taking collective measures that safeguard safety in areas where employees work and live.

They are aiming at burdening the employee, directly or indirectly, with the managerial obligation and cost of preventing accidents at work.

Their end objective is to promote further intensification of work and reduction of labour cost.

The State is largely to blame. In order to serve free economy, it does not carry out essential controls; it accepts criminal omissions and imperfections in projects from businessmen, which in turn increases the risk of accidents. Accident prevention should be enforced by the state on a regular basis, providing detail on the actual causes; moreover the bodies recording and investigating these accidents should be state controlled. Insurance coverage of occupational hazard, the creation of a state body of workforce doctors and safety technicians will provide the foundation for a systematic prevention of accidents at work.

Andreas Mölzer (NI), in writing. (DE) We owe it to our environment and to the people whom we represent to halt at once the policy of promoting long-distance transport the length and breadth of Europe; now that cancer and respiratory diseases have become the fourth most frequent causes of death in the EU, it is past high time that we did so.

If, though, safety is to be promoted, a solution also needs to be sought to the problem of deluded multiculturalism, which ultimately results in more and more problem areas in European cities, in which the forces of law and order are regarded as invaders, in which a massive decline in values prevails and in which the rule of the state is no longer acknowledged.

This phenomenon is not limited to Paris, for, in Berlin too, there are districts in which fires cannot be put out in good time or the injured taken away because it is impossible to communicate with the rampaging foreign mob, by which those trying to help risk being attacked or robbed – so-called ‘no-go areas’, in which even the police now venture only *en masse*.

That is exactly how it started in France, and we all know what that led to. If we are going to talk in terms of prevention and of more security, then these problems too must be addressed before the situation escalates.

Report: Martin David (A6-0430/2006)

David Martin (PSE), in writing. I naturally voted in favour of my report on the financing instrument for cooperation with the industrialised countries and territories. As I said in the debate, this might in financial terms be the least significant of the new external instruments, but it will still involve a budget of around EUR 22 million a year and cover our external actions with 17 important countries. I believe the amendments that Parliament has approved will make the instrument more appropriate and effective in promoting the interests and values of the EU in these 17 heterogeneous countries. I would like to thank colleagues of all Groups for their support in finding such a wide consensus.

16. 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: MRS ROTH-BEHRENDT

Vice-President

17. Approval of Minutes of previous sitting: see Minutes

18. Coordination of certain of the Member States' provisions on television broadcasting (debate)

President. – The next item is the report (A6-0399/2006) by Mrs Hieronymi on behalf of the Committee on Culture and Education on the coordination of certain provisions laid down in Member States concerning the pursuit of television broadcasting activities

(COM(2005)0646 – C6-0443/2005 – 2005/0260(COD)).

Viviane Reding, *Member of the Commission.* (FR) Madam President, honourable Members, ladies and gentlemen, I would thank all those in this House who have worked on the proposal for a directive on the various audiovisual media services. I should like, in particular, to congratulate the rapporteur, Mrs Hieronymi, as well as the co-rapporteurs and the shadow rapporteurs who have put a lot of time and energy into drawing up Parliament's opinion.

Their efforts have been rewarded, as a number of the amendments that we are examining today improve the Commission's initial proposal, presented on 13 December 2005. I also wish to emphasise the excellent cooperation between Parliament, my services and the Council, whose Finnish Presidency has done a first-class job.

The proposal for a directive on audiovisual media, which updates the TV Without Frontiers Directive, will be seen as one of the important pieces of legislation adopted in the course of this Parliamentary term. It responds to two requirements: firstly, it enables us to adapt our audiovisual enterprises to the considerable technological and commercial developments that have taken place; and, secondly, it demonstrates the political will that exists to ensure the continuation of the values essential to our communal life and to the forming of public opinion.

On the one hand, the technical and commercial aspects have to be taken into consideration. There are the new means of watching television, such as Internet Protocol Television (IPTV) and video on demand (VOD), the shift to digital technologies offering many more services and the arrival of new players in the market, including telecommunications companies, Internet access providers and big international investors. On the other hand, account needs to be taken of cherished considerations such as consumer protection, human dignity, the protection of minors and the promotion of cultural diversity and of media pluralism.

What is more, the Commission proposal will enable all companies that want to invest in the audiovisual media to do so under fair conditions of competition and at European level, namely that of the internal market. The principle on which the 1989 directive is based has not been substantially changed and is still that underpinning the updated directive. According to this principle, full compliance with the free movement of services in the internal market is conditional on responding only to the legislation of the country of establishment.

I would thank Parliament for supporting me in the matter of this basic demand, which contributes not only to the strength of our audiovisual industry but also, by opening national markets to European competition, to media pluralism.

The essential points of the Commission proposal are as follows. Firstly, the directive should be made applicable to audiovisual media services, with a definition of these services that is sufficiently flexible to stand the test of time while remaining sufficiently precise to provide the sector with the legal certainty it needs. Secondly, the various services should be divided, or grouped, into two categories reflecting the twofold differentiation criterion of, on the one hand, users' choice and control, and, on the other, the impact of these services on the way in which public opinion is formed.

Linear services, which constitute the first group, correspond to television broadcasting involving a chronological sequence of programmes. Such services are 'push' content, whether the platform is traditional, IPTV or mobile television.

The other group – non-linear services – are supplied at the consumer's request. These services – video on demand, for example – are 'pull' content, selected from a catalogue.

Where the rules are concerned, audiovisual content in the first category – that is to say, traditional radio and television broadcasting – needs to be subjected to a set of rules comparable to the current rules, but updated and simplified in order to take account of the developments I have mentioned. In the case, moreover, of audiovisual content in the second category, recourse to the country of origin principle should be authorised, on condition that the harmonised basic rules relating, in particular, to the protection of minors and the ban on incitement to racial hatred are complied with.

We then need to lower the barriers to entering the audiovisual sector by simplifying the current rules, particularly in the area of commercial communications, and to do so without compromising the general interest.

Madam President, I am very aware of the fact that many Members are very sensitive about this subject and that a number of them are asking for stricter rules on advertising. I want to be very clear about this issue. Like yourselves, I do not want to see American-style television, that is to say programmes constantly interrupted by isolated advertising spots. That is why the Commission is reaffirming the limit of a maximum of 12 minutes per hour and maintaining the principle of exception for isolated advertising spots, except in the case of sport. At the same time, we must bear in mind that, to put it bluntly, television channels, whether they be publicly or privately owned, need advertising revenue in order to buy high-quality content such as sport, films and documentaries. If we want Europeans still to be able to have a choice between free—to—air-television and pay TV, we must accept that there is going to be advertising.

What is more, recourse to co-regulation and self-regulation needs to be encouraged as a supplementary means of implementing the directive. This is the first time that this option has been introduced into a legislative text. There is also cause for reaffirming the general interest when it comes to the protection of children against harmful content, the protection of human dignity and the consumer's right to transparency, as well as the promotion of European works, which are an expression of our cultural diversity.

Honourable Members, you have today the opportunity, while still making stringent ethical demands, to enable the very successful European audiovisual content industry to become still more competitive and more integrated into the European internal market. I would ask you, in the course of the debate and the voting, to seize the opportunity to send two messages: one to Europeans, encouraging them to embrace new developments in television, and another to the professional sector, encouraging it to invest not only in order to create value but also in order that tomorrow's creative content might be European. It will only be possible to achieve this if the legal framework is better adapted to 21st century television. The Commission is inspired solely by these considerations in examining Parliament's amendments.

Madam President, I shall have the opportunity at the end of the debate to explain the Commission's position on the amendments in greater detail. Thank you for your attention. I am able to tell you right now that the Commission intends to accept a very large number of the amendments tabled by the rapporteur.

Ruth Hieronymi (PPE-DE), rapporteur. – (DE) Madam President, I want first of all – Commissioner – to thank the Commission, and also the Council under both Austrian and Finnish Presidency for the outstanding way in which it cooperated with this House, but very particularly my fellow rapporteurs and shadow rapporteurs, who made it possible for the Committee on Culture and Education, the lead committee, to work so very well with the Committees on the Internal Market, the Economy, Industry, Civil Liberties and Gender Equality.

Our common objective was and remains to keep television, a mass audiovisual medium, both an economic and cultural good in the future, for, in a shared internal market extending across Europe, freedom of information and diversity of opinion cannot be left to the market alone, and so it is vital that we should, today, proceed to revise the television directive, which covers analogue television services, but lacks as yet the legal certainty and clarity appropriate to the new digital services. It is the express wish of this House and of its committees that television and similar services should in future be evaluated on the basis of their content, and without reference to their technological platform. What is crucial is the primary purpose of the audiovisual mass medium in which content for information, education and entertainment purposes is produced and complied subject to editorial responsibility and then broadcast to the general public and transmitted via electronic networks, which means that these are clearly distinguished from the other services of the information society and in particular from those covered by the directive on electronic commerce. It is this legal clarity that the new audiovisual services need, and, by being taken into consideration in this directive, that is what they are getting; it is only when the primary purpose of this directive is fulfilled that it actually becomes effective, so let me reiterate, and make it abundantly clear, that this directive does not cover those emails that are private or not public, any more than it covers the electronic editions of newspapers, for they have nothing to do with its primary purpose.

In the European Union, the country of origin principle is the foundation upon which the freedom of the media rests, and that same principle is very definitely present in this new directive, although it was also necessary to take account of the concerns of those Member States who see it being open to misuse or being circumvented or who fear that it will be. This, now, is where this House's compromise is a very even-handed one, in that it takes account of both points of view with the end in mind of making the best

possible use of the Lisbon process and hence of the economic strengths of the new electronic media. This means that we have achieved broad agreement on the scope and the country-of-origin principle, not to mention on such other matters as the joint regulation and self-regulation of the protection of young people and consumers, the right to short-term reporting, the promotion of European content and of better access for disabled people.

It will become clear from the debate that we take a different line on advertising; like the Commission, I am in favour, not of more advertising – 12 minutes – but of greater flexibility. Even so, I had the painful experience of having to agree to a compromise on product placement. I very much hope that we will be able, by means of better labelling, to achieve a maximum of legal certainty and clarity for the consumers. Overall, though, the revision of the EU's television directive is a real fitness programme for forward-looking European television, and I warmly invite you to give it your support.

(Applause)

Karsten Friedrich Hoppenstedt (PPE-DE), *draftsman of the opinion of the Committee on Economic and Monetary Affairs.* – (DE) Madam President, Commissioner, ladies and gentlemen, let me say, as spokesman of the Committee on Economic and Monetary Affairs, how pleased I am that our position, which was accepted with only two persons voting against it, is largely reflected in the report voted on by the Committee on Culture and Education, so many thanks to Mrs Hieronymi for that achievement.

In the last few weeks in particular, we worked successfully on keeping the country-of-origin principle at full strength, and I am of course grateful to all those who had a hand in this, for it is this principle that underpins the directive, and it is in the interests of a functioning internal market that we should not go soft on it.

I take the view that the opening up and liberalisation in respect of advertising is essential if our dual-system media landscape is to be preserved together with the free reception of advertising-funded television. If this liberalisation is to be accomplished, then what is needed is the suspension of the requirement that commercials be grouped together in blocks, along with the abolition of the rule that requires thirty minutes between advertising spots in television and cinema films, in children's' and news programmes, and also for product placement to be allowed.

Product placement is a controversial issue, and I think that its being permitted subject to tight constraints is the only way to go forward; banning it would be unrealistic. A scientific study has confirmed that product placement, even though banned in many Member States, still goes on, and, moreover, any ban would push European investors towards the American market.

I believe that the positive list can be a way of offering a balanced solution that takes account of the way things are at present. Another core aspect of the directive, alongside the liberalisation of the rules on advertising, is the rearrangement of its scope; as we know, televised material can now be received over the Internet and mobile telephones as well, and to deal with this, we have opted for a technical approach that guarantees that the developments and platforms of the future will be taken into account as well.

Provided that the plenary takes these essential items on board when it votes, we will be able to face with confidence the challenges of the age of digital media while at the same time maintaining European televisual culture, which is so great a good.

Heide Rühle (Verts/ALE), *draftsman of the opinion of the Committee on the Internal Market and Consumer Protection.* – (DE) Madam President, Commissioner, I would like especially to thank Mrs Hieronymi and my own committee's shadow rapporteurs, especially Mr Kamall, Mrs Hedh and Mrs Wallis. Mrs Hieronymi has, through intelligent cooperation, worked hard with the other five committees, and the internal market committee started out by preparing a number of compromises, which have been taken into account by the Committee on Culture and Education and had an influence on the way it voted, particularly as regards the scope of the directive, which is a matter of some importance to us. New technologies encourage new products and new forms of customer behaviour. Digitalisation is causing new and strong actors – the telecoms companies, for example – to force their way onto the market. If the directive was to be made fit for the future, it was necessary to broaden its scope, but we also managed to frame that scope more clearly and more restrictively than in the original Commission proposal, and that is without doubt a success in which all the committees share.

(The President cut off the speaker)

President. I shall be happy to enlighten you, Mrs Rühle. The fact is that you will, later on, have another minute when you speak on behalf of your group, but, as spokeswoman for a committee, you are entitled to only one minute. I shall leave it to you to sort that out within your group to your own satisfaction. You will, of course, be able to recapitulate the essential points when you speak later on on behalf of your group.

Jean-Marie Cavada (ALDE), draftsman of the opinion of the Committee on Civil Liberties, Justice and Home Affairs. – (FR) Madam President, the minute's speaking time I have puts me in mind of an advertising spot. All right, then, I shall try to make something of it, even so.

Let us talk politics, first of all. I wish to thank the Commissioner. I remember the Liverpool conference. The document that you presented to us on that occasion was already a good medium-term proposal. I wish to thank Mrs Hieronymi. Because of her negotiating powers as rapporteur, most of the amendments by the Committee on Civil Liberties, Justice and Home Affairs were able to be integrated into the report presented in plenary.

I have two reservations to express. Firstly, I should like, on behalf of a number of delegations, to say how sorry I am that the compromises approved by the Committee on Culture and Education, which struck the right balance between, on the one hand, the broadcasters' funding needs and, on the other, respect for the viewers, have now been brought into question. That is a very bad idea, harmful to the audiovisual industry in general, because an industry that does not respect its consumers is doomed in the long term. On the subject, therefore, of the rules governing advertising, I think it vital to respect the integrity of artistic works and - where I myself am concerned, and until I am more fully informed - I shall continue to give my backing to uninterrupted periods of 45 minutes.

The Committee on Culture and Education has been very precise in mapping out the issue of product placement, and I therefore support its amendment.

Finally, Madam President, I regret that this report and the political conditions in which it is presented do not make it possible to reflect in the medium term on the balance between public and private audiovisual media services. We need to join forces in tackling these matters in the medium term if we want to ensure the survival of this report.

Lissy Gröner (PSE), draftsman of the opinion of the Committee on Women's Rights and Gender Equality. – (DE) Madam President, the Committee on Women's Rights, too, is grateful for the good cooperation and willingness of the Commission's rapporteur. We do of course seek to maintain European quality television, which means securing the diversity and independence of the media.

The revision of the directive must not, however, be allowed to open up new grey areas, which is what we fear where product placement - formerly scorned as advertising by stealth - is concerned. Product placement will now, in principle, be banned, yet numerous derogations make it possible for the Member States to blur the clear dividing line that separates editorial independence from the influences exerted by commercial advertising.

We, in the Women's Committee, have firmly repudiated product placement, and also want better protection for the young, with pornography, gratuitous violence and images derogatory to human dignity banned from audiovisual programming. We also want to see restrictions on advertising. Advertising must not be free to do as it likes. We must ensure that advertising periods are not extended. I am in favour of retaining the 45-minute rule, and also of alcohol not appearing in programmes broadcast during the day, in the interests of better protection for children and young people.

Erna Hennicot-Schoepges, on behalf of the PPE-DE Group. – (FR) Madam President, Commissioner, I should like, on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats, as well as on my own behalf, to congratulate Mrs Hieronymi who, on a human as well as a technical level, has brought us home safe and sound in spite of a very controversial debate.

To lay down precise rules in a technological environment that is essentially very much in a state of flux, is no easy matter. The question might, moreover, be asked: to what degree is it possible to regulate? It was necessary to find a fair and equitable framework, involving strong and restrictive principles, in connection with sensitive issues such as the protection of minors, and this while ensuring that players in the sector were not penalised. One strong and basic principle is the country of origin principle, which has been retained. The current compromise enables the authorities of the Member States to settle their

differences, on the basis described in the document, in the event of fraudulent and improper behaviour on the part of the broadcaster's country.

Where advertising is concerned, the PPE-DE Group supports the methods described by the rapporteur, adding however that advertisements need to be broadcast at the same volume as the programmes preceding them, as recommended in an amendment by the Committee on Culture and Education.

I should simply like to point out that, in the ideological debates surrounding advertising, it should not be forgotten that advertising is a lively and creative sector that creates jobs and that also has a cultural dimension. The controversy surrounding product placement leads me to make the following remark: the solution arrived at – that of banning product placement on principle and leaving it to each Member State to authorise it, or not as the case may be – is a strong message that calls on the Member States to take responsibility for funding high-quality television.

Finally, viewers are somewhat left out of account, as if the directive had nothing to do with them. Care really does also need to be taken to ensure that television is without frontiers.

Henri Weber, on behalf of the PSE Group. – (FR) Madam President, I too should like to thank Mrs Hieronymi for both the quality and the quantity of her work. The directive proposed to us would enable us to retain the European audiovisual model in the new technological and economic conditions.

Advertising is still limited to 12 minutes per hour. The Committee on Culture and Education has voted in favour of maintaining the period of time between two advertising slots at 45 minutes and of not reducing it to 35 – or, even worse, 30 – minutes, as desired by the Commission. I hope that this amendment, supported by the Socialist Group in the European Parliament, will be adopted in plenary. The advertising revenue from which television channels benefit should not suffer thereby as, in our world of globalisation and of the proliferation of transnational enterprises, the demand for advertising is expanding and will continue to do so.

Product placement is banned. That is the first thing to say. Admittedly, exceptions are possible when it comes to cinema films, television dramas and sports programmes but, in those cases, product placement is strictly regulated in order to prevent the abuses and pernicious effects noted in many countries, particularly the United States.

The regulations are extended, in appropriate forms, to the new audiovisual services. I am thinking, in particular, of video on demand, which has a great future ahead of it. Minors, consumers and people in general are protected against incitement to all forms of discrimination and hatred. We note with satisfaction that the new services will also have to play their part in supporting the production and promotion of European works.

With an eye to a number of audiovisual enterprises possibly circumventing the regulations of the Member States, the Socialists propose simpler and fairer provisions that can be implemented more quickly so that countries that are victims of indecent channels or services are better able to defend themselves. This compromise text, voted in favour of by the Committee on Culture and Education, preserves what is essential. It can and must be improved, and that is the purpose of our amendments.

Ignasi Guardans Cambó, on behalf of the ALDE Group. – (ES) Madam President, I would like to begin by thanking Mrs Hieronymi for her excellent work and also the secretariat of the committee for its work of handling so many amendments.

With effort on the part of everybody, I believe that we are going to be able to approve a directive which, on the one hand, can be effectively applied, which is not a letter to Father Christmas, since we are in the festive season, but rather a piece of legislation that can be put into practice and will not become obsolete in six months time, because it takes good account of the technical reality that we are talking about and is not drawn up according to any particular person's philosophy, but according to the reality of today's world.

At the same time, I believe that it is a directive that can avoid two extremes, and that will be the case if the amendments are approved, as some of us hope. One extreme would be American-style television controlled and dominated by advertising. There is also the extreme represented by those who believe that everything must be regulated by law, who want to change society solely by means of the law, sometimes on the basis of values that we may even share, or on the pretext of protecting the weakest members of society, the young and others whom we all want to protect. Such people believe that that

must be done solely and exclusively by means of the law, imposing burdens which make open commercial television impossible and unviable, or restricting legitimate business freedoms that exist in our market systems and in the European internal market.

I believe that we are achieving that balance between the two extremes. Certain extremes remain. For example, there is still an amendment aimed at banning pornography on the Internet; a very worthy objective. I do not know whether it is the job of the European Parliament to ban pornography on the Internet, for example. This has nothing to do with the values that any one of us defends, but rather with the reality of the field in which we are legislating.

I would like to end by expressing my support and praise for the efforts of the Commission and of everybody with a view to achieving a text that clearly opts for self-regulation and co-regulation. It is an instrument that has brought very good results and will continue to do so in the application of this directive.

Helga Trüpel, on behalf of the Verts/ALE Group. – (DE) Madam President, Commissioner, ladies and gentlemen, I, too, take the view that it is right to revise the television directive in view of the fact that the real world has changed so much; revision of it is a response to the digitalisation of the media. Since we now have ‘video on demand’, Internet TV, ‘webstreaming’ and whole new platforms, this directive needs to cover all audio-visual media services, and it is for that reason too that we have renamed it.

We are not, however, regulating the Internet as such; nothing produced by private consumers, no private homepages will end up being subject to the revised directive. Traditional broadcasting rules – prior control over content, for example – present no threat to press freedom or to the free expression of opinion. We Greens claim three successes where changes to this directive are concerned, one being the greater opportunities afforded to independent producers, together with a clear definition of what is meant by that term; another is greater accessibility for the disabled; there is also the European right to short reporting, which is all about diversity and the public’s democratic access to information.

There are, though, two major points of criticism to be made. We Greens do not want European television to become more American. I am not, in principle, anti-American, but I do want to promote and maintain European quality television, while all the proponents of the Commission proposal – including Mrs Hieronymi – think that European television’s only chance of a future lies with American-style product placement and ‘single spots’, and that we all have to submit to the constraints of the advertising market. I very definitely do not go along with this view. I want content and advertising to continue to be kept separate rather than being mixed up together. I do not want ‘single spots’ every few minutes, or the six minutes’ advertising in the space of 36 minutes that the PPE-DE and the Social Democrats want for all formats; I want to be able to watch a television programme without interruption. The present opportunities for advertising are sufficient.

Perhaps Mr Schulz can tell me – although he is not here – whether he wants, in an episode of the crime series ‘Tatort’ filmed in Munich, the detectives to be driving around in BMWs and drinking something that is recognisably Löwenbräu? Or perhaps Mrs Prets or Mr Poettering can tell us whether they would allow product placement in a television drama in order to promote the sale of Volkswagens, and I call on Chancellor Merkel and Mr Neumann, her minister of state for culture, now that the German Presidency of the Council is about to begin, to go beyond half-hearted resistance to product placement and give a clear indication of their opposition to it.

I have to tell Mrs Hieronymi that I regard her report as politically wrong-headed. Its ban on product placement is superficial, in that it then goes on to allow the Member States to introduce it, so, in some formats, product placement will become a reality in all European countries.

Is that really what you want, ladies and gentlemen? I see this as self-deception; on the one hand product placement is to be allowed, but, on the other, according to the directive, people are not meant to buy the products. That, though, is ridiculous; we are simply conning ourselves in what I regard as a typical sell-out. I urge you to be courageous in voting against product placement and single spots, to defend European quality television, to vote for free production aids, for the Greens’ amendments relate to all of these things. We should take pride in our quality television and it is this area that we should most distance ourselves from the Americans. I would like to thank the other Members and the Commission, too, for their cooperation.

Umberto Guidoni, *on behalf of the GUE/NGL Group*. – (IT) Madam President, Commissioner, ladies and gentlemen, I believe that the review of the previous legislation – which is seen as a natural legal adjustment to new technologies – conceals a desire for the uncontrolled liberalisation of the advertising market: no daily limit on teleshopping, telepromotions that are not included in the schedule, unregulated small advertising spots and the introduction of product placement, an advertising practice that is so interwoven with programme content that it cannot be regulated either quantitatively or qualitatively.

The text of the directive also lacks binding references to the principles of pluralism, independence and free competition, which should instead form the basis of every broadcasting system in a modern democracy, as Parliament itself has repeatedly confirmed.

Closely associated as it is with the democratic and cultural life of a country, television is undoubtedly the most important cultural vehicle of our times, and it is dangerous to have its content and its functioning depend solely on market principles, without safeguarding viewers' rights, for example to impartial information or to the protection of their children. How do we go about protecting children when advertisements change their eating habits? It is indeed a fact that most children today only eat products that are full of sugars and fats.

In this Commission proposal, which talks about 'no frontiers', that is, no limits, there is nothing but advertising. If we do not change the course of action in line with the amendments tabled not only by the Confederal Group of the European United Left/Nordic Green Left, but also by a cross-party group of MEPs without political ties, the television of the future is in danger of becoming a slave to the laws of advertising, and to them alone.

Zdzisław Zbigniew Podkański, *on behalf of the UEN Group*. – (PL) Madam President, in an era of rapid technological progress on a global scale and the change that this progress brings with it, we should take care to ensure that change fosters cultural and economic development in the whole of Europe, as well as in individual nations. That is why I welcome Mrs Hieronimi's report, which is based on the country of origin principle.

Adapting rules and conditions at a national level will allow national products, including independent products, to be marketed in a way that is more productive and attractive for the consumer, thanks to the distinction between linear and non-linear services. I would also like to express my appreciation and support for the rapporteur's proposals concerning the protection of minors, the prevention of racial hatred, and surreptitious advertising, and for the distinction drawn in the document between sponsorship and product placement.

I am also pleased that the proposal to shorten the intervals between commercial breaks during films to 30 minutes has been rejected, as this prevents the distortion of the proportions of the film or a loss of its artistic value.

Mrs Hieronimi's report is a good document and provides a basis for further work aimed at regulating linear and non-linear services.

Thomas Wise, *on behalf of the IND/DEM Group*. – Madam President, the Commission and the rapporteur intended a slight liberalisation of advertising law. However, I believe it has been hijacked by extremists. Here are some of the most damaging elements.

A ban on advertising during children's programmes means there will be fewer of them and the remainder will be of lower quality. Jobs will be lost in the media and the toy industry.

The ban also extends to news, documentaries, advisory programmes, theatre, opera, any form of sponsorship and product placement. The consequence will be to reduce revenue to the commercial media, bringing their very future into doubt.

The right to short reporting – 90 seconds of someone else's broadcast for free – will destroy commercial news and sports reporting. As you will see, I only have 90 seconds here.

The ban on some foods would be better addressed by working with the food industry to improve its products and safeguard jobs, rather than blaming the advertising industry for something it does not control.

A ban on advertising alcohol will not stop people drinking. Prohibition did not stop it in the USA.

The directive seeks to use the country-of-origin principle to solve differences between Member States, yet it undermines that very principle. It will not work. I have time here for one example. Many Swedish media companies have been based in Britain to enjoy our employment laws. They are subject to British law, but they broadcast into Sweden. Sweden has more stringent child protection laws than the UK. It is justifiably unhappy. The IND/DEM Group and UKIP back Sweden's right to decide what happens on Swedish territory and equally Britain's rights on UK soil. The directive offers no solution, only an ongoing problem. I have introduced amendments to reject the Commission proposal. Moderate Members will support this.

Roger Helmer (NI). – Madam President, President Reagan famously said, 'If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidise it.' I suggest to the House that this is the anti-business approach of the European Union when it comes to the television industry, especially with regard to regulating the industry.

We have here one of the most competitive industries that exists. People in the industry fight to gain viewers, they fight to hold viewers and so, except in special cases, for example involving children, there is simply no need for regulation. The operators are already working as hard as they can to make sure that what they present is attractive to viewers.

The second piece of damage that this proposal will do is to innovation. Inevitably, what we are doing here is setting today's technology in stone. None of us in this Chamber knows what will happen next year or the year after; we are creating, therefore, a barrier to innovation and we should reject the whole proposal.

József Szájer (PPE-DE). – (HU) Madam President, I would also like to join those congratulating Mrs Hieronymi on the excellent job she has done.

The new Member States have specific problems with regard to the media market, and I am very confident that this workable compromise which has been adopted can lead to the creation of a media market with a more uniform structure in the new Member States, as well as to greater competition in these countries too. The media system and market in a number of the new Member States did not develop as a result of organic growth, but originate mainly from the media and infrastructure which were under party control during the years of dictatorship. Media wars have broken out directly in these countries, which includes my own, Hungary, due to the established monopolies, and the particular infrastructure and regulatory conditions favouring a plurality of views have not been established. This is precisely why I think this matter is important, and I sincerely hope that this will help the situation.

As an elected representative, I also feel it is essential that our fundamental values, by which I mean our views on the protection of minors, human liberties, cultural and linguistic diversity and minorities, are given a high profile in these regulations; after all, they are not only our common values, but also appear in any joint European basic document. In order to achieve this, we cannot create unnecessary obstacles blocking the development of the media market in Europe. This is why I am confident that the compromise reached will definitely guarantee that Europe can compete with the rest of the world. Thank you for your efforts, and I wish this proposal every success in its implementation.

Catherine Trautmann (PSE). – (FR) Madam President, Mrs Reding, Mrs Hieronymi, the adoption of this amended TVWF ('Television without Frontiers') Directive is going to enable the various players to develop within a clear framework, responding to the demands of the digital revolution and of the knowledge-based economy.

I would emphasise the positive point concerning the scope of application, with the inclusion of non-linear services and the unambiguous exclusion of private websites. A balance needed to be struck between freedom of expression, the free movement of information and freedom of access to new services – such as VOD – and to valuable cultural and economic content. The emphasis laid on quality will enable European production to strengthen its position. The same is true of the promotion of European content.

The directive offers real progress with regard to the protection of minors and places ethical restrictions on advertising, but it must confirm matters, particularly with regard to the issue of health and of the fight against obesity. I hope that our Parliament will confirm its support for my proposal to ban the advertising of products that do not comply with children's labour standards.

Karin Resetarits (ALDE). – *(DE)* Madam President, heartfelt congratulations to Mrs Hieronymi and to Commissioner Reding; television is about to undergo a revolution, and, although opinions differ as to how that revolution will turn out, there is no doubt about the fact that television is becoming more democratic. In future, it will not be just for a few major broadcasters to make television and determine what is shown on it; the example of YouTube already shows the way things are going, with the Internet as a new stage, and each consumer his own director.

Television is a living industry, and one that we in Europe must build up, in particular by opening the sector up as a labour market for creative people. In the USA, more recently, all the new ideas in the audio-visual sector have originated from television, rather than from Hollywood, as in the past; one may take the television series '24' as an example. Let us not be guided by prejudice, or else there will be a rude awakening in store for us. What is needed, here in Europe, is a creative industry; too many restrictions – particularly on advertising, which is the only source of income apart from fees – harm the creatives in particular and ultimately result in more trash or cheap imports and to fewer European productions.

Miguel Portas (GUE/NGL). – *(PT)* Television lives off the interface between three conflicting interests, namely those of the programme-makers, the operators and the viewers. The Committee on Culture and Education voted for a solution that I feel is, broadly speaking, a balanced one. It is not television as I myself would have it, but it is at least governed by rules. Unfortunately, under pressure from the Commission and some operators, proposals have arisen in this plenary session that jeopardise this balance, to the detriment of the viewers.

As regards product placement, the current wording is reasonable. Product placement is on the whole prohibited, with exceptions that the Member States can authorise, but pressure at the eleventh hour has led the Group of the European People's Party (Christian Democrats) and European Democrats and the Group of the Alliance of Liberals and Democrats for Europe to table amendments that run counter to what had been accepted, and we object to this. The Committee on Culture also voted for a proposal whereby programmes with product placement should be identified to the viewer for the purposes of consumer protection, but a signal that only appears every 20 minutes neither informs nor protects. For example, when it comes to violent films, no one expects the warning only to appear at the beginning or before the interval. As regards advertisement breaks, we would distinguish between 45 and 30 minutes depending on the type of programme. This is the right way forward. It is a solution that does not alter the thrust of the policy and that avoids the excesses of moral prohibitionism, as Mr Guardans Cambó rightly pointed out.

Johannes Blokland (IND/DEM). – *(NL)* Madam President, one explanation for the fact that more and more time is spent watching audiovisual products is that moving pictures hold a huge attraction for people, and it is a generally known fact that viewing habits of this kind are bound to have an impact on human behavioural patterns. The content of the products on offer can be useful, but can also be so depressing that many members of the public avoid them on ethical grounds. It is up to the authorities to protect the weaker members of society; they can do this by offering security, not only in the physical, but also the mental sense. That being so, I am delighted with two sections of this report.

First of all, I am pleased with the stricter rules on jurisdiction. It is right, in my view, that Member States should have more influence on what audiovisual services are offered within their territory, for every Member State has its own identity, and the audiovisual services provided should be in keeping with this. It is not enough to comply with the rules of the country where the provider is established.

My second point concerns the position of minors and vulnerable people, both of which categories of persons are relatively easily led and can end up manifesting behaviour that is dangerous to themselves and sometimes to their environment as well. It is up to the legislator to minimise the likelihood of damage.

Syed Kamall (PPE-DE). – First of all, my thanks to Mrs Hieronymi, Mrs Rühle and Mr Greg Paulger from the Commission for all their excellent work. I probably got Greg into trouble there, but thank you very much for all your work.

There were a few issues that I had great concerns about right at the beginning. One was the extension of scope. I would like to see no extension of scope, because I worry about regulating services that do not yet exist, but I am very happy with the compromise that we have reached. I am also very happy with the work that was done by the rapporteur in recognising the role of self-regulation. We have to recognise

that product placement exists. There are examples of German car companies that have gone outside Germany and placed their cars in an American programme that is shown back in Germany, and that has led to a lot of revenue, not only for European producers, but also for European agencies. Let us realise that there is a world outside the EU.

When it comes to advertising breaks, in a world of multi-channelled TV with thousands of channels and hundreds of devices, we should leave this to the market. If you over-advertise, people will switch off.

Finally, we need to make sure that we have a strong country-of-origin principle. We must not allow the enemies of the single market to win their arguments.

Christa Prets (PSE). – *(DE)* Madam President, Commissioner, it was a year ago, Commissioner, that you presented us with this document, and I think that a lot has happened in that time. The report has undergone a lot of development, and we have been presented with plenty of acceptable compromises. It is evident from the debate that one great central concern is advertising, and, as this is something with which a lot of us have a problem, we will have to discuss it; the question is: how must we control the amount of advertising in order to protect consumers while at the same time enabling creative artists to bring good, high-quality products onto the market without charging even more? Advertising is something we are not going to be able to get away from. We have spent a lot of time considering product placement, and have – albeit with certain exceptions – banned it. We will have to keep an eye on what the Member States do with this, and how this ban is handled; under no circumstances must we end up with a situation in which content is determined by the product advertised. Clear boundaries have to be drawn, and I think that characters in Bavarian crime programmes have been driving around in BMWs for quite some time without anyone so far being bothered by it.

I would also like – very briefly – to say something about the country of origin principle, for that too is very important and must not be allowed to result in media service providers deliberately moving their production operations to other countries in search of less onerous requirements, and that is something else that we have to deal with.

Sharon Bowles (ALDE). – Madam President, we know that revenue from advertising through traditional media has been reduced, so the equation is simple: if we do not allow more revenue for traditional TV to be earned, then all hopes of quality productions, documentaries and cultural vibrancy are lost.

I believe in the market power of the ‘off’ button. Advertisers will not pay for unseen adverts and viewers will not watch unacceptable TV; but unacceptability refers as much to the standard of programmes as to the excessive presence of advertising, so we are back to my original equation. On balance, allowing advertising breaks in programmes scheduled for 30 minutes is both practical and essential, as is cautious product placement.

On short news reports, we have been very exercised by sports events. We need to take care with our words so as to allow some reasonable inclusion in general news programmes, while noting that public interest does not extend so far that on a day-to-day basis it undermines the value of copyright or other exclusive rights that have been purchased.

Giusto Catania (GUE/NGL). – *(IT)* Madam President, ladies and gentlemen, the aim of this directive is to totally liberalise the advertising market, and that means a single kind of television, one that is exclusively for entertainment purposes. It will become impossible to make quality, educational or cultural television. European cultural production will be greatly harmed, and this directive will cause serious damage to the dailies, which will no longer be able to attract advertising.

Television often gives rise to superfluous needs, and advertising thus becomes a conveyor belt of induced needs: that is why we need to do more to protect the weak members of society, in particular children.

Outrageous as it is, product placement in fact changes the very nature of advertising, which goes from being the essence of selling to the very essence of television broadcasting.

The important liberal philosopher, Karl Popper, described television as a ‘bad teacher’. Today, with this directive, the proclamations of the ‘bad teacher’ become proclamations ‘without frontiers’.

Manolis Mavrommatis (PPE-DE). – *(EL)* Madam President, Commissioner, ladies and gentlemen an Olympic marathon is nearing its completion. The revised directive ‘Television Without Frontiers’ is set

for vote at the part-session of the European Parliament, in the hope of an approval that will bring to order the most widely known mass media that is television.

It was not an easy task for the Commission and especially for rapporteur Mrs Hieronymi, whom I must congratulate on her efforts but also my colleagues that contributed so that this directive could reach its final stage. We will know the result this time tomorrow. The only thing certain is that this race has no losers, because all of us gave our best so that the citizens can gain from this.

In a Europe without frontiers, this directive will harmonise the basic legal framework regarding mass media and will set minimum standards to protect even more the viewer who is surrounded by constant 'fire'. Television is a medium that has the power to educate, project, inform, entertain, spread civilisation, teach and open up a dialogue with the citizens. This is its role or at least this is the television we want. A pluralistic television. Available to all. A television without frontiers.

The directive we are called upon to vote should be comprehensive and moreover it should be implemented immediately. This is our main consideration and what we are trying for. The Council must be convinced that it is their obligation towards society and the generations to follow, to observe the rules of respect and harmonisation of the directive to national law, which is what every civilised nation deserves and what four hundred and fifty million citizens, viewing us now, demand.

Åsa Westlund (PSE). – *(SV)* Madam President, the harmful effects of alcohol cost the European Union EUR 125 billion each year, corresponding to 1.3% of the EU's GDP. Alcohol is, then, not just any product, and there must therefore be restrictions on television advertisements for alcohol. Children who watch television during the day should not have to be exposed to advertisements for alcoholic drinks. I therefore hope that Parliament will support Amendment 169 tomorrow.

The directive we are debating in this House is a minimum directive. The idea, then, is that each country should be able to have its own more restrictive rules on advertising. In practice, however, this is impossible. In Sweden, for example, we have banned advertisements aimed at children, but TV 3 and Channel 5 are nonetheless able to get around these rules by broadcasting from Great Britain. That is absurd. Broadcasts aimed at Swedish viewers should follow Swedish rules, just as broadcasts aimed at British viewers should follow British rules. I therefore hope that Parliament will vote tomorrow in favour of amendments such as numbers 246 and 153 that give the recipient country some say about the advertising content of broadcasts.

Patrizia Toia (ALDE). – *(IT)* Madam President, ladies and gentlemen, the directive has a great impact on two levels: firstly, on that of industry and technology, because we are talking here about an advanced sector of European industry, and, secondly, on that of public opinion, of the development of ideas – in other words, the cultural level of European society.

We therefore think it important to strike a balance between these two elements, namely technology and the content and characteristics of the product. For this reason, we have asked for a great deal of attention to be paid to the issue of the impact on children, so that the media, as an instrument of growth, does not become an instrument of manipulation.

We are in favour, Commissioner, of finding substantial resources for investment through advertising and other methods of funding, but we want clear rules so that advertising does not stifle and destroy the creativity of production, artistic freedom and the importance of European cultural production, which must be supported.

I am therefore against advertising getting out of control. I am in favour of 45 minutes between commercial breaks, but not of the kind of advertising that starts to predominate over the product and its quality.

Finally, talking about audiovisuals inevitably means talking about quality issues, and in this case, too, Commissioner, I appeal to your sensitivity: this is not only a question of business, but also a question of pluralism, insofar as a directive of this kind must necessarily include and respect plurality arguments, too. It is in fact not just culture, but also democracy in Europe, that is linked to this issue.

Marie-Hélène Descamps (PPE-DE). – *(FR)* Madam President, television is the main source of information and entertainment in Europe; it is watched by all individuals, of all ages, on a daily basis. For more than 15 years, the 'Television without Frontiers' Directive has been the benchmark where television regulation in Europe is concerned. This directive has been able to guarantee a common level of protection for important general policy objectives and to make it easier for television services to be

distributed beyond borders, thanks in particular to the country of origin principle. It has also promoted freedom of expression and of information and has played a significant part in promoting the expression of cultural identities.

However, with the digital age, convergence and the arrival of new audiovisual media services, a new revision of this regulatory framework has proved necessary.

The text proposed to us today represents a major step not only for the audiovisual media sector, but also for the people of Europe. It is the outcome of a real effort to cooperate and exchange views, overseen for several months by our rapporteur. I should like to congratulate her on the quality of her report and on the considerable efforts she has made to get through these most sensitive of subjects.

Taking account of the two sides – economic and cultural – of audiovisual services, the revision of the 'Television without Frontiers' Directive enables us to draw conclusions from current technological developments and to adapt the Community legal framework to future developments. In this regard, the very principle of extending the directive to new audiovisual media services is crucial. Since non-linear services are competing more and more with traditional services, their contribution to the promotion of cultural diversity is crucial and conforms to the objectives laid down in the UNESCO convention.

Furthermore, a major step has been taken for linear services, with short extracts being granted a right of access. This right will, however, have to be exercised under reasonable conditions and in compliance with exclusivity rights.

Finally, as regards advertising, we have been given the opportunity for the first time to have clear rules on product placements: with the guarantees proposed to us, product placements will provide new opportunities for European audiovisual production and creation, while guaranteeing consumer production and information.

IN THE CHAIR: JANUSZ ONYSZKIEWICZ

Vice-President

Anna Hedh (PSE). – *(SV)* Mr President, I acknowledge that we need to overhaul the directive in the light of the developments, especially technical developments, that have taken place in the audiovisual sphere over the last 20 years. However, the Commission proposal and the amendments to the directive all have some unhelpful features. The directive is, in quite a few respects, in danger of bringing about a deterioration in consumer protection generally and, in particular, of exacerbating the effects of television on minors. Just as there has been technical progress, the quantity and diversity of advertisements has increased over the last 20 years. Advertisements are everywhere nowadays and are even aimed at children and other minors.

There must be regulations that create a balance when it comes to the quantity of advertisements permitted and to the particular consumer groups at which advertisements may be targeted. Even though what we have here is a minimum directive, many of us in the Socialist Group in the European Parliament are in favour of stringent rules governing all advertising in children's programmes and advertising aimed at children. We understand why the Commission has banned advertisements in religious programmes but question why it is considered less important to protect children from commercial influences than it is to protect people who watch this type of programme. Children cannot distinguish advertisements from other programmes and cannot, therefore, understand the ulterior motives behind advertising. Like many others, I am opposed to advertisements aimed at children.

Ivo Belet (PPE-DE). – *(NL)* Mr President, ladies and gentlemen, the new directive is to be welcomed, for it enables us to guarantee that the traditional television channels on the public network will retain a fighting chance in the digital era. There is no point, as you know, in imposing stricter requirements on the traditional public network television, if these new rules did not apply to on-demand television, which is expanding at an enormous rate. I would therefore like to offer the rapporteur, Mrs Hieronymi, and Commissioner Reding my heartfelt congratulations.

Nevertheless, I have two comments. First of all, with regard to product placement: it is, of course, to be welcomed that this can be done, as it also benefits the television sector in enabling it to tap into a new instrument in order to attract advertisers and compensate for the loss of income from television commercials. Needless to say, a sound framework needs to be worked out for this – one that safeguards

editorial autonomy on the one hand and an announcement before and after the programme on the other, so that the viewing public would then know where they stand.

Secondly, Mrs Hieronymi, Commissioner Reding, in Flanders, we would like to see Europe approve a general ban on advertising in children's programmes. While this view is widely supported in Flanders, and also in Sweden, there is apparently – and regrettably – less enthusiasm for the idea in the rest of Europe. What we can do, though, is to impose rules that are stricter than the European minimum we will be approving tomorrow, but as you know, those rules are at risk of being undermined by channels that transmit to the viewing public in Flanders from other Member States.

What is now before us is, unfortunately, not enough to stave this off, so I hope that, tomorrow, we will not weaken the Council compromise even further, and finally, that a code of conduct will be introduced for commercials for fast foods, for example, in our neighbouring countries, which, although this is to be welcomed, we would be better off banning from our screens altogether, and certainly from children's programmes. In fact, decision-making in this respect is still at Member State level. This would be the best instrument in the fight against obesity, which we do, of course, all support.

Giovanni Berlinguer (PSE). – *(IT)* Mr President, ladies and gentlemen, the Commission has mainly emphasised the industrial and economic importance of television, which is indeed considerable, but, universally accessible as it is, television is above all the greatest information tool and the main vehicle of culture, as well as being an instrument of power.

There is currently a tendency to extend the space for advertising on television, and this is likely to limit the role of the press and its freedom to gain funding. The article authorising product placement is based on a falsehood, because first this principle is denied and then it is sanctioned in a thousand different ways. This will mean that the makers of all fictional programmes and of other shows will see their creativity not just used, but also contaminated.

I therefore understand the painful compromise reached by the rapporteur, Mrs Hieronymi, who has done an excellent piece of work. However, I, together with many others, have tabled an amendment aimed at eliminating the idea of product placement, in addition to other amendments.

Luis Herrero-Tejedor (PPE-DE). – *(ES)* Mr President, ladies and gentlemen, we all know that democracy is a system of public opinion, and the freer the media is, the better the democracy.

This directive regulates the media in the audiovisual sector and I believe that the question we should ask is: does it make it freer or less free than before?

In order to respond to that question, we should consider this equation: the greater the interventionism of the authorities, the less free the media is, and vice versa: the less intervention there is from the authorities, the greater the freedom of the media.

In my view, ladies and gentlemen, this directive is unfortunately excessively interventionist: with regard to advertising, with regard to quotas of audiovisual production, with regard to unnecessarily extending the scope to non-linear services, but above all, with regard to giving the national regulatory authorities power to protect the fundamental right of freedom of expression.

All democrats know that protecting fundamental rights falls exclusively to courts of justice. This directive, however, and through no fault of the rapporteur, who has fought extremely bravely – and I thank you for that, Mrs Hieronymi – gives national regulatory authorities the power to decide what is accurate and what is not, what may be broadcast and what may not or, as has happened in Catalonia, one of the European regions with the poorest level of democracy in the whole of the European Union, which operators may broadcast and which may not.

That is a way of opening ourselves up to prior censorship. I would ask you, please, Mrs Reding, to take this seriously, to see whether we can avoid it, amongst other things because we will have to listen carefully to what organisations such as Reporters Without Borders, the World Association of Newspapers or the World Press Freedom Committee have to say about this issue. They are going to embarrass us.

I hope that that embarrassment will at least force us to correct our mistake in time.

Viviane Reding, Member of the Commission. *(FR)* Mr President, as I am very well aware that time is pressing, I am not now going to read out the very long list of amendments that the Commission is in a

position to accept and those that it has to reject. Unfortunately, I will not be able to put forward any arguments either. I am going to submit this list to you and to the political groups.

I must say, however, that the 'Television without Frontiers' regulation, which has been in force for many years now, has proved its worth, by developing the television sector in Europe and by giving a real opportunity to European content. We are now faced with a fundamental change where technology is concerned: we must therefore adapt the directive to the modern world, with new, fairly flexible definitions that can stand the test of time and the development of technology.

The great majority of Parliament is of this opinion. We have here the prospect of quality television, where regulated advertising serves to fund European programmes and where media services can take advantage of the country of origin principle and, thus, of the single market: they must both comply with the basic values that are the protection of minors and the ban on incitement to racial hatred, while supporting the production of European works. While we can thus summarise in a few sentences what Parliament is going to vote on, it is, of course, an imperfect summary, but at least we have tried.

The full complexity of the undertaking is illustrated by the multitude of amendments tabled. I must say that, among the amendments of the report by the Committee on Culture and Education – once again, I am extremely grateful for the exemplary work done by its rapporteur, Mrs Hieronymi – the Commission can accept 44 of them and it can accept 59 of them in part: in other words, two-thirds of the amendments contained in the Hieronymi report. That tells you something about the quality of the positive work done by Parliament: it should be congratulated.

As regards the amendments tabled in plenary, the Commission can accept eight of them in full and 24 in part: Mr President, as time is pressing, the list will be handed over to you. Allow me, in closing, to thank the MEPs and the rapporteur and shadow rapporteurs, who have really done a precise piece of work – one that is very complicated, but that is in the interest of our European television and media sectors. European content, which will have a chance thanks to you, owes you a great deal!

President. The debate is closed.

Voting will take place on Wednesday at 12.00.

Annex – Position of the Commission

Hieronymi report (A6-0399/2006)

The Commission can accept Amendments 6, 11, 12, 14, 16, 20, 25, 30, 32, 41, 42, 43, 48, 49, 56, 62, 67, 78, 79, 81, 84, 85, 86, 88, 89-92, 99, 115, 117, 120-125, 128-130, 132, 133, 138, 144, 154, 212, 213, 215, 221, 222, 224 and 226.

Amendments 1, 3, 4, 7, 8, 10, 13, 17, 18, 19, 23, 27, 28, 33, 34, 35, 36, 38, 39, 40, 46, 50, 57, 58, 60, 63-65, 66, 68-71, 73, 77, 82, 83, 87, 94-98, 104, 107-110, 114, 126, 127, 131, 135, 137, 141, 147, 149, 150, 151, 157, 178, 183, 184, 186, 191, 193, 200, 203-205, 208, 214, 216, 218-220, 223, 225, 227-229, 235 and 236 can be accepted in principle.

The Commission cannot accept Amendments 2, 5, 9, 15, 21, 22, 24, 26, 29, 31, 37, 44, 45, 47, 51-55, 59, 61, 72, 74-76, 80, 93, 100-103, 105, 106, 111, 112, 113, 116, 118, 119, 134, 136, 139, 140, 142, 143, 145, 146, 148, 152, 153, 155, 156, 158-163, 166-177, 179-182, 185, 187-190, 192, 194-199, 201, 202, 206, 207, 209-211, 230-234 and 237-246.

Written statement (Rule 142)

Marianne Mikko (PSE). – *(ET)* The Baltic States almost bloodlessly rid themselves of the Soviet occupation. The greatest number of people gave their lives defending the freedom and objectivity of the press.

On 20 August 1990, twenty Estonian patriots resisted Moscow's OMON Special Forces soldiers to defend the Tallinn Television Tower. On 13 January 1991, fifteen people died defending the television tower in Vilnius. Dozens more Lithuanians were injured in gas attacks against the television and radio building and transmitting centre.

In discussing the Audio-Visual Media Services Directive, the people of the Baltic States think about unbiased media more than advertising sales.

It is manifestly clear that the Kremlin has now once again reined in the media. What is less well known is that part of the European Union media has been transformed into an obedient instrument of Moscow.

Our liberal attitudes permit the Pervõi Baltiiski Kanal, which has its headquarters in Riga, to turn the Russian-speaking inhabitants of the three Baltic States against our countries' legal governments.

The channel is funded not by Russian businessmen, but by Russian propagandists. Their skills have reached a new level, and the channel's ideological message is skilfully concealed among entertainment. This does not, however, fool media experts.

Every Member State must be able to defend itself against such hostile foreign propaganda.

My motion to amend was signed by all of the representatives from the Baltic States, regardless of their party affiliation. We have already experienced the Kremlin's ideological manipulation, and do not wish to endure it again.

Jules Maaten (ALDE). – *(NL)* It is important to promote the free movement of European television programmes and for the production of these programmes not to be hindered by excessively strict legislation on advertising. The Group of the Alliance of Liberals and Democrats for Europe is opting for a realistic look on product placement. Information is useful, but consumers are not waiting for a reminder during a television programme. A reminder prior to and after a programme are sufficient. Income from advertising and product placement is needed in order to help finance European productions; the alternative to that is even more cheap American ones, full of product placement.

Children's programmes must be subject to stricter standards, for obesity is an increasing problem. Given the huge impact of advertising of unhealthy food on children's menu choices, advertising directed at this target group should be restricted. I would therefore argue in favour of developing an effective code of conduct with regard to advertising, product placement and other marketing of unhealthy drinks and food aimed at children.

Finally, I would still advocate a strong country of origin principle. Television programme makers should not be made subject to extra rules and regulations when they want to offer their programmes elsewhere in the European Union. What we must do is enhance the sales of European audiovisual products.

Alessandro Battilocchio (NI). – *(IT)* The outcome of the vote on the Television without Frontiers Directive shows great maturity on the part of Parliament. In fact, thanks to the excellent work of the rapporteur, Mrs Hieronymi, of all the draftsmen of opinions, of the Council and of the Commission, the directive provides an effective tool for promoting the competitiveness of the European audiovisual industry, leaving reasonable scope for private funding (this is nothing new, audiovisual services live off advertising) while guaranteeing an appropriate level of protection for consumers and, above all, for the most vulnerable members of society (such as children and the disabled). I would, however, have preferred more courage to have been shown, for example regarding the introduction of product placement. While I agree with those who wish to safeguard the creativity and independence of writers, together with the quality of productions, I must nevertheless point out that, in 2007, and on the international market, this practice is a reality, and denying this fact means risking a loss of competitiveness, funding and market quotas. I hope that the majority of the Member States will be able to show more courage and more openmindedness than these institutions have so far shown.

Nils Lundgren (IND/DEM). – *(SV)* This difficult issue presented by modern technology produces a conflict in terms of goals, with freedom pitted against the interest we have in providing certain forms of protection.

On the one hand, it is awkward censoring programmes broadcast from other Member States but, on the other hand, we believe that each Member State must be able to make its own decisions on cultural and moral issues relating, for example, to advertisements for alcohol and tobacco and advertisements aimed at children and to rules governing discrimination and pornography. Each Member State must be able to make its own laws in these areas.

Technical developments involving rapid broadband Internet and mobile telephony facilitate media services that are similar to television and in which compliance with the ethical rules is difficult to monitor. In this area too, however, the Member States need to be able, if they so wish, to legislate in such a way that there are regulations governing child pornography and copyright.

This is undoubtedly a very complex matter, but we believe that Sweden's position in the Council should have been given a better hearing at November's Council meeting. We believe, however, that the proposal by the Committee on Culture and Education is better than the Council's, and we therefore support this report.

19. European Union annual report on human rights (debate)

President. The next item is the statement by the Council and the Commission on the European Parliament's annual report on Human Rights.

Paula Lehtomäki, President-in-Office of the Council. (FI) Mr President, ladies and gentlemen, it is a pleasure for me to present to you today the European Union's annual report on human rights. The first report on human rights was published in 1999, when Finland, as it was this time too, was involved in drafting the report in its role as Presidency of the European Union. The purpose of the report has not changed since then. It still deals, in a way that is unique, with the European Union's human rights policy and what has been achieved within its framework. The report now completed concerns the EU action and policies implemented in the period from 1 July 2005 to 30 June 2006 and which were aimed at promoting a universal respect for human rights and fundamental freedoms.

The report follows seven earlier annual reports published between 1999 and 2005, in accordance with the declaration adopted in 1998 by the European Council. Issued on the 50th anniversary of the Universal Declaration of Human Rights, it urged the European Union to step up its work on human rights. It also called on the EU to draw up an annual report on human rights.

The report on human rights presents an overview of the work done to promote human rights and democracy by the institutions of the European Union. The EU's external policies and internal circumstances are also subjects for scrutiny. Furthermore, there is a separate section devoted to an examination of action on the part of the European Parliament to promote human rights and democracy. To its credit, the European Parliament raises issues on human rights and makes certain that they also receive the attention they deserve in the other Union institutions.

The report highlights the special priorities of the EU's human rights policy, such as the mainstreaming of human rights. In practice, mainstreaming has meant increasing interaction between human rights experts and national think-tanks and presenting aspects of human rights in different EU areas of activity, such as crisis management and the export of arms. The European Union has developed ways of dealing with special problems, such as women, security and children, in connection with armed conflicts. The Personal Representative of the Secretary-General/High Representative has been actively involved in mainstreaming human rights in the area of the Common Foreign and Security Policy and in increasing awareness of the EU guidelines on human rights.

The European Union has adopted special guidelines on certain issues and in this way has determined the priorities in its human rights policy. The Union is opposed to the death penalty under any circumstances and has highlighted individual cases where the minimum standards of international law have not been met. During the reporting period, the Union drew particular attention to countries where policy on the death penalty has been changing.

The European Union has encouraged different countries to join the international Convention against Torture and thus reinforce action aimed at its abolition.

Moreover, the Union has specified certain priority target countries where it proposes to improve the human rights situation by trying in various ways to alleviate the suffering of children caught up in armed conflicts. It has been important to highlight this issue in multilateral international forums and make the EU better equipped to deal with it in the context of European Security and Defence Policy operations.

With regard to the EU's guidelines on human rights defenders, the Union has launched global campaigns on freedom of speech and women's human rights. Because human rights defenders very often come under attack themselves, their rights are still one of the EU's priorities.

The Council appreciates the central role played by the European Parliament in our joint efforts to defend and promote the implementation of human rights. The Sakharov Prize awarded yearly for those who speak on behalf of freedom of thought has a key part to play here. Over the years Parliament has acknowledged the achievements of major figures, such as Nelson Mandela and Kofi Annan. We welcome

the fact that this year's Sakharov Prize has gone to the Belarusian opposition leader Alyaksandr Milinkevich. There is reason to believe that this internationally recognised honour will encourage Mr Milinkevich and others to continue their important work to strengthen democratic forces in Belarus.

During the period under review in the report, which is to say between the summer of 2005 and the summer of 2006, there was a major change to the UN structures. The negotiations on the creation of the United Nations Human Rights Council and, later, the first sitting of the new Council, provided a crucial framework for EU action in the area of multilateral human rights policy. The EU's goal the whole time was to establish a Council that would give human rights the status it had been guaranteed in the UN Charter. Although we did not get all the issues that we had promoted in the final text adopted in March 2006, the Union nonetheless believes that the establishment of the UN Human Rights Council will be an essential element in strengthening the UN Human Rights System. It will also be a major step forward in the UN reform process as a whole.

The promotion of human rights, democracy and progress in the rule of law is hugely important in the fight against terrorism and various extremist movements. In statements made in several UN and other forums, the EU has reiterated its opinion that a respect for human rights is vital in the work to combat terrorism. The Presidency has emphasised on several occasions that effective action against terrorism and the protection of human rights are complementary and mutually supportive goals.

Political dialogue is undeniably one key tool in the promotion of human rights. The mainstreaming of human rights has involved an attempt to guarantee that human rights issues will be dealt with consistently in contact between the EU and third countries at different levels. This also applies to countries with which the EU is involved in a special human rights dialogue, such as China and Russia. The human rights report this year for the first time underlines the EU's commitment to enhancing dialogue between cultures, both within the Union and with third countries.

The victims of breaches of human rights and the defenders of human rights around the world expect a lot from the European Union, and for a reason. The European Union, as a Community based on values, may be expected to strive to promote human rights and democracy with clear goals in sight. This report will help us judge how well the Union has been able to respond to this challenge.

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, I very much welcome the publication of the 2006 annual report on human rights. This is the first time that this report has really been a combined effort. We have battled for that. Last year we had the debate here in plenary and I said that I would be very happy if we could prepare the report together. I would have liked to have one of the prefaces. Unfortunately it seems it was too late, but I think the Commission should have been visible.

It now seems to be an established practice always to have a special session on human rights and democracy before Christmas. It is a good tradition; it is a noble tradition, to see what has been implemented and what the new developments are.

The annual report this year is again a valuable record of the combined efforts of us all in promoting and protecting human rights around the world, and a reflection of the positive way in which the European Union has come together to produce it.

This debate gives me the opportunity to quickly highlight some activities in 2006.

First, mainstreaming human rights into external policies ranked high on our EU priority list in 2006, thanks to the Austrian and Finnish Presidencies. It is indeed a source of satisfaction to note that all actors within the EU are more and more committed to this very important aspect of our policies. However, let us not forget that mainstreaming or, as I also like to call it, 'integrating' human rights into all policies, is not an end in itself, but an approach to achieving overarching goals. For the European Union, these goals have a clear basis in our Treaty, which calls on us to develop and consolidate democracy, the rule of law, respect for human rights and fundamental freedoms through our various external policies. In this context, we are particularly pleased that human rights and democracy issues have been integrated into the legal texts of all the new financing instruments under the 2007-2013 Financial Perspective.

Secondly, mainstreaming is a never-ending process; we need to constantly maintain our efforts and introduce new tools. I am happy to inform you in this context that last June the Commission revised the mandates of its heads of delegation, following up on the report by Mr Agnoletto. These mandates now specifically mention human rights and democracy issues, and therefore place greater priority on reporting and acting in this regard.

Similarly, in the context of the 'human rights clauses' of our agreements, we have seen the creation of the new forums for dialogue or exchanges of views with third countries. The number of occasions to discuss the promotion of and respect for human rights has been growing, from Argentina and Bangladesh to India, Jordan, Morocco, Turkmenistan and Vietnam. That is in addition to the institutionalised human rights dialogues and consultations and the various political dialogues where human rights issues are regularly raised.

Last but not least, the Commission continues to include the human rights and democracy 'essential elements' clause in the negotiation of the new bilateral partnership and cooperation agreements. This is, for instance, the case for the agreement with six ASEAN countries. Likewise, preparations are being made for negotiating an agreement with China, and the Commission remains fully committed to the inclusion of this clause in conformity with our standard practice.

Thirdly, while mainstreaming or integrating human rights issues in all our policies, we also need to focus on some specific aspects of the human rights policy. These have been exemplified by two communications from the Commission: one called 'Roadmap on equality between women and men' and the other 'Towards an EU strategy on the rights of the child'.

The year 2006 has also been characterised by the pivotal changes seen within the United Nations human rights machinery, with the new Human Rights Council that has already been mentioned. Whilst there was initially great cause for optimism, for example the active participation of NGOs in debates or the desire to move away from the failure of its predecessor the Commission for Human Rights, the overall picture at the end of the year is a cause for concern, not least because of the discouraging signs of politicisation of this new forum. We, the European Union, have to renew our efforts and engage more with a number of actors in Geneva in order to convince them that the international community needs an effective Human Rights Council. We still have the possibility to make this new body work and deliver. Indeed, we have to remain hopeful that today's special session on Darfur will yield some positive results.

I cannot conclude without indicating once again my personal satisfaction, as well as the Commission's satisfaction, with the vote that took place earlier today on the proposal for a regulation establishing the new European Instrument for Democracy and Human Rights. This instrument will make it easier for the Commission to establish priorities when implementing the objectives contained in the regulation and in keeping with its scope.

However, we know too well that measures to promote human rights and democracy deserve to be as worldwide, numerous, multisectoral and cross-cutting as possible. The fact that the number of beneficiaries has expanded will also have to be taken into account. But the enhanced complementarity with the various tools, which range from political dialogue and diplomatic demarches to various instruments of financial and technical cooperation, including both geographic and thematic programmes, is warmly welcomed.

Finally, we are looking forward to developing more integrated approaches to human rights and democracy under the new instrument. There continues to be some debate about human rights and democracy as if they were two different issues. However, we think that human rights are the foundation for democracy and democracy is necessary to develop and protect human rights. Therefore, let us not create artificial demarcations. In any case, we think this is a good basis for continuing our work in the year to come.

Gerardo Galeote, on behalf of the PPE-DE Group. – (ES) Mr President, Mrs Lehtomäki has called the Sakharov Prize into question and I would like to say to her that the Women in White are defenceless women, wives, mothers and daughters of Cuban political dissidents, who make a huge effort to come from many different Cuban towns to meet peacefully and silently on Sundays and to walk together through the streets of Havana dressed in white. They were doing so this Sunday, when they suffered harassment, threats and insults from people who saw fit to celebrate human rights day in that way. It is absurd for me to have to point out that these women are not dangerous counter-revolutionary terrorists funded by the CIA, but simply women who are not willing to give in to injustice and the trampling of their most fundamental rights as human beings.

It is therefore also ridiculous that the Cuban regime should still not be allowing some of its representatives to leave the country to receive the Sakharov Prize that the European Parliament awarded to them last year.

We do not know what has happened with the efforts that the President of this Parliament promised to make a year ago now, but if he has done anything, then its results are plain to see.

I am therefore pleased with the initiative by Mrs Flautre and Mr Brok to send a delegation to the island. Personally, I would not be opposed to that delegation also taking advantage of that trip to talk with the country's authorities and hence to gauge the changing political climate.

I would however call upon the European Parliament's services immediately to begin the formal procedures for requesting the relevant permits for entry into the country. I would also call upon the Commission and the Council to apply all the pressure it can to ensure that those permits are granted.

If the response is favourable, as I hope it will be, we could express a minimum but effective degree of solidarity. If it is negative, however, Mr President, then that would demonstrate the attitude of the current Cuban Government, something of which the European institutions should take very good note.

Elena Valenciano Martínez-Orozco, on behalf of the PSE Group. – (ES) Mr President, on behalf of the Socialist Group in the European Parliament, I would like to thank the Council for coming for the second year running to present its annual report on human rights at this December sitting, which the European Parliament is in fact dedicating to human rights.

I naturally welcome the work that the Council has done on this eighth report and I would like in particular to congratulate it on the paragraph dedicated to action by the European Parliament. It would appear that they are beginning to listen to us.

I also share the Council's view on the importance of the Community acting in a consistent manner. This principle is valid in all fields, but it is particularly important when it comes to human rights.

The European Union must not just be consistent, but exemplary, in its fulfilment of its international obligations. It is our moral duty to stand firm in our defence of our values and to place human rights, the rule of law and international law at the centre of our actions, particularly at times when any of these principles are called into question, even on occasions by democratic governments.

We must make it clear that breaches of human rights cannot be allowed in European Union territory and act firmly in order to counter the deterioration that has taken place in respect for the instruments providing safeguards and guarantees.

I would like to see greater commitment from the Council with regard to this concern, and I would like to take this opportunity to correct the report's reference to the Temporary Committee on the Alleged Use of European Countries by the CIA for the Transportation and Illegal Detention of Prisoners, since the Council has confused the investigation being carried out by the Council of Europe with the one we are carrying out in this Parliament.

There is an ever greater connection between human rights in the Union's external policy and in its internal policy, and one example of this is the growing link between security, development cooperation and human rights.

The European Union must accept its responsibilities as a global player and, to this end, it must stand firm and speak with one voice on the world stage.

Greater visibility and more decisive action on the part of the European Union with regard to longstanding conflicts, such as the Palestine conflict or the Darfur crisis, will undoubtedly be a way for Europe to contribute to these human rights that we are all defending here today.

Elizabeth Lynne, on behalf of the ALDE Group. – Mr President, I would be grateful if you could add my time to the time that I was given before, so that, on behalf of the ALDE Group, we have two minutes. I would like to apologise for Mr Cappato's absence. He has had a personal emergency and, therefore, I am speaking on behalf of the group.

I would like to thank the Council and the Commission for their hard work, and I am glad we have moved away from just a list of countries where human rights abuses take place. I am pleased that there is a section devoted to the European Parliament this time. I find it difficult, however, that when we are talking about human rights in the subcommittee, we are told that we cannot look at abuses within the EU. I know that is covered by the Committee on Civil Liberties, Justice and Home Affairs, but we must

find a way of bringing together what we are doing in the Committee on Civil Liberties and the Subcommittee on Human Rights.

One area where we need to be more proactive is the use of cluster bombs. I know a lot of people say it is a defence issue, but I think it is also a human rights issue. Although it is not covered by the 1997 Treaty on Landmines, it still has the same devastating effect on civilians. I call on the Council and the Commission to join the growing opinion that cluster munitions should be banned completely, and I hope that the rumours that the Commission is going to reduce funding for mine clearance are inaccurate, because it is a human rights issue if people cannot move around freely.

Another concern, which *is* mentioned in the report – and I am very pleased about that – is the continuing existence of the Guantánamo Bay detention camp, an issue we have raised many times over the last year. Can the Council, in particular, give an assurance that it will step up its efforts to put pressure on the American Government to close it down once and for all, which is, indeed, what Parliament has called for? I am pleased also that trafficking in human beings has been fairly high on the EU agenda, but pressure must be put on those Member States that have not already done so to sign up to the Council of Europe Convention on Action against Trafficking in Human Beings.

Finally, I am pleased that we have a section in the report on disabled peoples' rights. This is timely as, tomorrow, as you are very well aware, the signing of the UN Convention on People with Disabilities will take place. Let us hope that it is speedily ratified.

Raül Romeva i Rueda, on behalf of the Verts/ALE Group. – (ES) Mr President, last Sunday the former Chilean dictator, Augusto Pinochet, died, by a strange coincidence precisely fifty-eight years after the signature by world leaders, in 1948, of the Universal Declaration of Human Rights.

As we often state, the European Union is a project founded upon values, the foremost of which is respect for, and promotion of, human rights. Many of us believe that that is right. The fight for human rights must increasingly involve cross-cutting aspects, such as the promotion of democracy, governability, conflict prevention, crisis management, humanitarian law etc. It is also important to stress the universal and indivisible nature of those rights.

That is precisely why it is so sad to see certain principles and values being so horrendously eroded. Specifically, we must remember how necessary it is to tackle and correct the effect of the European Union's internal policies, such as the fight against terrorism or the management of migration, on human rights in third countries.

Furthermore, it is important to acknowledge that the Council is making a considerable effort to ensure transparency in the EU's human rights dialogues with China, Iran and Russia, but it is still worrying to see the double standards applied when it comes to judging actions and attitudes depending on whether or not the country taking them is a potential economic ally or not. This is also of concern when it comes to assessing compliance with the democratic clauses in certain association agreements.

Finally, the European Union must tackle head on the serious crisis of legitimacy and credibility affecting our arguments in support of human rights, particularly following the regrettable cases of cooperation or tacit collusion in illegal detentions and transportation, which in some cases amounts to directly condoning torture.

Hanna Foltyn-Kubicka, on behalf of the UEN Group. – (PL) Mr President, a major element of the European Union's activities in the coming year should be to continue its support for the fight for democracy in Belarus. Initiatives such as assistance for students who are victims of repression and funding for independent educational institutions or radio broadcasts are excellent ideas, but more could be done.

Around 20% of Belarusians watch EuroNews and 40% have access to the Internet. These are opportunities we need to exploit. An Internet service should be set up that is specifically aimed at these people. A series of programmes should also be created within the framework of EuroNews which, if possible, would be broadcast in the Belarusian language.

I would like the Commission to consider this proposal within the framework of the European financial instrument for supporting democracy and human rights in the world, which was adopted today. It is vital to continue exerting pressure on the Lukashenko regime using all possible means. I strongly believe

that this pressure will one day result in the European Parliament welcoming the president of a democratic country, rather than the leader of the Belarusian opposition.

Kathy Sinnott, on behalf of the IND/DEM Group. – Mr President, this report presents many positive things about the EU, for instance what it is doing to promote human rights and democracy. However, the report has several glaring omissions – more than I can mention, so I will confine myself to the subject of China. China is the only country in the world where the suicide rate is higher for women than for men. Approximately 500 women commit suicide in China every day, and yet the report does not say one word about China's 'one child' policy, which denies women the right to make real choices in their lives. What is more, it says nothing about disabled people in China.

I met with a disability group when I was there last year, and everything pointed to the fact that people with disabilities like Down's Syndrome are simply eliminated before or after birth. In China the children of prisoners are ostracised by the Government and by society and they often – indeed, usually – have a worse chance of survival than their parents in prison. And those parents may have been imprisoned for any reason.

When you allow this kind of omission and, at the same time, sit down at friendly trade negotiations with China, you are in danger of signalling EU approval.

Simon Coveney (PPE-DE). – Mr President, today has been a day when Parliament has focused on human rights, with this debate and with the presentation of the Sakharov Prize earlier on, and I welcome that.

The Council report itself covers the EU external and internal policies, as well as bilateral EU human rights policies with regard to third countries and action on multilateral fora, in addition to analysing a range of thematic issues.

In terms of the process of putting the report together, I am still not satisfied that there has been sufficient consultation between the Council and Parliament and, in particular, with the Human Rights Sub-Committee. Last year the Finnish Presidency was invited by the Parliament's annual report to consult actively with Parliament in the drafting of its own annual report. However, this did not take place in as active a way as we had hoped for.

As agreed last year, Parliament supports the idea of a single EU report on human rights, representing the three institutions, to avoid unnecessary duplication of work. However, that can only be achieved if there is increased consultation between the Council and Parliament. Ideally, we should see the Council bringing a draft before the relevant committee so that we can have an exchange of views on the text before it is finally adopted.

I am rapporteur for the 2006 European Parliament report and I will continue to urge the Council to produce an all-encompassing cross-institutional report. I will maintain the narrow focus of last year's report, to constructively assess and criticise the performance of the three institutions in the field of human rights.

Today, the Sakharov Prize was awarded to an outstanding candidate. He is the leader of the opposition in Belarus and we have a responsibility to continue to support him. I want to encourage the Council and Commission to continue to raise the profile of the Sakharov Prize in general. In that regard, it is regrettable that two past award winners, Aung San Suu Kyi of Burma, and Ladies in White from Cuba, have not been able to come to Parliament to collect their awards. I hope we will succeed in going to both of those countries with an EP delegation to deliver the awards.

Józef Pinior (PSE). – (PL) Mr President, I am speaking today in the European Parliament on the 25th anniversary of the introduction of martial law in my country, Poland. Martial law brought with it violence, arrests and imprisonment for thousands of people. I spoke about this yesterday in Parliament, and now say these words again, appropriately enough, a few days after the death of General Augusto Pinochet, one of the world's cruellest dictators during the second half of the 20th century.

The European Union's annual report on human rights is one of its most important documents. The European Parliament plays a key role in shaping the European Union's human rights policy. In the future, I think that work on this report should be better coordinated with the work of the European Parliament in this field. I refer in particular to the coordination of work on this report with the activities of the Subcommittee on Human Rights within the European Parliament's Committee on Foreign Affairs.

I would like to draw your attention to the issue of coordinating the human rights policies of the European Union Member States with all European institutions. There should be better coordination of work done in this field, so that we can avoid overlaps between human rights policy at a European level and the policies of individual Member States. The human rights situation outside the European Union should be monitored on a systematic and transparent basis, so that appropriate measures can be taken in relation to countries which infringe these rights.

Human rights policies should be synchronised and should also be linked to all the financial instruments included in the European Union's budget. A clause on human rights should be included in all agreements signed by the European Union with other countries.

Finally, I would like to stress the importance of the European Parliament's delegations to countries where infringements of human rights take place. I would particularly like to emphasise the importance of the European Parliament's mission to Cuba during the period of change that this country is currently experiencing.

Marios Matsakis (ALDE). – British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Gibraltar, Montserrat, Pitcairn Islands, St Helena, South Georgia, South Sandwich Islands, Turks and Caicos Islands and the Sovereign Base Areas of Akrotiri and Dhekelia in Cyprus. The above – 14 in number – are reported as being British Overseas Territories, previously known as British Crown Colonies. All but one are outside the EU. They are 21st-century colonies that are located across the globe in strategic positions. They are collectively inhabited by many thousands of human beings. They have no elected governments and almost all have no law-making elected parliament. They are not represented in the UN. The Queen of England is their head of state and most are run by a governor or an administrator appointed by the British Government. They are under the sovereignty of Britain and are occupied by the British army. Yet, in this 250-page report on human rights and democracy, as in all previous reports like it, there is not a single word about them. I should like to ask the President-in-Office and Commissioner Ferrero-Waldner why this is so. I await their answers with keen interest.

Eoin Ryan (UEN). – Mr President, I too should like to thank the Commission. This is a very important debate which goes to the very heart of Europe, and is what this Parliament is all about.

This is a fine report, but it is only a report. Very often what we need in these situations is action. I should like everyone here to put their hands on their hearts and ask themselves whether we have done everything we possibly can to stop the massive abuse of human rights in Darfur, which continues as we speak. Over 200 000 people have died and two and a half million people have been displaced. It goes on, and on, and on.

I do not believe we can honestly say that we have done everything we can and that we have thrown Parliament's full weight behind diplomatic initiatives to end what is going on and put pressure on the Sudanese Government to stop what it is doing. They are playing cat-and-mouse while hundreds of thousands of people are dying.

This is a fine report, and I support it. However, as we debate the issue of human rights and the EU's position on them, I really do not believe we are doing enough to stop what is going on in Darfur.

Richard Howitt (PSE). – Mr President, I would like to start by congratulating the Finnish Presidency, both for its work on human rights and for attending this plenary. One of our aims has been to make this part-session a 'human rights plenary' every year. On this, the day the Sakharov Prize was awarded, the Finnish Presidency has honoured its role, and I believe every other Presidency will now follow suit.

At the same time, I would like to thank the Presidency for taking on board a number of points which I suggested as a former rapporteur for human rights. The references to the European Parliament are more numerous this year, and it has been involved more closely. I look forward to that developing still further in the future. The list of countries for priority action in your report very much matches my suggestions for the list of European countries of concern, which some people said was outlandish, but which you have adopted. I wish to thank the Presidency for that too.

I would have liked to have seen more on the impact and implementation of the EU guidelines on human rights – there was just one page in 260 – but very much welcome the transparency of having a list of demarches relating to different countries. However, I would ask the Presidency to recall the suggestion

made by Parliament in my own report that a group of MEPs should become available for confidential consultation on those demarches in much the same way as for security issues. I would ask the Presidency to consider that issue again.

In conclusion, I would ask both this and future Presidencies, together with the Commission, to bear in mind the need to undertake impact analyses, and to look not just at the direct work done on human rights, but also at the human rights impact of other external policies, particularly those on trade and development, so that we can mainstream human rights into all the European Union's work. It is not just one report that counts, but what that report represents.

Jan Tadeusz Masiel (UEN). – *(PL)* Mr President, the European Union does a lot for human rights in the world and we are all proud of that fact. However, it seems that sometimes we forget about the rights of the citizens of the European Union itself. I am referring here to the right to religious belief and the right to self-determination. Man is, in part, a religious creature and the upholding of human rights also includes showing respect for this religious nature. There are countries among us that are more sensitive than others in matters of religion. I sometimes have the impression that respect for atheism is more important to us than respect for religious beliefs.

A further issue is the right to determine one's own future. I have the impression that the majority of Europeans do not want Turkey to be part of the European Union. However, in spite of this, we are in the process of negotiating with that country. I think that this poses a threat, if not to the religious, then to the cultural identity of the citizens of the European Union.

Paula Lehtomäki, President-in-Office of the Council. *(FI)* Mr President, ladies and gentlemen, I thank you for this excellent debate, during which we received some criticism about the drafting procedure from several Members of Parliament. This criticism will obviously be noted and in future we will also try to improve our consultation procedures with the European Parliament also. Perhaps because this report is based on a decision by the European Council from 1998, the drafting procedure also takes place within the context of the Council. We can, however, obviously improve the way we do things in this respect. We also have to remember that the report does not attempt to cover all the possible human rights problems that exist around the world, but mainly focuses on a presentation of human rights work engaged in by the institutions of the European Union.

As I said in my opening speech, the main recent priority area has been the mainstreaming of human rights, as a component in other areas of policy, and obviously the enhancement of the European Union's external activity is a very important part of that, so that human rights can be fully integrated with external relations and development cooperation and so that the link between human rights and security, for example, may be clearly apparent to us.

Last year there was significant progress made when we reached agreement on the establishment of a European Fundamental Rights Agency. That will do much also to reinforce human rights work within the European Union. The Commissioner mentioned the fact that consensus has been reached on the human rights instrument. I would sincerely like to thank Parliament for its cooperation. This instrument will no doubt contribute to a process where human rights work in the European Union can be made more effective.

We need to remember that human rights work is not just about dealing with contemporary, clearly visible issues: above all, it is painstaking work over a long period of time which also requires patience in order to get results.

This debate also raised the issue of the almost philosophical question as to whether we have done all we can to improve the human rights situation. That is often to do with finding the right balance between persuasion and drastic action and finding the right balance between encouragement and restrictive measures. Obviously, dialogue normally yields better results than severing relations.

It is important to show that the European Union employs the same norms in its human rights work with all partners. Unfortunately, we also surely have to bear in mind that, although we have done all we can, our resources are nevertheless insufficient, perhaps, to improve the situation everywhere in the world. The challenges in the human rights sector thus abound, and this debate will certainly serve as a good basis on which the European Union institutions can continue to do their work.

Benita Ferrero-Waldner, *Member of the Commission*. Mr President, as time is short, I shall answer specific questions. I shall begin with the *Damas de Blanco* mentioned by Mr Galeote. The intended visit by Parliament's representatives to the *Damas de Blanco* is a good idea, and we hope, and we will do our best, to ensure that the EP delegation can meet a representative of the Cuban Government.

Under the European Initiative for Democracy and Human Rights, Cuba has been one of the countries targeted under Campaign 3 to promote the democratic process. We shall try to go on with that. We have also continuously requested the freeing of political prisoners and an end to the active repression of members of the political opposition and human rights activists.

Another Member asked what the European Union and the Commission are doing in Palestine. If you consider human security – that is, freedom from want and freedom from fear – as the basis for human dignity, then no one else has done more than us to help the Palestinians with the basic services of health and energy and to at least maintain those basic services under very difficult circumstances through the Temporary International Mechanism and additional measures. In particular, we have funded two elections – presidential and parliamentary – and we have also sent observers to observe those elections in order to create the basis for democracy.

On the whole, human rights, democracy and the rule of law have a fundamental place in all our ENP action plans; they are not only written into them but are also implemented, and we try to monitor their implementation.

On China, let me just say that in the future the inclusion of human rights, an essential clause in the new agreement that will be negotiated with China, will also hopefully reinforce the human rights dialogue that has been going on for 11 years, thus demonstrating our firm adherence to the principles of human rights and democracy in EU external policy.

As we have all seen today, with the new winner of the Sakharov Prize, we are working very strongly towards a democratic society in Belarus. On 21 November we launched a non-paper, in which we show the Belarusian people what they could have if the regime changed and if they engaged in more democratisation, improving human rights and the rule of law.

Those are only a few examples, but I know time is pressing and therefore I cannot go into each and every question that has been raised here. I thank you for the debate. It has given all of us a chance to follow on. I hope that next year we shall be ready to work together on a joint human rights report by the Council, the Commission and the European Parliament.

IN THE CHAIR: MR DOS SANTOS

Vice-President

Marios Matsakis (ALDE). – Mr President, with respect, these debates are useful if they provide answers to our questions. I asked a very important question about human rights and democracy in British colonies. I have been given no answer.

President. I have received one motion for a resolution⁽²⁾ in accordance with Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place on Thursday at 11.00 a.m.

20. Draft general budget for 2007, amended by the Council (all sections) – Financial Regulation applicable to the general budget of the European Communities – Draft amending budget No 6/2006 (debate)

President. The next item is the joint debate on the reports:

(2) See Minutes.

- by Mr Elles and Mr Grech on behalf of the Committee on Budgets on the draft general budget of the European Union for 2007 amended by the Council (all sections) (15637/2006 – C6-0442/2006 – 2006/2018(BUD) – 2006/2018B(BUD))

- and letters of amendment 1/2007 (SEC(2006)0762), 2/2007 (13886/2006 - C6-0341/2006) and 3/2007 (15636/2006 - C6-0443/2006) to the draft general budget of the European Union for 2007

Section I – European Parliament,

Section II – Council,

Section III – Commission,

Section IV – Court of Justice,

Section V – Court of Auditors,

Section VI – Economic and Social Committee,

Section VII – Committee of the Regions,

Section VIII(A) – European Ombudsman,

Section VIII(B) – European Data Protection Supervisor [2006/2018(BUD)] (A6-0451/2006), and

- - by Mrs Gräßle, on behalf of the Committee on Budgets on the amended proposal for a Council regulation amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities [COM(2006)0213 – C6-0207/2006 – 2005/0090(CNS)] (A6-0447/2006), and

- - by Mr Pittella, on behalf of the Committee on Budgets, on draft amending budget No 6/2006 of the European Union for 2006, Section III – Commission [15635/2006 – C6-0441/2006 – 2006/2265(BUD)] (A6-0444/2006).

James Elles (PPE-DE), rapporteur. – Mr President, I should like to draw the strands together as this will hopefully be our last debate on the 2007 budget. I should also like to welcome the Council and its representatives, who have been somewhat confused at some points in our procedure, which has led to misunderstandings that we hope will be clarified before we come to the final vote.

I should like to thank the Commissioner very much for all the support she has given to most of Parliament's ideas. Her support has been very helpful during this procedure. I thank my colleagues on the Committee on Budgets for their support and input into this procedure, but above all I should like to thank the Committee on Budgets staff who have enabled all of this to be put together. Without them I do not think we would be at this stage in the proceedings.

At this juncture I should like to raise a couple of points as general rapporteur. Not only have we been able to achieve – I believe it will be clarified that we have achieved this – the substantive negotiation on the Financial Regulation, which my colleague Mrs Gräßle will deal with in a moment or two, but we have been able to establish in our way of doing things for the 2007 budget a very prudent approach on payments below the 1%, largely because we are at the stage of having new programmes for the Financial Perspective. There are no particular requests or demands from the groups or committees. That is something we can no doubt expect in future years. So basically we re-establish the PDB, but with emphasis on our political priorities concerning research innovation where we have had additional appropriations.

Secondly, we have taken what I would call a sensible approach to the use of the reserve. Often in this House we have been able to put particular funds on reserve at first reading, but perhaps the conditions for release or the way in which this has been approached have not been sensible or coherent. Here there are three examples that I would like to mention where I believe the conditions for release and the policy for reserve use have actually been helpful in strengthening Parliament's position in the budget process.

Firstly, I would cite the common foreign and security policy where we have a much clearer definition of what we gained in the interinstitutional agreement. We would very much hope now that the Council will hold to this, as we have had a very clear exchange of letters and we should not then have the same misinterpretation in the 2008 budget.

Secondly, on the question of staff, here too Parliament has been able to provide a way of sensibly dealing with that process, rather than what might have been an immediate surge – as the Council wanted – of productivity gains but maybe not achieving very much. We have been able to ask the Commission – and it has agreed – for a proper screening process to be established by 30 April 2007 so that we can have a substantive justification for staff increases over the next few years. That will be very welcome as part of the conditions for release of the staff reserve will be a statement from the Commission in February next year. So we will know exactly what the legislative programme for the Union will be in February 2007.

Last but not least in the use of the reserve is the question of value for money. We had an excellent discussion and debate on 15 November at our last session with the Commissioner and the Secretary-General, who came to show exactly where we had taken lines in reserve and where we could now release them. We have very few of those lines left available now. That has been a very useful process in getting a much better perception as to where the lines are weak and where we have weak implementation. We welcome the Commission's participation in that.

Looking ahead, it seems to me that we now have to implement this resolution on the proper implementation of the budget. Perhaps the Council could come along and sign the resolution on value for money. If it does not do it now, hopefully it will do so under the German Presidency.

We need to maintain our priorities. We have been very clear. We have taken on the priorities of the Financial Perspective. As we now look further forward to the 2008 and 2009 budget years, there is a lot of work to be done.

We are not going to escape from the speed of globalisation. That was the first point we made when we looked at the APS back in May. We are going to have to adjust the programmes for financing, looking forward to seeing where our money can be best spent.

(The President cut the speaker off)

Louis Grech (PSE), rapporteur - (MT) Mr President, this year budgetary requests were considered on their own merits, and the actual needs and priorities of the institutions were taken into consideration. At the same time, all forms of expenditure were critically examined in order to cut down on waste and bad practices. It was equally important, however, for me to ensure that the institutions were given the necessary tools and funds to function and operate efficiently.

One general observation I would like to make is that not enough efforts are being made by the institutions to present clearer, more accurate and more analytical estimates. Were this to happen, the amounts that are put in reserve would be markedly lower, and there would be no need to provide unduly inflated margins, with the result that we end up cancelling appropriations at the end of the year and carrying out last-minute transfers. Once again, I would like to emphasise the need for all the institutions to present more detailed and informative reports about their activities every year, stating whether their objectives have been achieved and how allocated funds have been utilised.

Another major point in this budgetary procedure was the policy related to the recruitment service, which must be improved. Both Parliament and the Council have, in principle, approved every request for posts related to enlargement of the Union. However, it is becoming increasingly difficult to understand or justify the delay in the process of staff selection related to the 2004 enlargement. This shortcoming should be remedied, and the institutions, together with EPSO, should solve this pressing problem of the filling of vacant posts. Hence, the decision taken by Parliament and the Council to monitor the recruitment process closely is a necessary one.

The 2007 budget framework concentrates also on another important point, namely cooperation between the Committee of the Regions and the Economic and Social Committee. In the coming budgetary year, a realistic analysis should be carried out to ensure that the agreement between them is renewed without other forms of cooperation being excluded. The point of departure of every exercise should be cooperation that respects separate identities. More equitable governance of the joint service must also be guaranteed. In view of this, it would be advisable to set up a working committee which would address this matter and which would examine the impact of the opinions issued by these two committees and of other work carried out by them. In 2007 we should have fewer problems with regard to assistance to Members and the Visitors Programme. I feel we have achieved tangible progress as regards these two services and

that its impact should be felt in 2007 and 2008. It should, however, be stated that the information given to Members about the services available should be more effective.

Next year we expect an upgrade in the institutional structure in order to achieve a greater degree of streamlining, as well as a more determined implementation of the redeployment policy, which I believe will have a positive impact over the next few years. On the other hand, multilingualism has been disappointing. In this regard, we reiterate our support for the initiative taken by the Parliamentary Bureau to establish a good practice guide, which should include sanctions and penalties. Good management of this useful, though expensive, service next year should be on the agenda of all the institutions.

Mr President there is not enough time to speak about other priorities that have been addressed in this budget, such as the information policy, where we expect to observe further progress in 2007, and the acquisition of property – especially property held jointly with the Commission – in relation to which we expect a great deal of improvement, as well as information science, security, training, the simplification of legislation and so many other issues. It should be pointed out that, during the planning and development phases of this budget, we felt the need to maintain contact with all the institutions.

The last budget level obtained during the first reading was a result of this process. In fact, during the conciliation process with the Council and the Commission, the parliamentary representatives did their utmost to find a balanced formula, and we are assuming that all parties, including the Council, will honour the agreements reached during these meetings. The primary aim of these dialogues and reconciliation meetings would otherwise be lost. We could not accept a situation in which procedures no longer made sense or, worse still, were counterproductive for this Parliament. In these circumstances I feel that the Committee on Budgets should address these questions urgently over the next few months.

Ingeborg Gräble (PPE-DE), rapporteur. – (DE) Mr President, Madam President-in-Office of the Council, Commissioner, ladies and gentlemen, today is a great day for this House. For all of two years, we have been working together on the Financial Regulation, and have, most recently, been cooperating outstandingly well with the Commission in this.

This House has made it clear to all the importance that we attach to the legislative process associated with the Financial Regulation; what we were aiming for was better budgeting, the correction of the 2002 reform's excesses, and the taking on board of justified criticisms of highly bureaucratic procedures and laborious ways of getting things done, and in that we have succeeded, with the help of the Members who sit on the Committee on Budgets and the Committee on Budgetary Control, primarily my good friend Mr Pahor, the members of our working party, the secretariats and my personal assistant, to all of whom I extend the warmest of thanks. The Budget DG, under Commissioner Grybauskaitė, has also played its part in a most felicitous and sympathetic way, so warm thanks go to them as well.

The Council, too, started off by playing the game, only then to suffer a failure of nerve; that was actually a shame, since that is no way to treat friends, so let us hope that they do not do the same with the implementing regulations. The improvement of monitoring quality in the Member States is a recurrent issue in this Europe of ours, and it calls for more commitment on the part of the Council; perhaps Mrs Wideroos, the minister, will be so good as to affirm that the Council accepts the result from conciliation with this House achieved on 21 November, for if she does not, this House will not be voting on the 2007 Budget on Thursday.

Having negligently and wilfully interfered in the interinstitutional balance, the Finnish Presidency of the Council leaves a truly bitter taste in this House's collective mouth, and has denied itself the great success of its presidency that the achievement of real de-bureaucratisation in Europe – mainly on the basis of our amendments – would have represented, but we are very grateful that the Council has been supportive of this and has moved it forward, particularly in relation to the need for more customer-friendly administration, for more transparency, for improved monitoring to protect European funds and for a database listing those criminals who, having acted to the EU's detriment, are excluded from receiving EU funds for a period of ten years, all of which are milestones on the road to better management of EU funds, and in which you – like us – can in fact take pride.

We will give these things tangible form in the implementing regulations and make them usable; in doing this, we are guided by the Financial Regulation and by the need for these quite new items to be dealt with one by one. What I need to clarify is that the enactment of the implementing regulations is a matter for the Commission alone; Parliament and the Council can do no more than be consulted. We see it as unacceptable that the Commission should be as readily put under pressure as you have tried to do over

recent days, for by doing so you will end up curtailing this House's right to be consulted, and it is only because the monitoring of EU funds, the recovery of them and the enforcement of uniform transparency requirements are a problem that we have tabled amendments in relation to them to the Financial Regulation.

I urge the representatives of the Member States to once and for all come up with some answers to these problems, instead of imitating the three monkeys in hearing nothing, saying nothing, and seeing nothing. This House will not be denied its right to voice an opinion when what we are trying to do is to play a constructive role in the handling of the EU's money. We have learned our lesson from the past and wish to forge an alliance with all those who want to show that they have learned it too.

Ulla-Maj Widenroos, *President-in-Office of the Council*. (FI) Mr President, ladies and gentlemen, it is an honour for me to be here in Parliament discussing the 2007 budget, in a situation where the template for a very lengthy drafting process is clearly apparent. I am relieved that the budgetary authorities have reached agreement on the budget for 2007. That is the job of the Council and Parliament.

I would like to thank the Members of Parliament for their cooperation over the last six months. There has been more open dialogue among the budgetary authorities than before, and that makes it possible for us to reconcile our varying views more easily. My special thanks go to the Chairman of the Committee on Budgets, Mr Lewandowski, and to the rapporteurs, Mr Elles and Mr Grech.

That said, I think that it is only right that I should assess the package from the point of view of the Council.

The increase in the 2007 budget matches the objectives of the Member States fairly well and does not place too great a burden on the taxpayer. Fortunately, the Council and Parliament reached agreement on a realistic figure for payment appropriations. Strict budgetary discipline has therefore now been included as a key principle. This should continue to be the approach in the years to come.

Overall it has been a significant achievement to adopt the amendment to the Financial Regulation in a situation where there are ever-growing pressures on making financial administration more efficient. In connection with the Financial Regulation, I might say that the Council this morning began a written procedure. That way this Council Regulation can be passed this Wednesday, that is to say 13 December, after Parliament has delivered its opinion on it. Regarding that, I would have liked to hear the Commission's commitment to the letter sent yesterday by the Director-General of the Directorate-General for Budget on the topic of the rules for the implementation of the Financial Regulation.

On behalf of the Council, I wish to thank Parliament for allowing both budgetary powers to decide jointly now on pilot projects. The Council will act responsibly in the years to come. Similarly, compliance with the new interinstitutional agreement, especially with regard to the appropriations for the Common Foreign and Security Policy, is to be applauded.

The budgetary powers are showing a sense of responsibility and realism in not using the Flexible Instrument in 2007. This will provide a firm basis for budgetary practice in future years. Budgets need to be drafted within the context of frameworks.

The budget for 2007 contains clear priorities. The promotion of competitiveness, the introduction and monitoring of posts in association with enlargement, and the commencement of new generation programmes are practical examples of these.

This budget process also, however, contains some worrying prospects for the future. We did not make sufficient progress in making administration more efficient. The Commission and Parliament cannot ignore their responsibility for making the Union's administration more efficient. If people in the Member States feel strongly about cuts in the number of posts, why are not the same measures, with nobody suffering personally, approved at Union level? This is a matter of the credibility of the work of the EU as a whole from the public's point of view, and that means the budget, which the citizens of the Member States are responsible for financing.

Mr President, ladies and gentlemen, it is important that the Council and Parliament should have finalised this package adopted jointly within the framework of this budget process. I want to say again that I am glad that the budget approved for 2007 will contain adequate margins in almost all categories.

Dalia Grybauskaitė, Member of the Commission. Mr President, today we are finalising our work and debates on the 2007 budget. This is very important for all of us because it is the first budget for the 'new Europe' of 27 Member States. It is the budget of a new financial framework; it is the budget of new Financial Regulation; it is the budget of a new financial legislative package, which we agreed to start fully from 1 January. So that means that this budget is not only a budget about figures, it is a budget of many things that we have achieved this year together with Parliament and the Council.

In our negotiations today's budget required a huge effort from all sides and huge efforts of compromise. The result was achieved when we met on 21 November in conciliation and finalised in a week. For this package, the Commission always keeps its word and never changes the opinions reached in the conciliation negotiations.

I would like to thank the whole team that negotiated on Parliament's side, as well as their staff, for helping us to find the solution, and all Members, especially the rapporteurs of the Committee on Budgets, for helping us to achieve this package. I am talking not only about the package for the 2007 budget, but also the Financial Regulation package. I also want to thank the rapporteur who is not here now, Mr Pittella, who also helped us go through the 2006 budget implementation.

I would like to say that today the discussion is very important as a final stage for Thursday's vote and I am very grateful to all who made this day happen. I wish you a good debate and a very fruitful and positive vote on the 2007 budget on Thursday.

Borut Pahor (PSE), draftsman of the opinion of the Committee on Budgetary Control. – (SL) Although I only have one brief minute at my disposal, I cannot but express my sincere admiration for the contribution made to the debate on the budget by Mrs Gräßle. Why?

There are, in my opinion, at least three major problems with the European budget. In the light of the Lisbon Strategy, the budget is: firstly, badly structured; secondly, too small; and thirdly, of too little practical effect. Mrs Gräßle's contribution has done away with at least one of these problems, this being the third one, namely its minimal effectiveness.

The reform proposed by this report will make financial procedures less bureaucratic, more easily comprehensible, simpler and, above all, user-friendly. For these reasons, Mrs Gräßle deserves a great deal of gratitude for her contribution.

Ville Itälä, on behalf of the PPE-DE Group. – (FI) Mr President, firstly I wish to thank both rapporteurs, Mr Elles and Mr Grech, for their excellent work and levels of cooperation. With regard to Mr Elles, I would just like to say in brief that I am especially pleased with his 'value for money' idea. It will also be an extremely important tool in the years to come and will help us when we are drafting the budget. With regard to Louis Grech, I want to say that his levels of cooperation were excellent and that we finally agreed on all the main budget lines.

I would just like to raise one issue, which concerns the report that we asked the Committee of the Regions and the European Economic and Social Committee for. There is no intention here to criticise them, but they must not ignore this 'value for money' notion. We will then see what the report brings when it eventually comes along.

What is particularly important about this package for the budget as a whole is that we can adopt the Financial Regulation which Ingeborg Gräßle has worked so well to promote. It is really like she said: the prevention of criminal use of funds, transparency, and many other good things will ensue if this Financial Regulation can be jointly approved. It will be a major step forward in the decisions on this year's budget.

Minister Lehtomäki, as has been mentioned here, this process has perhaps been somewhat confusing in Parliament. It is important now to find consensus so that the budget can be signed on Thursday. This proposal regarding staff cuts, however, was unrealistic. I myself always think it is advisable to question institutions and bureaucracy and what everyone is doing. The idea was not bad, but perhaps the proposal that Finland made was just too general in nature. The main thing, however, is that there have been good levels of cooperation and the budget will be signed on Thursday.

Catherine Guy-Quint, on behalf of the PSE Group. – (FR) Mr President, Mrs Grybauskaitė, Mrs Wideroos, ladies and gentlemen, firstly, I should like to say a big thank you to all of those involved in this budgetary procedure and, in particular, to our rapporteurs, Mr Grech and Mr Elles, without

forgetting Mrs Gräßle and Mr Pittella, and our secretariats. Thanks to them, we have been able to establish a budget that fully respects Parliament's budgetary powers.

This draft budget on the financial perspective is particularly sensitive. We have taken account of the time needed to launch the new programmes, while prioritising what are crucial actions for the Socialist Group in the European Parliament: policies on research, transport, innovation, social Europe, an environmental and knowledge-based Europe – in short, a People's Europe. The budgetary instrument of the European Globalisation Adjustment Fund puts in place a new instrument of European solidarity.

As regards external affairs, we are following the guidelines of the specialised committees, which respect the balance between the thematic approach and the geographical approach. We hoped, thanks to the new financial perspective, to succeed in establishing better interinstitutional relations, and I will not hide from you my disappointment on this matter. Even our relations with the Council are deteriorating.

Firstly, Mrs Wideroos, you have just reassured us about the commitments made by the Council regarding the conciliation procedure: indeed, we value this agreement on the financial regulation. However, you have often lost sight of Parliament's powers, and we have often had the impression that our rights were not being respected. Moreover, we take a very dim view of the contempt with which the new Member States are treated; you intended to deprive them of resources in terms of recruitment and structural policies. We have therefore faced difficulties, before coming up with an appropriate programme for 2007.

Commissioner, Parliament puts all of the resources that you requested at your disposal: reasonable commitment appropriations, a low level of payments – 0.99% of GNI – which you nonetheless regard as sufficient, and, above all, very few reserves. In return, we will watch over matters very closely to ensure that our vote is not distorted during implementation. Let me be clear: the global transfer votes or the SABs, which are as important now as they were in the past, are excluded. We will not stand in the way of the Commission's exercising its prerogatives.

Instead, we should reconsider whether the resources, in terms of staff, are adequate for the implementation of the policies we are seeking to promote. In future, if we reduce the budget too much, we will no longer be able to develop any of these policies that the citizens expect. Disrupted, as it is, in its project, the Union is a seriously ailing body, and we are providing it with a particularly modest budget for 2007! For the forthcoming budgets, we need to adopt a constructive approach, which looks to the future, and no longer a defensive stance, aimed at containing national self-interest. For Parliament, for the Socialists, the European project consists of genuine, financial solidarity, which the Council sadly overlooks on a daily basis.

Anne E. Jensen, on behalf of the ALDE Group. – (DA) Mr President, Commissioner, Madam President-in-Office of the Council, this budget process has been essentially uncomplicated. It is less than a year since we reached agreement on the budget for the next seven years, and the budget on which we will be voting on Thursday sticks within the agreed framework beautifully. Through this budget agreement we have achieved sound results. We have ensured a Financial Regulation with less bureaucracy, with more transparency about who receives agricultural aid and with a common blacklist of those companies that have fiddled EU funds. We have ensured a budget that fulfils our political desires within the framework drawn up.

The 2007 budget is the first within the new seven-year framework and it is characterised by the fact that many new programmes for, for example, structural funds, research and training and education are to get under way. This is the first budget where actual agricultural aid amounts to less than appropriations for the development of poor regions. Agricultural aid accounts for approximately one third of the nearly EUR 126 billion of the budget. Most of the 2007 budget is thus being spent on ensuring growth and solidarity within the EU. We have secured more resources for the Common Refugee Policy and for foreign policy and ensured more transparency in relation to the Common Foreign and Security Policy. As regards administration, Parliament was more willing to grant the necessary resources than the Council was, but we do, of course, agree that the administration of the EU needs to be flexible, more efficient and tailored to meet new needs.

I find it regrettable that we still have not had any statement from the Council and the Commission making it possible to remove the reserve on the appropriation for the development of rural districts. It must be stressed that voluntary modulation must not impinge on Parliament's budgetary powers.

Finally, I would like to thank the rapporteurs, Mr Elles, Mr Grech, Mr Pittella and Mrs Gräßle for the substantial, constructive and serious work they have done - work that, I believe, has been topped off with positive results.

Gérard Onesta, *on behalf of the Verts/ALE Group*. – (FR) Mr President, having heard the Commission and the Council, I am delighted that an agreement is in prospect. I would remind you that Parliament is prepared to increase funding for the CFSP from EUR 102 million to EUR 159 million, but it is prepared to do so because the Council accepts its amendments – at least a large part of them – on the financial regulation. This is an overall package that must not be undone at the last minute!

As far as the financial perspective is concerned, you know that our group voted against, because it felt that the framework was too tight: we are going to do our best now to make changes to it. Among the changes is support for studies on the added value of the programmes, but we, for our part, are already looking ahead to the thorough review announced for 2008 and 2009. Make no mistake – for us, doing better does not mean doing less! There is no question of our freeing ourselves of our obligations: that is why we declare ourselves in favour of doing away with the reserves.

As regards the financial regulation, we also agree on the need to simplify the procedures, so that everyone can get more involved in the European project, and we believe that we can simplify the procedures while maintaining their transparency and control with a great deal of rigour: both seem possible to us.

Finally, our group has presented an alternative package of increases for the external policy programmes because we believe that the instrument for stability, which includes a section on prevention, has suffered too much from the reductions imposed in the financial perspective. We must be careful not to focus our attention only on issues that are under the full glare of the media spotlight! It is true that the Middle East is very much affected at present but, in the Balkans, the fire is still smouldering ...

I shall conclude by thanking the four musketeers from the Committee on Budgets – Mr Elles, Mr Grech, Mrs Gräßle and Mr Pittella – without whom nothing would have been possible.

Esko Seppänen, *on behalf of the GUE/NGL Group*. – (FI) Mr President, Commissioner, Minister Lehtomäki, next year's budget is less than 1% of combined GDP. The majority in our group are dissatisfied with this figure and with the fact that the Council does not want to build a more social Europe. Instead, it wants to militarise the EU and is proposing more expenditure for the Common Foreign and Security Policy. In negotiations on the budget, Parliament agreed to increase this militarisation expenditure when the Council agreed to compromise on the wording of the new Financial Regulation.

The Finnish Presidency showed a lack of skill in the conciliation process and harmony over the budget was only achieved after further talks. Hopefully, Parliament will not have to witness another failure on the part of the Presidency, as the outcome of conciliation has not yet been approved by the Council with regard to the Financial Regulation. It has remained unclear as to whether it will be approved. Given these circumstances, it would suit our group very well if Parliament were to use its budgetary powers and cut militarisation expenditure, which the Council has set as a priority area.

There are special circumstances prevailing next year. It is the first year of the new financial framework and not all the structural or other programmes are yet ready. The new Member States might not be ready either to utilise all the funds that have been allocated to them. If the low level of budgetary expenditure is approved, it will not be acceptable if again the Commission fails to spend EUR seven billion, as was the case this year. We hope for an improved implementation of the budget, Commission.

Zbigniew Krzysztof Kuźmiuk, *on behalf of the UEN Group*. – (PL) Mr President, taking the floor in the debate on the 2007 budget on behalf of the UEN Group, I would like to remind you that this budget is an extremely important financial plan for the European Union for at least two reasons. First of all, it is the first budget of the Financial Perspective for the years 2007-2013, which is especially important to the new Member States. Secondly, it is the first budget of an enlarged European Union, a Union of the 27 Member States. These two facts alone mean that the level of spending proposed in the budget should be as high as possible.

The European Parliament has proved itself up to the task and has proposed spending of 122 billion euros, in other words 1.04 of the GNP of the European Union. Unfortunately, despite long negotiations with the Commission and the Council, the latter agreed to a figure of only 115.5 billion, that is, 0.99 of the GNP of the European Union. In this way the wishes of the wealthiest Member States, the so-called

'one per cent club, have been fulfilled. This Group did not want budget spending to exceed 1% of the GNP of the European Union.

Fortunately, the unavoidable financial cuts resulting from the Council lowering the level of spending have only affected the new Member States to a limited extent. I would like to take this opportunity to express my hope that the solution proposed by the European Parliament which involves moving 30% of the funding for many budget lines, 400 million euros in total, will significantly contribute to rationalising budgetary spending. The European Parliament's agreement to return the funding for the Common Foreign and Security Policy to a level of nearly 160 million euros should mean that the Council and Commission will, more than they have so far, take into account the suggestions of Parliament regarding the direction and implementation of foreign policy.

Nils Lundgren, on behalf of the IND/DEM Group. – (SV) Mr President, there is a copious stream of exhortations from various EU institutions to the Member States about how important it is for them to reduce their public expenditure. At the same time, this House constantly demands increased expenditure at EU level. The whole thing is absurd. The Member States spend public money on schools, health care, research, infrastructure and support for vulnerable groups in society, while most of the EU's expenditure goes on a lunatic agricultural policy, misdirected Structural Funds and the financing of EU institutions that should have been closed down a long time ago.

The Member States' expenditure is subject to continuous democratic scrutiny. Officials who are guilty of inefficiency, negligence, fraud or corruption are not granted discharge and are in many cases dismissed. Politicians who are not as honest and effective as voters demand are replaced in democratic elections. The EU's expenditure is scrutinised by the Court of Auditors, which has still not, however, been able to issue a clean auditor's report. When OLAF uncovers crimes, these do not go to court. Essentially, this House grants discharge irrespective of what emerges about the way in which the EU's budget resources are used, and politicians never lose elections in their own countries because they have mismanaged EU funds. In brief, the Member States have some effective democratic control over the way in which taxpayers' money is used, while the EU institutions and this House have not.

Sergej Kozlík (NI). – (SK) It is generally true that what is approved by democratic agreement with a large majority of votes tends to be good. I assume that this premise will also apply after the voting next Thursday on the European Union's general budget for 2007. In this context I would like to congratulate in advance the rapporteurs and the entire team, which has been negotiating the budget.

On the other hand, the budget parameters suggest that there are continuing problems. The gap between commitments and payment allocations, as well as, the relationship between the available funds and envisaged spending is still too great. This suggests that the arrangements for the draw-down and use of funds leave much room for improvement and, paradoxically, this is particularly true of countries that require the most development funding. This also applies to the new EU Member States, where actual drawdowns are now ranging between 20% – 30%.

As countries report that the funding available to them fully matches approved projects, it would appear that the basic problem at the moment is the implementation of those projects and the payment of their costs. The governments of EU Member States hold the key instruments necessary for dealing with the situation. Unless a turnaround is achieved, they will limit their potential for economic development and the aims of the long-term financial framework will remain nothing more than scraps of paper.

Giovanni Pittella (PSE), rapporteur. – (IT) Mr President, ladies and gentlemen, thank you for allowing me to take the floor, despite my absence at the start of the debate. I should like to thank the Commissioner and my fellow Members, Mrs Guy-Quint and Mrs Jensen, for their words of appreciation to me, as well as Mr Elles and Mr Grech, for the positive way in which they carried out this budget procedure.

With this amending budget, we are giving the Member States back more than EUR 7 billion. This amount is partly due to the inclusion in the budget of a substantial increase in estimated revenue, and is partly attributable to a high level of under-utilisation of the appropriations voted on and available in the budget, in particular EUR 4 billion. This under-utilisation mainly affects the expenditure headings for agriculture, the structural funds and the pre-accession strategy.

We wanted to incorporate this debate in the one on the general budget precisely because the return of EUR 7 billion is not a trivial matter, but one that ought to worry us.

There are two aspects to the problem: on the one hand, the Member States constantly undervalue revenue, and this distorts people's ideas about the percentage of wealth set aside by the Member States for Europe – in the light of these data and of the previous amending budgets, it is in fact quite clear that the amount of resources set aside by the Member States for the European purse is still less than the 1% prized out of the miserly national accountants. It is like me agreeing to allocate 1% of EUR 100 each year to a good cause and then, in fact, invariably earning more at the end of the year. Therefore, even you will admit that this operation by the Member States is not as generous as it appears.

On the other hand, even the resources that are actually available are not being fully used: if we analyse the typology of the under-utilised resources, we realise that the ones responsible for the under-utilisation are always the Member States, and not the Commission. I am not particularly generous towards Mr Barroso's Commission but, in fairness, I must say that, where this issue is concerned, there is no direct responsibility on the part of the Commission, but rather that the main burden of responsibility lies with the Member States. We must take the opportunity afforded by this debate to encourage the Member States to be more effective in their monitoring and their controls and to be more vigilant so that allocated and appropriated funds are properly utilised.

Thus, instead of limiting ourselves to what is, by now, the tiresome exercise of blaming the European bureaucratic machine – the so-called Brussels eurocracy – let us also take a little look at our national situations, because if we more closely analyse the way in which our national public apparatus works, and if we call on the governments to work together in improving their administrative performance, then we might not have this figure of a EUR 7 billion return next year.

Salvador Garriga Polledo (PPE-DE). – (ES) Mr President, I have been taking part in budgetary debates for twelve years and I have never seen a President of Parliament withdraw the microphone from the main rapporteur. I believe that your manner of presiding in this case has been rather unfortunate.

I would like to congratulate the four rapporteurs on their reports and on the consensuses that they have achieved under particularly difficult conditions.

My political group placed particular emphasis on the quality of spending – value for money – and on the parallel negotiation of a review of the Financial Regulation. In both cases we hope for a satisfactory resolution following the vote on Thursday.

At a time of great budgetary restriction, with budgets of around 1%, the only way this Parliament can improve the efficiency of Community policies is to set up an in-depth assessment of the resources applied and the results achieved.

I believe that this 'value for money' approach will be widely applied in the future. As a complement to this approach, we have the review of the Financial Regulation, which we need in order to increase the spending discipline of the Member States and of the Commission itself.

With regard to payments, I must point out that this is a budget that has been very cheap for the Council and that may be insufficient for the European Union, but it is the case that in the years to come Parliament will be much more demanding in terms of obtaining a sufficient level of payments to meet our commitments.

I shall end by considering what the President-in-Office of the Council has said about the effectiveness and the responsibilities of each of the institutions: we are demonstrating them. We are a particularly responsible institution and therefore from the outset we have supported the posts in the Commission and we have rejected the Presidency's approach.

President. I also regret having to chair this debate under these restrictive conditions. Let me state that, should there be time at the end of the debate, Mr Elles may ask to take the floor again.

I am aware that I made my interruption at the end of the speech and do not think Mr Elles had anything else of substance to say.

Jutta Haug (PSE). – (DE) Mr President, before I deliver my speech, I would just like to say to Mr Garriga Polledo that I, too, can look back on 12 years of budget debates in this House and in those 12 years I have never before seen a rapporteur on the Budget, once his own speech was over, simply get up and not listen to what the Members of this House had to say.

In the course of a Budget procedure, the European Parliament, being an assembly of politically thinking heads, engages in a certain number of internal debates, but, when it came to the subject of agencies, there were no differences between the various groups; we agreed that cooperation with the agencies had been improved over the last three years, although that does not mean that the good cannot be made better. It is for that reason that we gave the agencies some homework to do before they could make use of all the money allocated to them. They have to send us their work programme with a list of tasks and information as to what has changed since the previous year and why. They are also required to implement the personnel policy guidelines already agreed to. Such are the tasks for the agencies, which they are able to deal with themselves.

Others, too, however, need to take action, the Commission for a start, whose function is to promptly – and I emphasise ‘promptly’ – coordinate their personnel plans and put them before us, but also those of us who sit on the specialised committees, who are called upon to evaluate the work of each individual agency by reference to the work programmes, and that has to be done in pretty short order too if the agencies are not to be penalised for something for which they are not responsible, so please let there be no cliquery, and when I say ‘prompt’, I mean that everything has to be sorted out in the first quarter of the following year.

Kyösti Virrankoski (ALDE). – *(FI)* Mr President, Commissioner, Minister Lehtomäki, firstly I would like to thank the general rapporteurs, James Elles and Louis Grech, for a job well done. Next year’s budget shows budgetary discipline; its expenditure levels are less than 1% of GDP and clearly below the financial perspectives. This year the debate was overshadowed by certain difficulties with the Council. There was no great difference of opinion on budgetary expenditure. It was not so much about money as procedure. The Council reopened the debate on the agreed details a couple of times. At the moment, the decision on the new Financial Regulation is still open. At one time it was agreed on to the letter, but the Council has not as yet confirmed it. The written procedure to adopt it that has begun will salvage the situation tomorrow.

It is important that the Council should do all it can to allow Parliament to approve next year’s budget in its negotiated format on Thursday.

Hans-Peter Martin (NI). – *(DE)* Mr President, I can go along entirely with what Mr Virrankoski has just said, in that I see the Budget Regulation as a really important matter, and would also like to reiterate my thanks to the Finnish Presidency of the Council for having picked up a really live issue by at least proposing that we might take a look at what posts might be saved in the Brussels institutions by reason of the changes this European Union of ours has undergone. Your inability to get this through is a lamentable sign of just how resistant to change everything here is, but you are passing on the baton to the German Presidency of the Council, and so one can indeed hope that it may be enabled to make headway against the red tape that it has announced its intention of doing something about – ‘red tape’ being understood to mean bureaucracy, unnecessary regulations and the difficulty of getting one’s hands on grants – while at the same time reducing the numbers of civil servants. That would be a way of saving a lot of money, and would also do something to restore the credibility of the institutions.

Janusz Lewandowski (PPE-DE). – *(PL)* Mr President, last year, when we were concluding the annual procedure, we were uncertain about the fate of the multiannual Financial Perspective. This year, some uncertainty has re-emerged as to whether all the elements of our agreement with the Council will be fulfilled. Of course, I am referring here to the financial regulations and would like to clearly state, on behalf of the Committee on Budgets and in the presence of the Minister, that we need a guarantee and that the approval of the budget next Thursday is conditional on receiving this guarantee.

In 2007 we will have a new generation of multiannual European programmes for the twenty-seven Member States and this budget will have a number of specific characteristics. The first is the importance given to financial regulations, which are supposed to be more ‘user-friendly’ and, at the same time, more transparent. The second characteristic involves the exploitation of ever richer sources of information on the use of particular budget lines in order to ensure better planning and achieve what James Ellis calls ‘value for money’ in the future.

The third feature involves the careful planning of spending over the next year, bearing in mind possible delays. Fourthly, there is an effort to achieve greater democratic control within the scope of the Common Foreign and Security Policy, whilst still respecting the specific nature of this field. In fifth place, there is a move to end the argument regarding employment in the Commission. Having been provided with

additional information, we agree to free up the reserves for Commission salaries, but still insist on a staff review. We expect that this will facilitate the recruitment of staff from new Member States in particular. These are the main points of the strategy for 2007.

I sincerely hope for a successful conclusion to this procedure, which will end the uncertainty regarding the financial regulations. I would like to sincerely thank the rapporteurs, the coordinators of the political groups and the Secretariat. I would like to thank Mrs Grybauskaitė for her cooperation with the Commission which, in our view, has been better than it was last year, and I would also like to thank Minister Wieroszyński. I am sure that a successful end to this procedure on Thursday will compensate for certain understandable tensions.

Neena Gill (PSE). – Mr President, I would like to congratulate both the rapporteurs on their work. Despite this effort, however, it cannot be said that Parliament has achieved much as a result of this year's budgetary procedure. I deplore the fact that the Council has shown a worrying lack of respect for the views of Parliament throughout. We are the only democratically elected institution tasked with promoting the views of EU citizens, so I wonder whether the Council will even bother to respect its commitment to the agreement finally reached with the secondary budgetary arm. I sincerely hope so. I would like very briefly to make a few comments, not just in respect of the 2007 budget, but also bearing in mind the 2008 review.

First, our key ambition for the EU budget is that it must focus on priorities that deliver on the objectives set by us and our leaders. So it is with regret that I note that, although there has been some increase in the programmes, such as the Seventh Framework Research Programme, it is nowhere near the amount requested by the Commission and Parliament.

This is an extremely important policy area with a direct impact on the way the EU develops its global economy and how we are seen by the rest of the world. The Council knows this and has very vociferously tried to push the need for an increase in R&D spending. However, we are still at 1.5%. It really is time for the Council to put their money where their mouth is.

Secondly, if the EU is to be taken seriously as a global player, it must back up its position with the funding necessary to play its role – for example in Asia, which is the largest and most populous continent, with 60% of the global population in some of the world's poorest countries. Therefore, the continuing trend of reducing resources to that region is a disastrous policy.

Markus Ferber (PPE-DE). – *(DE)* Mr President, Madam President-in-Office of the Council, Commissioner, ladies and gentlemen, let me say just a few words about the key points of the 2007 Budget, which will be the first under the new Financial Perspective. I think we have to very seriously ask ourselves whether it makes sense to first, through a laborious and bureaucratic process, extract money from the pockets of citizens and businesses, expend a lot of bureaucratic effort on transporting it to Brussels and then expend even more of the same on distributing it among the Member States.

This is where a great opportunity was missed by reason of the curtailment of the Financial Perspective and the failure to reformulate a plethora of legal bases, so that practically all the multiannual programmes had to be adopted afresh. In particular, Commissioner Grybauskaitė, I can only urge the Commission to seize the initiative for 2008 and 2009, when we will have to give some thought to the preparatory work for the next Financial Perspective.

The second key point I would like to mention is that the Commission is delegating more and more of its functions to agencies and to executive agencies. I look forward to the day when the Commission will submit proposals indicating its willingness to take staff back. We have just completed the biggest round of enlargement in the European Union's history; by 1 January 2007, twelve new Member States will have joined it. Since many of the tasks it used to perform have been handed over to agencies, the Commission needs fewer staff, and I am waiting for it to produce very definite proposals as to how it is going to make Europe less bureaucratic, something that is not accomplished by what Commissioner Verheugen is doing, namely looking at laws, but by making cuts in personnel so that red tape is not generated in the first place.

I would like to close on a self-critical note with a thought that we might well take away with us, namely that we ourselves need to give rather more thought to our own strategy too. I think it highly regrettable that we have not done this as much as might be desirable when debates in this House are in the offing.

Paulo Casaca (PSE). – *(PT)* I wish to thank Mrs Gräßle, Mrs Grybauskaitė and, of course, the Council on the success of negotiations on the new financial regulation. Congratulations are due in particular to our rapporteur for her hard work, persistence and tenacity. I must say, though, that in the years ahead we will have to carry out a thorough assessment of the effectiveness of this financial regulation in order to gauge the extent to which the rules contained therein may or may not be excessive and whether or not they are the cause of the abnormally large number of material errors detected every year by the Court of Auditors.

What we need is a financial regulation that naturally imposes budgetary discipline and the effective use of budgetary resources. We cannot, however, have a regulation that causes endless errors and puts us in our current, extremely embarrassing, position as regards the discharge, with the Court of Auditors systematically refusing to approve our accounts.

I shall finish, however, by simply expressing the hope that the Commission and our rapporteur will build on the work they have done thus far.

Antonis Samaras (PPE-DE). – *(EL)* Mr President, ladies and gentlemen, I am a firm believer in development. In 2007 the cost of the Community budget will be less than 1% of the Community's GNP. Is this an achievement for which we must be proud? Some of my colleagues are. 'At least we managed to enforce budgetary discipline' they say. I am sorry if I cannot share their feeling of high achievement that has engulfed them. While the European Union is expanding we, at the same time, limit our community budget, which does not make us more financially disciplined but less visible in the eyes of the European citizens.

I do not wish to be misunderstood, I believe deeply in the concept of financial discipline. If pointless expenses are being made then we should stop them. However, pointless expenses only exist in national budgets of Member States, not in our tiny community budget. Nevertheless, national expenses are outside the European Parliament's jurisdiction and because we cannot make expense cuts on national budgets we are forced to make cuts on necessary expenses of our community budget.

However, we will not be taken seriously on matters of discipline and neither will we be taken seriously on matters of European integration. How are we supposed to go to Lisbon like this? The USA spends more than 20% of its GNP on its federal budget. We spend less than 1%! How are we supposed to compete with them? The truth is that we cannot compete with them. A continuously shrinking European budget seriously undermines our status, our credibility and our capacity to impose any changes.

The inadequacies of the Finnish Presidency, which we all viewed in the Committee on Budgets, only made things worse. Therefore, I fear that on a collective basis we are well below 1% of our capabilities as Europeans. I am sorry to say this, but I think we are heading towards the wrong direction.

IN THE CHAIR: MRS KAUFMANN

Vice-President

Vladimír Maňka (PSE). – *(SK)* The 2007 budget is the first in a seven-year programming period and as such has undeniable strategic significance for the years ahead. It is extremely important that we step into the new financial period resolutely and sensibly.

I would like to thank the rapporteurs, the members of the Committee on Budgets, and all negotiators for their work in negotiating the European Union's budget for 2007. In particular, I appreciate the support of the Socialist Group in the European Parliament for the effort made by the new Member States in reducing the administrative reserve by EUR 50 million. This issue is especially important to the new Member States. The essence of the problem is that keeping a large financial reserve would seriously jeopardise the recruitment of new staff. This is particularly true of the new Member States, as their quotas are far from being exhausted.

During their meetings with MEPs in the Committee on Budgets your officials, Commissioner, repeatedly drew attention to the problems that put the selection of staff for European Union institutions at risk. Thanks to their warnings and to the united stance of the Socialist Group in the European Parliament, things have moved ahead and we are now close to substantially slashing this unnecessary reserve. The common achievement of this objective will be an excellent gesture vis-à-vis the new Member States of the European Union, which now include Romania and Bulgaria.

The citizens of our countries are watching closely the interplay of words and deeds within European institutions. May I therefore urge your support for our efforts in achieving this common objective?

Jean-Claude Martinez (NI). – (FR) Madam President, at the beginning of December, NASA announced that a budget had been adopted with a view to the installation of a space station on the Moon in 2020.

We, for our part, have a draft budget in 2020 that is designed to allow a train to make the journey from Hendaye in France to Irún in Spain. Thus, the United States have a budget to go to the Moon in a rocket and we, we have a budget to cross the Pyrenees by train! How can we explain this difference? The United States provides itself with a budgetary policy equal to USD 2 500 billion per year, while we, we toy with a budget of EUR 122 billion. We toy with 1 260 amendments, we toy with partnerships at international level, with Europol, with Daphne, with Plan D – in short, we spread ourselves too thinly.

We have only two serious budgetary policies: agricultural policy and regional policy. The remaining budgetary headings, in particular heading 3 'Citizenship', represent a communication budget, for women, young people, consumers, the unemployed, people who have been made redundant, people who have been assaulted ...

The real cause of this situation is not the lack of own resources: while there is indeed a real standstill, it is due to the ideology of balanced budgets, which prevents exceptional costs from being funded by exceptional resources, that is to say the loan, the loan intended for the major European networks, the rail network, for example. The real budgetary debate, ladies and gentlemen, does not consist in coming out for or against a European tax in 2014, but in coming out for or against a European loan to fund the future of research, of transport, of health care and of education.

Ingeborg Gräßle (PPE-DE), rapporteur. – (DE) Madam President, I must now, so to speak, 'avenge' our Mr Elles, and so I am happy to accept the speaking time and would like, speaking on my behalf and his, to thank the House for its praise and its suggestions. As regards the Financial Regulation, and the completion of reforms, I would ask that we should present every bit as united a front as we have done to date. Mr Casaca has bidden me keep to the subject, and that I am happy to do. There is, in fact, a homepage – set up by me – on the subject of our experience with the Financial Regulation, on which the EU institutions or their advisors can provide us with information on how things are working out with the changed Financial Regulation. I believe that we have, for the first time with this Budget, succeeded – and this is Mr Elles' great achievement as rapporteur – in bringing planning, implementation and monitoring closer together, and these are tasks that we will have to take very seriously in future.

President. Before the Commissioner takes the floor, I will ask once more if there are perhaps any other questions that she might be able to help answer.

Catherine Guy-Quint (PSE). – (FR) Madam President, I should simply like to say that we deplore the organisation of the debate on second reading in its current form. Indeed, every time, the Committee on Budgets does a huge amount of work, and we find ourselves penalised by the time allotted to us to present our work and to explain the way in which we have worked and the outcome we have achieved.

It would have been extremely interesting to have seen other Members take part in this debate and to have heard the Commissioner's and, perhaps, the Council's, response. All too often, we are overlooked when it comes to organising plenary sessions. We note, once again, that more than ten minutes remain, which several of our fellow Members could have used in order to outline the work they have done this year.

Paul Rübig (PPE-DE). – (DE) Madam President, since the Finnish Presidency has shown that the Budget Regulation can work with the seventh research programme, I would like to ask our Commissioner to again enlarge upon the rules applicable to the Budget, which we regard as being of particular importance. The European Union comes in for much justified criticism, and this is where we want to see really visible progress within a short period of time, so I ask that these issues be taken seriously, particularly as regards their technical aspects, for they strike us as particularly urgent in political terms.

Richard Corbett (PSE). – Madam President, this is not on the substance, but may I just congratulate you on putting into practice exactly what I suggested at voting time this morning, namely, to take catch-the-eye speakers at the end of a debate. I think we should do this for a short period at the end of every debate, but certainly when there is time available, as there is now. That is an excellent initiative, well done!

President. You will be aware that that actually works only if there is a little time left over. It is not actually possible to plan plenary debates down to the last minute.

Dalia Grybauskaitė, Member of the Commission. (LT) I would like to thank all participants in the debate for today's discussions. Truly, a very large job has been completed – all political groups and the Committee on Budgets have really worked quite intensively, so I would like to thank them too, because it was a task involving political responsibility. Political opportunism was avoided and all the decisions were adopted with regard to the interests of Europe and all the people of Europe.

I would also like to thank my people, my Directorate, who is sitting here and who put in a lot of effort so that we could discuss this today, that is, what we are now doing. In addition, I would like to thank the Secretariat, both the Committee on Budgets (in French COBU) as well as the Council personnel, who equally managed to see beyond their personal ambitions and overcome their errors so that in the end we could obtain the solution that we now have on the table.

Therefore, I urge you all, including Europe's budget and finance leaders who have spoken here today, to try and, as always, to impress on your colleagues in the European Parliament to vote positively and, on Thursday, to approve the budget of the new Europe, the expanded Europe of 27 countries.

President. That brings the joint debate to a close.

The vote on the Elles and Grech reports will take place on Thursday. The Gräble and Pittella reports will be voted on tomorrow.

Written statement (Rule 142)

László Surján (PPE-DE). – (HU) It seems that we have prepared the 2007 Union budget without any fierce clashes, even though in July there had been no agreement reached on financial regulation, for instance. The budget will not work without valid regulations. This is why Parliament will not sign it, unless the new financial regulation comes into force.

In the 2007 budget, Parliament has, in accordance with the Council, increased disbursements, in return for which expenditure will not exceed 1% of the Union's GNI. Why did we not put up a harder fight? A new financial framework plan will come into force in 2007, various programmes will be relaunched, which is why only a small disbursement will be required. It has now also transpired that Member States have not used six billion euros of the total resources which were increased last year following some hard battles.

This year a new element has been introduced by Parliament in the form of a 'value for money' analysis, proving that the Union is putting the money to good use. Unfortunately, the solidarity between Member States is decreasing from one year to the next, with contributors citing difficulties with their national budgets for this, while failing to mention the benefits they have gained from the market opening up. We should not chip away at the budget, but what we need to do is allocate more resources where cooperation goes hand in hand with added value. Such areas include research and development, as well as cohesion. We can only win in the global competitive environment if we work together. But the will of Parliament is not enough for the European Union to grow to its potential. What we need is to have statesmen at the helm of our Member States and not politicians who only live for the moment.

21. Agenda: see Minutes

(The sitting was suspended at 6.25 p.m. and resumed at 6.30 p.m.)

22. Commission Question Time

President. The next item is Question Time (B6-0448/2006).

We will take the following questions to the Commission.

Part One

President. Question No 37 by **Sharon Bowles** (H-0963/06)

Subject: Workers from Romania and Bulgaria

The Commission's report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty shows that workers' mobility from the EU Member State entrants of 2004 to the EU15 has on the whole had a positive effect. Is the Commission therefore disappointed that Member States such as the UK and Ireland have decided to curb the rights of Romanians and Bulgarians to work within their respective countries once Romania and Bulgaria become full EU members on 1 January?

Does the Commission believe this will have any negative economic effects both within those Member States and across the EU as a whole or that it may push more people to work illegally? Does the Commission believe the unease expressed by some Member States about an 'influx' of migrant workers is a genuine concern, given that the UK, Ireland and Sweden (which did not apply restrictions after May 2004) experienced a drop in unemployment, a rise in employment and high economic growth?

Olli Rehn, Member of the Commission. As a matter of principle, the Commission is in favour of full application of the four freedoms, including the freedom of movement of workers in the European Union. One should remember that this freedom is one of the core principles of the Treaty of Rome.

However, the Accession Treaty with Bulgaria and Romania, like those of the previous enlargement, lays down transitional provisions on the right to free movement of workers. Essentially, these provisions leave it up to each current Member State to determine whether, during a transitional period, to grant Bulgarian and Romanian nationals access to their labour markets. This is thus a prerogative of each and every Member State.

The Commission plans to send a letter to all the Member States recalling their obligations under Community law and asking Member States to provide the details of any national measures that might be introduced for the first two years that follow the accession of Bulgaria and Romania.

At the same time, let me draw your attention to the Commission's report on the functioning of the transitional arrangements for the enlargement of 1 May 2004, and in particular to the finding that the arrival of workers from the accession Member States has had a beneficial effect and actually helped to reduce imbalances in national labour markets, without the newcomers largely taking the place of local jobseekers. This applies, of course, to those Member States that have facilitated the free movement of workers.

This report also found that there have been overall positive effects on the economies of the EU 15 Member States, with workers from the new Member States contributing to a better functioning of the labour markets, to sustained economic growth and to better public finances. It also found that restrictions on labour market access may increase the incidence of undeclared work.

The Commission believes that those findings are still valid and trusts that the Member States will consider them closely when deciding whether to introduce transitional measures applicable to Bulgaria and Romania.

Sharon Bowles (ALDE). – We know that in the future there will be a shrinking workforce trying to support more pensioners. In the light of that scenario, which is not that far away – in fact, much of it is upon us now – do you think that the countries which boosted their workforce by being more liberal and allowing free movement and migration have stolen a march on the other countries that have been more restrictive?

Olli Rehn, Member of the Commission. Thank you for your question. It is perfectly possible that this might happen, but only time will tell, which is why we are constantly analysing developments in the labour markets in the EU and its Member States.

There are two basic scenarios, which may vary from one Member State to another. Namely, a given Member State may benefit from having the possibility of receiving workers from the new Member States, owing to its demographic profile and the challenges posed by an ageing population. At the same time, it may be that another Member State has labour market problems, and higher unemployment, and that the national government consequently decides that, given the circumstances, it would benefit from the transitional arrangements. That is why we have decided to leave this matter to the Member States to judge, and why we have given them the option of applying the transitional measures.

Richard Corbett (PSE). – The original written question from the questioner focused on the relatively minor transitional restriction that Ireland and the United Kingdom have brought in regarding the two latest Member States alone. Do you agree, Commissioner, that it would be far more important to focus on the continued restrictions on all the new Member States that are still enforced even now by the majority of the old fifteen?

Olli Rehn, Member of the Commission. I have taken note of the decisions of the United Kingdom and Ireland. It is without doubt a prerogative of those countries, as for any other Member State. Prior to these decisions, I used the United Kingdom and Ireland as a benchmark when arguing the case for opening the labour markets of the other Member States to the candidate countries. I am proud of having in my previous capacity helped the Prime Minister of the Member State I know best to draft his speech on 1 May 2004 when he declared that Member State – Finland – was likely to remove the restrictions on free movement of workers from the new Member States. That particular Member State maintains the same liberal practice for Bulgaria and Romania.

The point is that on the basis of very reliable studies there are overall positive effects, but at the same time we want to leave it to the Member States – and we have to leave it to the Member States because that is the decision of the Council of the European Union, which is the highest decision-making body in cases of this kind in the Union.

Alexander Stubb (PPE-DE). – I would just like to respond to Mr Corbett. The interesting thing is that when you go to a restaurant or pub in the UK nowadays, the service you get is not in the Queen's English. We Finns would find it very exciting to have 500 000 people speaking even a little bit of unusual Finnish.

I should firstly like to congratulate the Commission on its efforts in the area of free movement. Secondly, I would like to congratulate those Member States which have opened their borders to the free movement of labour from the new Member States. My question is simple and straightforward. What is the Commission going to do to keep up the pressure on all the old Member States to open up to the free movement of labour, just as the UK, Ireland, Sweden, Denmark, Finland, Holland and a few others have already done?

Olli Rehn, Member of the Commission. I am glad to note that Mr Stubb has made a rapid career move from the back benches to the front benches here. That is impressive and remarkable.

I want to tell you that we are continuing to analyse developments in the labour markets in the European Union and all the evidence shows that those countries that have applied a liberal practice of receiving workers from the new Member States, such as the United Kingdom and Ireland, have benefited in terms of overall economic growth and better functioning of the labour market. Therefore we can continue to argue the case so that we have positive benchmarks, like those two countries and other countries such as the Member State you know best. After we have argued the case, then it is the prerogative of each and every Member State; and of course we have to trust the judgement of each and every national government, because they should know best the circumstances in the country and what is best for the country and its citizens.

President. Question No 38 by **David Martin** (H-1022/06)

Subject: Duty-free sales within the new aviation security regulations

Following the 6 November introduction of new EU aviation security regulations, concerns have been raised as to how the new regulations will affect the global duty-free market. This market is of vital importance to many European luxury brand producers, including Scotch whisky producers in my constituency. The new regulations include provisions for passengers to continue buying liquid products from airside retail stores (via the 'tamper evident' bags system). However, these provisions extend only to 'Community airports' and 'Community carriers'. As a result, neither duty-free retailers at major international airports outside Europe nor non-EU carriers are able to sell popular goods like premium Scotch whisky to EU-bound passengers transferring at an EU or EEA airport.

Can the Commissioner inform me of what steps the Commission plans to take to facilitate duty-free sales to EU-bound transfer passengers and safeguard this vital market for Scotch whisky producers, their employees and the local economy?

Joe Borg, Member of the Commission. I thank Mr Martin for his question. The aim of Commission Regulation (EC) No 1546/2006 is to address the new threat to civil aviation that is posed by homemade

liquid explosives. As such, it prohibits passengers on flights departing from Community airports from taking liquids in hand luggage in individual quantities greater than 100 ml. However, an exemption has been granted for liquids sold at airport shops and on board aircraft when certain security conditions are met, including the tamper-evident bag system.

Given that Community legislation does not apply in third countries, it is currently not possible to ensure that airports in third countries or non-Community air carriers have security requirements that are equivalent to those applied within the European Union and the European Economic Area. Consequently, such airports and airlines cannot benefit from the exemption. The Commission will consider whether it is possible to work with third countries to develop a means of establishing equivalence of security measures.

David Martin (PSE). – Thank you for your answer, Commissioner. However, I wonder whether you appreciate the anger that will be felt by many EU citizens and visitors from the rest of the world coming to the European Union this Christmas who, having brought premium Scottish whisky and other products into an airport like Frankfurt or London, from where they are going on to other airports like Edinburgh or Glasgow, discover that their duty-free goods are confiscated at that airport. It is going to create a lot of unhappiness and a lot of dissatisfaction.

Commissioner, would you agree that we need some sort of publicity campaign in third countries to make people aware of this situation? Secondly, will you urgently engage in discussions with international aviation organisations to see if we can arrive at a global common standard so that this problem does not arise?

Joe Borg, Member of the Commission. Thank you for that question.

I wish to begin by underlining the fact that one cannot compromise on security. The Commission and the Community is doing what it can to further open up the system in place with regard to the European Union, although it will probably be quite difficult to achieve significant results in the very short term, and therefore before Christmas, as this calls for negotiations with third countries in order to achieve similar positions to ours.

Regarding your point concerning the publicity campaign, the Commission has been working with the international airport and airline stakeholder organisations concerned so that they can inform their members in third countries about the new EU rules. In addition, the Commission has assisted those stakeholders in their campaign to inform passengers by developing standardised information posters and leaflets that their members can use as part of their own information campaigns.

Reinhard Rack (PPE-DE). – (DE) Madam President, Commissioner, I know that flight safety matters are not within your direct remit, but you will probably have no trouble answering this supplementary question. Day in and day out, we get innumerable complaints from airline passengers, and have ourselves had personal experience of all these things. A very large number of us regard the action taken as no more than diversionary measures that do nothing to add to passengers' security, but make things considerably more difficult for them; in particular, they add up to more business for the manufacturers of toothpaste and contact lens solutions, while, in reality, doing nothing for security.

Joe Borg, Member of the Commission. The Commission is of the view that in fact they do contribute to increased security in real terms, because, obviously, physical checks are carried out on passengers in order to determine that there are no such liquids. Any liquids would be carried in transparent bags.

Secondly, there is also the question of perception: passengers feel that something is being done and that one would think twice before trying to take on board things which could be suspect and which would be spotted.

Jörg Leichtfried (PSE). – (DE) Madam President, I have a supplementary question which leads me on to a matter related to the original question, since whisky is made from water, and it is with water that my question has to do. I live in a country where water is universally available, and people are not accustomed to paying high prices for it, but, if you look around European airports, the tiniest quantities of water are on sale there at incredible expense, with a small bottle of it costing between EUR 3 and EUR 4. That is something I do not regard as acceptable, but it is a consequence of the security system that is currently in force. What, Commissioner, is the Commission contemplating doing about this specific matter in order to protect European consumers?

Joe Borg, Member of the Commission. This is not my direct area of responsibility so my reply is that I have taken note of the remarks you have made and I will pass them on to Vice-President Barrot and to Commissioner Kyriakides, who has responsibility for consumer protection.

President. Question No 39 by **Reinhard Rack** (H-1048/06)

Subject: Compensation for flight delays

Serious delays are increasingly occurring in air transport within Europe, causing major inconvenience to passengers. Does the Commission envisage the possibility of amending Regulation (EC) No 261/2004⁽³⁾ in such a way as to require financial compensation to be paid to air passengers according to the length of the delay, in the same way as for rail passengers?

Joe Borg, Member of the Commission. According to the air passenger rights Regulation (EC) No 261/2004, airlines are not obliged to offer passengers financial compensation when stranded for long delays. However, the regulation requires that passengers receive assistance from the airline, including food and drink and accommodation as necessary.

In addition, the Montreal Convention, the updated version of the Warsaw Convention which was transposed into Regulation (EC) No 889/2002, dealing with rules for international carrier liabilities, provides for certain rights in case of delays, from which the airline's liability is limited to 4150 Special Drawing Rights, which is approximately EUR 5000. In this case, the passenger must demonstrate a causal link between the damages he or she has suffered and the incident provoked by the airline.

According to Article 17 of Regulation (EC) No 261/2004, the Commission will submit to Parliament and the Council a report on the application of this regulation in the EU Member States. A call for tenders has been launched in order to contract an external consultant to give input with regard to quantitative and qualitative data. The study will deal in particular with issues related to delays and cancellations, as well as with the enforcement of the regulation concerned.

The Commission cannot at present prejudge whether additional measures will be proposed to improve the protection of air passengers. The Commission will have to wait for the final results of the assessment made by the external consultants.

Reinhard Rack (PPE-DE). – (DE) There are two things I would like to point out. The compensation rules in international law, to which you refer, represent precisely the sort of compensation that we are not willing to allow our citizens to have, in that they should not have to take upon themselves the burden of major court proceedings in order to get what is rightfully theirs, and so I have to ask whether there can be changes in this area, and whether we can come to a clearer definition of the concept of '*force majeure*'. According to the airlines, an aircraft's breakdown is '*force majeure*', but the fact of the matter is that the aircraft breaks down because the airlines, increasingly, use old machines on their flights.

Joe Borg, Member of the Commission. I would like to point out that the important difference between the previous regulation and the present one which is based on the Montreal Convention is that passengers are entitled to receive direct and on-the-spot information, assistance and rerouting facilities, whereas the Montreal Convention only covers ad hoc claims to be presented in a court, as you rightly indicated, for possible damage caused because of a delay. I will, however, pass on the remarks that you have made to Vice-President Barrot in order to see whether anything further can be done, although as I pointed out in my reply to the question, the Commission does not envisage coming up with additional measures before the final results of the assessment – which is being carried out by an external consultant – are known.

Robert Evans (PSE). – Thank you Commissioner for those remarks. I would like to draw to your attention that yesterday evening Air France cancelled the evening flight from Gatwick to Strasbourg, quoting technical reasons, but refused support to passengers and refused to provide hotel accommodation for them. Will the Commissioner take this opportunity to make it very clear to Air France and indeed to other airlines that current EU legislation – this legislation – applies to them and that they should not look for loopholes and try to wriggle out of it, but should respect EU legislation and support passengers when flights are cancelled, as they were yesterday.

⁽³⁾ OJ L 46, 17.2.2004, p. 1

Joe Borg, Member of the Commission. As a general comment, Regulation (EC) No 261/2004 does not provide for any extraordinary circumstances linked to denied boarding. If because of technical failure an airline replaces the original aircraft with a smaller type, and some of the passengers are denied boarding because not all of them can board that aircraft, and they have to stay behind at the airport, those stranded passengers have to be assisted and offered financial compensation as provided for in the regulation.

It is only for reasons of health, safety or security or inadequate travel documentation that passengers can be refused embarkation on a flight. I will also refer to Vice-President Barrot for his attention the specific comments you have made with regard to last night's events concerning Air France.

Richard Seeber (PPE-DE). – (DE) Madam President, the extreme security precautions in response to the threat of terrorism are more and more frequently the cause of extreme delays, and such security measures do, of course, also cost a great deal of money. As these costs are currently borne by the general public, is the Commission considering transferring them, in effect, to the airlines or the passengers, or is it intended that the state, so to speak, should continue to bear these additional expenses?

Joe Borg, Member of the Commission. You are right that security measures and additional security measures – and this links up to the previous question – have a cost. However, one needs to underline that if we really want to tackle the question of security on board aircraft then cost considerations can only be secondary.

However, having said that, I will again pass your remarks on to Vice-President Barrot, to see whether there is scope for trying to identify possibilities of cost-sharing in this regard.

President. We now come to the second part of Question Time. Since we now have only about half an hour left to us, I can allow only ten minutes' question time for each Member of the Commission. I would ask all those who are putting questions to make some allowance for this.

President. Question No 40 by **Chris Davies** (H-0991/06)

Subject: EU measures to end the discard of by-catch

When will the Commission introduce measures to end the discard of by-catch by fishing vessels?

Joe Borg, Member of the Commission. I hope I do.

In response to the question by Mr Davies as to when the Commission will introduce measures to end the discard of by-catch by fishing vessels, I should like to point out first of all that the Commission considers discarding to be a serious problem in European fisheries, and is committed to acting on this issue as a priority.

The cause of discards is that unwanted by-catch is taken in many European fisheries and then discarded. Discarding can primarily be reduced, and eventually eliminated, by reducing unwanted by-catch. This can be done through legal regulation or by providing incentives for the development of fishing technologies and fishing practices which produce little by-catch and therefore little discard.

In early 2007 the Commission will present a communication on reducing discards. The instruments that will be considered in this context include selective fishing areas, closed areas, requirements to change fishing grounds when significant by-catch is encountered and the economic penalising of by-catch.

The Commission will outline the main elements of a new policy on discarding and open a debate on the implementation of that policy. Following a debate in early 2007, the Commission will develop implementing regulations on a fishery-by-fishery basis, the first of which will be presented in 2008.

Chris Davies (ALDE). – I should like to thank the Commissioner. I met with the Fleetwood Fish Producers' Association recently. They tell me that their inshore fishery currently produces some 70-80% discards on vessels above 10 metres. They told me: 'the Irish Sea is full of fish, but we are murdering it by catching fish too small to breed'. They say that if they use larger nets they are regarded as going out to catch cod and, therefore, they have to go out for fewer days, they lose income and it is a vicious circle.

Commissioner, I know that you want to do something about this. I have talked to you about it over the years. However, you have been a Commissioner now for more than two years and you are talking about

something happening in 2008! Are you satisfied with this rate of progress? This is an obscenity and it must be stopped!

Joe Borg, Member of the Commission. As in all aspects with regard to fisheries, I am certainly not satisfied. The rate of progress is not attributable to a lack of willingness on our part, or to a lack of means to try to achieve results, or a lack of determination on the part of the Commission. More often than not it is attributable to the fact that we have very complex fisheries in Community waters.

It is far simpler to operate a decent discard system further north, where fisheries are relatively clean, where you go to fish for mackerel and you catch virtually only mackerel. In Community waters most of the time you target a particular species, but you have what is essentially a mixed fishery and that is much more complex to manage.

We are looking at ways and means of introducing measures which will reduce discards significantly. This year we have tried to introduce an effort-management scheme for the Kattegat. The North Sea Regional Advisory Council was heavily involved in this. We had hoped that at the December Council I would be able to announce that this would start in 2007. However, after considering the various proposals being made to operate such a scheme, the operators' representatives asked us for more time, because they realise that the impact on fisheries could be significant.

The North Sea Regional Advisory Council is of the same opinion and therefore I shall not be proposing that it starts in 2007. I hope that during the course of next year this will materialise and that it will come with a much more general position with regard to the management of fisheries whereby discards are reduced as much as possible.

The fishermen you spoke to may be partly right, but there is also a significant element of exaggeration.

James Hugh Allister (NI). – In the Commission documentation published for the upcoming Fisheries Council, reference is made to the prospect of cod fishing being brought within the framework of a 'cod bycatch fishery'. Could the Commissioner elaborate on this, and could he define what is meant by a 'cod bycatch fishery'? What would this mean in practice? Will it involve a percentage limit, and will we still have the lunacy of valuable fish being discarded? Could the Commissioner please cast some light on what is intended by the phrase 'cod bycatch fishery'?

Joe Borg, Member of the Commission. It is somewhat premature to give details because if one starts going into detail now before discussions with the stakeholders, it could be somewhat alarmist, as always happens in fisheries. Our intention is to heavily involve the regional advisory councils and to involve the stakeholders in how to manage fisheries in a way in which we try to tackle the cod problem effectively.

There is, as all of us know, a serious problem with regard to cod sustainability. In most, if not all, Community waters it is in a virtually depleted state. It is possible for it to be rescued, but we need to be inventive in this regard. The general idea behind a cod by-catch fishery is that, for as long as cod is not recovered, you do not target cod. Thus fishers would not target cod, but they would be allowed to land cod caught as a by-catch within certain limits. In that way you can provide an incentive for the diversification of fisheries into other fisheries so you would not thereby be targeting cod and at the same time you would reduce the unnecessary and very costly discarding of cod.

These are initial ideas which we need to ponder further and which we need to discuss primarily with the stakeholders, to see whether there is a way forward, or whether, as in many other respects, we end up concluding that the system as it operates is giving better results in certain respects. But I hope that we will manage to work out a system which will give much better results than those we have at the moment with regard to cod and to cod recovery in particular.

President. Question No 41 has been withdrawn.

Question No 42 by **Teresa Riera Madurell** (H-1040/06)

Subject: Action taken by the Commission on the recommendations set out in the report on women and fishing

A number of recommendations from the Committee on Women's Rights and Gender Equality were incorporated in the report on women's networks: fishing, farming and diversification adopted by Parliament on 15 December 2005.

They included a call for action to secure better living conditions for women working in the fisheries sector and for the communities in which they live.

What steps will the Commission be taking in support of the efforts being made by such women to guarantee their social and economic rights and secure greater legal and social recognition?

Are steps to be taken to ensure full implementation of the principle of equal treatment and opportunities for women and men in relation to training and access to funding and loans, including micro-loans?

How does the Commission intend to step up direct involvement by women in representative, decision-making and advisory fisheries bodies at European, national and regional level?

Has it launched a project covering the specific situation of women shellfish gatherers?

Joe Borg, Member of the Commission. I should like to thank the honourable Member for her question concerning the Commission's follow-up to the recommendation set out in the report on women's networks, fishing, farming and diversification adopted by Parliament on 15 December 2005.

The Commission considers the situation of women working in the fisheries sector, and in particular their legal and social recognition, to be a very important issue. It is using all the instruments at its disposal to promote equal treatment and opportunities for women and men in the sector concerned.

As regards the four specific questions raised by the honourable Member, the Commission would like to point out the following.

Firstly, the European Fisheries Fund, which is the new structural instrument for fisheries for 2007-2013, explicitly states, in Article 4(g), that one of its objectives is to promote equality between men and women in the development of the fisheries sector and fisheries areas. The EFF is based on the principle of partnership with all stakeholders in the fisheries sector, and this explicitly covers partnership with bodies responsible for the promotion of equality between men and women. The EFF contains specific provisions promoting gender equality, both through better women's representation in decision-making processes and in the programmes to be implemented by Member States. In particular, the Commission is encouraging participation by women in the various stages of implementation of the European Fisheries Fund, including the design, monitoring and evaluation of the Member States' operational programmes for the next programming period.

The Fund can also support measures aimed at promoting equal opportunities between men and women through networking and the exchange of best practices among relevant organisations. The Commission will strive to ensure that Member States reflect these provisions and priorities in their operational programmes.

Secondly, the Commission recognises the importance of training in the fisheries sector, and education and professional training are eligible for support under the European Fisheries Fund. Training measures are also expected to promote access to employment for women. Moreover, under the Fund's new priority axis 4 on the sustainable development of fisheries areas, support can be granted for the diversification of activities and the promotion of alternative employment for fishermen through a large variety of measures. Under this axis, special measures for the improvement of professional skills, work adaptability and access to employment for women can also be supported. It should be stressed that the Commission is promoting the involvement of women in the local bodies, managing the measures supported under axis 4.

Thirdly, as mentioned above, the EFF requires Member States to ensure broad and effective involvement of all relevant partners in the different stages of programming, and this includes bodies responsible for the promotion of equality between men and women. The Fund also requires the operational programmes to contain information on how the partnership principle has been implemented, the list of the parties that have been consulted, the results of those consultations and how they have been taken into account. The new priority axis 4 on sustainable development of fisheries areas, supported under the Fund, will be implemented through a bottom-up approach. It will be the local players, including women's associations, that will serve as the engine for designing and implementing local development strategies. This allows women's organisations to get involved in decision-making at the local level and ensure that their specific concerns and suggestions are taken into account in local development strategies. Women and their representatives are also encouraged to participate in the Regional Advisory Councils, which were set up to improve the governance of the reformed common fisheries policy. For instance, women's

associations already have a seat in the North Sea RAC, which was the first RAC to be formed. Women are also represented in the North Western Waters RAC.

Finally, in the present programming period, under the Financial Instrument for Fisheries Guidance, Member States can co-finance studies and innovative projects covering the specific situation of women shellfish gatherers. This possibility is also offered under the European Fisheries Fund, under priority axis 3 on collective actions. The Commission has since 2003 been launching a series of calls for proposals for innovative actions in the fisheries sector. These actions are now almost completed. In 2005 the Commission conducted an ex-post evaluation of these actions in order to assess their impact and added value. The results of this evaluation showed clearly that such actions do not have an added value, whereas innovative actions included in, and financed through, the operational programmes of the Member States, were more successful and better monitored.

Taking into account these conclusions, the Commission decided to integrate the implementation of those actions into the European Fisheries Fund Regulation and to support their implementation through the operational programmes of the Member States.

Teresa Riera Madurell (PSE). – *(ES)* Commissioner, thank you for your explanations, but I would like to refer to the specific situation of women shellfish gatherers, the majority of whom are over fifty, who suffer health problems as a result of their work and who, in many cases, also lack the right to unemployment benefits, health services and safety at work.

In our report we therefore call upon the Commission to draw up a pilot project to deal with the specific situation of women shellfish gatherers.

Does the Commission agree with the implementation of this pilot project, as suggested by Parliament? We would like to know what the Commission intends to do in relation to this issue.

Joe Borg, Member of the Commission. I will look into the feasibility of creating such a pilot project which would be specific to shellfish gatherers and how their situation on all fronts can be improved. I can only say at the moment that I am favourably disposed in that regard, but I need to study it further before I can give any commitment.

President. We now come to the next section of Question Time, with questions to Commissioner Špidla, whom I bid welcome.

Questions Nos 43 to 45 will be answered in writing.

Question No 46 by **Lambert van Nistelrooij** (H-0972/06)

Subject: Economic and innovative changes of demographic change

The ageing of the population and the demographic change it brings with it are regarded as a threat to the labour market and the EU 'knowledge-based economy', its Member States and regions. However, it can be seen as an opportunity for new jobs in a growing market with new products and services which improve quality of life for older people, for economic growth and for improving Europe's competitiveness. This is the approach of the so-called 'silver economy'. Recent calculations for Germany have shown that a proactive response to the needs and interests of the sometimes increasingly rich elderly could lead to 900 000 new jobs in the next two decades. There are no other sectors or businesses with a higher growth potential.

Until now the chances that the challenge of the ageing population brings with it have not been clearly set out horizontally in the Commission communications on 'Demographic future of Europe' (COM(2006)0571 final), 'European values in the globalised world' (COM(2005)0525 final), the Green Paper 'Confronting demographic change' and the major Lisbon-oriented policy programmes such as the Structural Funds, the Seventh Framework Programme for Research and Development and the Competition and Innovation Framework Programme. An exception is the Commission's Innovative Actions, 'Ambient Assisted Living', the i2010 initiative and its eAccessibility communication, now part of the eInclusion programme in the third pillar of 'i2010'.

What does the Commission intend to do to encourage Member States and regions to take on board as a horizontal policy the 'silver economy' concept in its 2007 and beyond innovation driven Lisbon reform programmes?

Will the Commission envisage to coordinate policy making in the different 'silver economy' issues?

Vladimír Špidla, *Member of the Commission*. – (CS) Madam President, ladies and gentlemen, the Commission agrees entirely with the honourable Member that the silver economy is a very promising area of development and should be boosted at local, national and European levels. The silver economy is one example of how we can make the most of the fact that people are living longer. In its recent communication 2006/571 entitled 'Demographic Future of Europe – From Challenge to Opportunity' the Commission used the silver economy as an example of the positive effects of ageing in terms of fresh economic growth opportunities.

The Commission welcomes initiatives like the Silver Economy Network of the European Regions (SEN@ER). At the first European forum on demography, which was held recently, a politician from North Rhine Westphalia gave a presentation, in one of the workshops, of activities that Germany is pursuing in the area of the silver economy, within the framework of the SEN@ER network. On 25 and 26 January 2007 the Commission will hold a conference on the theme of the regional response to demographic change, where a series of examples of successful regional silver economy projects that often receive support from the structural funds will be presented.

I should also like to mention that on 17 and 18 April 2007, the German Presidency, with the Commission's support, will hold an important conference in Berlin entitled '*Demographischer Wandel, Chancen erkennen, potenzielle Nutzen, Wachstum fördern*' (Demographic Change: Recognizing Opportunities – Tapping Potential – Fostering Growth) on possible synergies between ageing and the economy. The silver economy is a new issue that, in the context of the Commission, touches upon a number of different policy areas. The Commission has set up an internal working group to coordinate the various European policies on demographic change and in this regard the Commission will continue to work, in general, on the issue of demography, and, more specifically, on the silver economy. This work may lead to a number of Commission initiatives, for example on the consequences of the ageing population and the opportunities provided by the silver economy.

In response to the ageing population, the Commission has also launched the key initiative i2010, which proposes a holistic approach and practical measures relating to development and to the innovative and more intense use of information and communication technologies. This initiative will draw on all available instruments including the Seventh Framework Programme initiatives under Article 169 in the area of Ambient Assisted Living, the new programme for competitiveness and innovation in the area of the best use of information and communication technologies relating to ageing, including measures for raising awareness and political measures. The Commission communication on this issue is expected at the start of 2007.

Lambert van Nistelrooij (PPE-DE). – (NL) Madam President, whilst I should like to thank Commissioner Špidla for his pro-active stance in this matter, the scope of the silver economy market for services and products is left a little vague at the moment. In addition to the five instruments mentioned in the communication 'The demographic future of Europe: problem or challenge', the silver economy approach must be added as the sixth separate track. Are you amenable to this idea? I also have the following suggestion to make. As you have already mentioned, on 25 and 26 February, the regions will be meeting in connection with this senior people network. Are you prepared, on this basis, to look at what this might mean in terms of future adjustments in Parliament, for example by organising, together with this House, a hearing during the course of 2007?

Vladimír Špidla, *Member of the Commission*. (CS) Ladies and gentlemen, demographic ageing, its effects and the silver economy – in other words, complete awareness of the changes brought about by demographic ageing in both consumption and manufacturing – are such important issues that if Parliament adopts this initiative, all I can say is that I shall follow it closely and give it my full support.

As regards the search for organisational structures, I feel that at the moment we cannot yet opt for one fixed structure, but whatever happens, we will monitor the progress of the Silver Economy Network of European Regions, and we will also look at how effectively the relevant national coordination structures work.

Honourable Members, the Commission communication on demographic ageing clearly points out that demographic change is one of the most important changes facing our society; it pervades every area of society and has a cross-sectional impact. The Commission has therefore opted for the concept of

mainstreaming, that is to say, application across all policy areas, including consumer policy and consumer protection policy, as well as the economy as a whole.

Danutė Budreikaitė (ALDE). – (LT) Mr President, Commissioner, in the Lisbon Strategy it was already planned that competitiveness would be achieved by increasing the retirement age to 65 years. In Germany, the retirement age has been increased to 67 years. In the 21st century, instead of introducing new technology, we are increasing the retirement age and working time. What, in your opinion, should be the age at which a person can retire to well-earned leisure?

Vladimír Špidla, Member of the Commission. (CS) The retirement age is a highly sensitive issue, and we cannot go for the easy option and simply stipulate a particular age on the basis of a decision taken at a European level – this matter falls entirely within the competence of the Member States. I should like to emphasise the fact that this is a legitimate question and that the Commission's strategy is not to set a particular age. The Commission's strategy, of which I am a firm advocate, is to extend people's active age and working lives. The notion of stipulating an age at an administrative level is not especially important. It is much more important to create the conditions under which people can continue in work for longer. The administrative age is often set at 65, whereas, the average working life currently ends at the age of 59 in Europe.

I should also like to point out that life expectancy in good health is longer, and currently stands at an average of 62 in Europe, although this age varies greatly between different Member States. This, too, is an issue that must be taken on board in the debate.

I should like to emphasise that the concept of an inclusive society is based on the fact that work not only has its economic aspects but is also about active involvement in society. Scientific research has clearly shown that early retirement before a person has not made full use of his or her potential is felt more as a burden than a benefit.

I should like to come back to your original question. The Commission is not planning to stipulate or recommend any fixed retirement age at an administrative level. On the other hand, it takes the view that, in the light of demographic ageing and the longer period over which pensions are being drawn, it is right to extend people's working lives. To this end, a range of measures should be adopted, of which, in my view at least, an administrative extension of the retirement age is among the less important ones.

Andreas Mölzer (NI). – (DE) Madam President, Commissioner, at the same time as there is increasing interest in getting the older generation to spend money, that is, to be consumers, people in their forties or fifties are already finding it more and more difficult to get work, and low pensions are, of course, a reflection of this, with women in particular risking the prospect of a poverty-stricken old age. How does the Commission think it is going to deal with this dichotomy?

Vladimír Špidla, Member of the Commission. (CS) Firstly, it is very important to raise the overall capacity of the EU labour market by means of measures that we feel are productive and important for the labour market. Those measures include increasing employability, vocational training, retraining, support for people when they have lost their job and the concept of flexicurity, which means actively supporting people during periods of transition. The latter does not necessarily refer to losing one's job. It can also mean the transition from one type of occupation to another. All of these are very important issues, and should be incorporated into the solution to the problem you have raised, which is to say the activation of the European labour market.

The second objective is to assess and eliminate all discriminatory elements, or elements that create inequality in respect of retirement and social security systems. The Commission considers all of these important and this is the direction in which it is heading.

A further measure that also forms part of the Lisbon Strategy is that of providing for higher employment among the over 50s. One of the most important goals at the moment is to eliminate the gender pay gap, because this is one of the main causes of difference in retirement age. In this case, the Commission takes a wide-ranging view, which covers the labour market, social security systems and pay inequality. I feel that this view and this approach are the right way forward.

President. Question No 47 by **Bernd Posselt** (H-0982/06)

Subject: Demography and child-raising salary

Has the Commission, in its latest studies concerning demography, looked into the effects of the so-called child-raising salary on population trends in Norway and does it intend to compare similar models from non-Member States such as Norway with those from Member States such as France?

Vladimír Špidla, *Member of the Commission. (CS)* Madam President, ladies and gentlemen, the Commission has not yet carried out a study into the effects of the various benefit systems on the birth rate. Demographics experts are generally agreed that it is difficult to separate the effects of different kinds of financial benefits from other, perhaps decisive, factors influencing the birth rate. The Commission feels, however, that the search for examples of tried and tested approaches should not be restricted solely to the EU Member States; we could certainly learn from what the Northern European countries that are not EU Member States, in other words Norway and Iceland, have done to solve the problem of demographic change.

Following its communication 'Demographic Future of Europe – From Challenge to Opportunity', adopted on 12 October 2006, the Commission decided to set up a group of government experts on demographic and family issues, which will help the Commission in future activities and act as a basis for exchanging tried and tested approaches. I also wish to point out that as well as adopting the communication on demography, the Commission decided to consult with the European social partners over the issue of harmonising professional, private and family life. The social partners have been called on to assess whether further improvement is needed, especially when it comes to working time, flexible working conditions, the new opportunities provided by information technology, the accessibility and quality of childcare, care for the elderly and other dependent persons and holidays, including family holidays and holidays taken with the aim of caring for dependent persons, children or disabled family members.

In view of the fact that the Norwegian social partners are members of the European organisations representing social partners, their experience with family contributions will be taken into account.

The Commission will also support the German Presidency in creating a European alliance for families. The Commission takes the view that such an alliance would help identify tried and tested approaches and enable their exchange between Member States, with the aim of improving family conditions in the EU and of giving Europeans the opportunity to have the number of children they want to have. Honourable Members, as you may have gathered from my long speech, the Commission has yet to assess directly the issue of financial payments, which will be examined at a later date.

Bernd Posselt (PPE-DE). – *(DE)* Thank you very much, Commissioner, for that very good answer and for having the courage to address an issue from which many of your predecessors had shrunk back. I would just like to put a supplementary question and ask you whether you are planning measures to promote the non-material aspects of a favourable attitude towards children and families in European societies, and whether you are giving consideration to involving non-governmental organisations, private associations and individuals in this, in order to enable civil society to play a part in this work?

Vladimír Špidla, *Member of the Commission. (CS)* As time is very tight, I shall be brief. Indeed, given that material conditions are a substantial component of our lives, of the quality of life and of support for people and families, it is clear that we will only move forward on this issue if we harness the capacities of non-governmental organisations. Accordingly, we are counting on the extensive involvement of various non-governmental organisations and associations, as Mr Posselt said in his question.

President. Questions Nos 48 to 53 will be answered in writing.

Question No 54 by **Marc Tarabella** (H-0955/06)

Subject: Failure of consumer policy in the internal market

The most recent Eurobarometer survey, carried out in March 2006, highlighted once again consumers' total mistrust of the internal market and their complete ignorance of their rights and the legal remedies available to them.

Can the Commission explain why the existing body of legislation is so ill-suited to its task and/or has been so badly implemented to the point of deterring consumers and making them mistrustful of transfrontier purchases? How does it intend to protect consumers against the ever increasing number of

illegal practices of which they are now the victims following the rapid expansion in Internet sales? Why is it ignoring the thousands of complaints it receives through its own networks concerning transfrontier purchases, travel, healthcare, etc.?

Markos Kyprianou, Member of the Commission. (EL) Madam President, the research that the Parliament Member referred to does confirm the Commission's opinion that a lot of things need to be done to improve consumer confidence in the internal market. However, if we consider where we started, where we begun, and where we are today, we should not adopt such a completely negative view.

The progress has been significant and we can witness it through the measures we have taken and implemented over the past years. However, the Commission does not rest and continues to act in the direction of boosting consumer confidence, but the Member States have also an important role to play. Despite low confidence, which is due to several factors, one of the most important ones is the lack of a harmonised consumer protection system; this means that consumers do not know what to expect when they go shopping outside the country's borders. However they must acknowledge that a lot of things have been achieved during the past years in the direction of solving these problems. Moreover, it is clear that a lot more needs to be done to increase consumer confidence, especially with respect to the existing legislation and its implementation. Both the measures that have been taken as well as those that are being planned are intended for dealing with the increasing number of unfair or illegal practices.

Has anything been done at European Union level? First of all let me reassure you that the Commission has never ignored any complaint that it has received or continues to receive through its networks. On the contrary, in the past such complaints have made things happen, for example the approval of the legislation against unfair trade practices. Moreover, they play an important part in the data and information base for future actions, for example for time-sharing. With the legislation on time-sharing we will cover travel products that are not covered by law and therefore do not provide an acceptable level of consumer protection.

The other legislation I mentioned, namely directive 2005/29 on unfair trade practices, prohibits aggressive practices such as sale under pressure, misleading market promotion methods and unfair advertising. European Union consumers are protected equally whether shopping in their own country or in other Member States or over the Internet; moreover the horizontal nature of this protection will allow it to control new practices that will arise as the market develops.

Apart from that, directive 2000/31 on electronic commerce has imposed information requirements with the purpose of guaranteeing total consumer information regarding the trader's identity with respect to the commercial nature of communication over the Internet, actual price and technical means.

Regulation 2006/2004 on cooperation regarding consumer protection will allow national competent authorities to take swift action for dealing with ruthless and unfair cross-border traders, wherever they might be in the European Union.

In the proposal for a regulation regarding the law that will be applied in the agreements that is 'Rome I Regulation', the Commission's proposal will significantly increase consumer confidence bearing the benefit of a legislation with which they are already familiar. Moreover, we have the European Consumer Centre networks or Economic Conflict Resolution Networks that will inform consumers on their rights and assist them in guaranteeing their rights through court appeals or out-of-court settlements in cross-border cases.

As Parliament is aware, in the future the Commission will proceed to review the legislation on consumer protection. Quite soon a Green Paper will be approved for wider public consultation. Its goal is to find a way to modernise and improve existing legislation with the purpose of increasing consumer and enterprise confidence so that they can buy and sell within the borders of the internal market. Moreover, the issue of consumer protection will be examined within the context of the upcoming strategy on consumer policy.

As you can see, on the one hand our investigations do indicate that there are still serious problems but on the other, I believe you understand that the Commission does not rest or remain passive. On the contrary, it is taking steps which are part of a complete programme for dealing with the drawbacks that have been noted by the investigation.

Marc Tarabella (PSE). – *(FR)* Thank you for your response, Commissioner. It does not surprise me insofar as it confirms precisely the Commission position expressed in the action programme that has just been adopted for the period 2007-2012 and that has the sole aim – I quote – of guaranteeing a high level of consumer protection and of guaranteeing the effective application of consumer protection rules.

How does the Commission intend, in practice, to bring proceedings against those Member States that, regarding guarantees or distance selling, for example, do not properly apply the existing directives and that expose consumers who try to take advantage of the internal market to very serious risks? Finally, do you not think that, contrary to the spirit of the Treaty, the policy of this Commission has turned the citizen as consumer into the poor relation and the reject of this internal market?

Markos Kyprianou, Member of the Commission. We are going to look into how all the legislation has been transposed and we are checking it through our review of the *acquis*. We will make sure first of all that Member States have properly transposed this legislation. If it appears that even if the transposition has been done properly there are still problems in the internal market and still trade barriers or discrepancies in consumer protection between Member States, we will make sure that these are corrected through additional initiatives. So we are following this very carefully and will make sure that Member States properly apply all the European legislation when it comes to consumer protection.

As you know, as of 1 January my colleague Mrs Kuneva is going to take over consumer protection and she feels very strongly about this issue as well.

President. Question No 55 by **Sarah Ludford** (H-0965/06)

Subject: GM rice

While the Commission decision of 23 October requiring mandatory testing for GMOs in rice imports is welcome, many aspects of this issue raise deep concern.

Since the US authorities have been certifying their rice as free of the unauthorised GMO LLRICE 601, which was nonetheless discovered in shipments, what confidence can EU consumers have in the reliability of such certification systems?

UK supermarkets were reportedly selling the GM-contaminated rice imported from the US with the permission of Britain's official food safety watchdog the Food Standards Agency (FSA). Does this inspire confidence in the FSA? How was its stance compatible with EU law?

The UK Government proposes to allow GM crops to be grown alongside conventional and organic crops. How will the Commission prevent contravention of EU law regarding cross-contamination?

Markos Kyprianou, Member of the Commission. It is true that this is a very important issue for us and it is clear that no unauthorised product can enter the market in the European Union. We have a very strict system in place to ensure that no product slips through the very high standard assessment procedure.

The question of the contamination of US long grain rice, involving unauthorised GM LLRICE 601, proves that this is not just a statement but a fact. Our reaction has shown that we intend to apply our legislation in every possible case.

As soon as the Commission was informed of this contamination of US rice, we took every possible measure to prevent unauthorised products from entering the market. First, we introduced a requirement for certification of every single consignment arriving in the European Union. But when we became aware that shipments of US rice certified as GM-free tested positive at the port of arrival in the European Union, the certification requirement was strengthened by the imposition of systematic counter-testing of each consignment originating in the US.

Furthermore, it is also important that this counter-testing be carried out on the basis of a harmonised and very strict sampling and testing procedure, which guarantees reliability and comparability of the results, so our consumers can be assured that every consignment of US long grain rice is tested twice, both in the US and on arrival in the European Union.

I have to remind you that Member States bear the primary responsibility for enforcing these requirements and verifying that they are fulfilled by business operators. The Commission has systematically reminded national authorities of this obligation to carry out adequate checks and withdraw contaminated products.

The UK Food Standards Agency has clarified its approach by agreeing to the conclusions of the Standing Committee on 11 September 2006. In that context, Member States commit themselves to checking all stored bulk consignments of US rice already on the European Union market.

When it comes to products on the shelf, our legislation provides that Member States will take all appropriate measures to ensure that these are tested and removed from the market if necessary. But the aim is to provide the legislation. It is up to the Member States to ensure that measures are taken in the most effective way.

On the issue of cross-pollination, it is important to remember that no GM crop can be grown in the European Union unless it has been evaluated as safe for the environment and human and animal health and authorised for cultivation. Member States are developing coexistence strategies to ensure that they can limit as much as possible admixtures of GM and non-GM crops and address the economic consequences. The competence for this lies with the Member States, following the recommendations and guidelines of the European Union. However, the special characteristics of each Member State – the landscape, the environment, climate conditions – make it important for them to take the most appropriate measures.

We know that many Member States, including the United Kingdom, have defined or are in the process of defining approaches to ensure that GM crops can coexist with conventional and organic crops. Member States are obliged to notify national coexistence measures to the Commission and the Commission follows this very closely.

Sarah Ludford (ALDE). – Commissioner, you may say that it is clear that no unauthorised product can enter the EU market, but that has simply not been the case. The fact that the US certified this rice as being GM-free turned out, as you have said, not to be true, and now you require testing.

You say that the FSA has clarified its position, but can you say what explanation you received from the FSA? Was it correct in telling shops that they did not need to withdraw this rice?

Given that it is illegal to sell GM rice, how can the conduct advised by the FSA possibly be legal? Have you reprimanded it?

Does this whole episode not go to show the attempts to pretend that organic and conventional food can be protected from GM contamination to be utterly unconvincing?

Markos Kyprianou, Member of the Commission. As long as we have GM products throughout the world that are not authorised by us, we will always have to be alert and to take all measures available. I think the fact that we identified early on that we could not rely on US certification and that we introduced our own testing system proves that we are very serious about this.

On the UK issue, any product containing an unauthorised GM component has to be withdrawn because it is on the market illegally. That is an obligation for all Member States including the UK; this was made clear to them and they understood that.

It is true that the European Food Safety Authority said that there was no imminent danger to human health, and the UK repeated that, but, as far as the Commission is concerned, any product of this sort that has not been authorised through our procedures is on the market illegally and has to be removed. After we made it clear to the UK authorities that this was the legal position, they adjusted their position. In this respect, we make sure that Member States also apply the legislation, which is very strict, and no unauthorised product can reach the consumer. After some discussions, the UK has corrected its position.

President. Those questions that it has not been possible to take for reasons of time will be answered in writing (see Annex).

That concludes Question Time.

(The sitting was suspended at 7.50 p.m. and resumed at 9.00 p.m.)

IN THE CHAIR: MR McMILLAN-SCOTT

Vice-President

23. Establishing the European Globalisation adjustment Fund (debate)

President. The next item is the report by Roselyne Bachelot-Narquin, on behalf of the Committee on Employment and Social Affairs, on the proposal for a regulation of the European Parliament and of the Council establishing the European Globalisation adjustment Fund (COM(2006)0091 – C6 0082/2006 – 2006/0033(COD)).

Vladimír Špidla, Member of the Commission. (CS) Mr President, I should like to thank Parliament and in particular Mrs Bachelot for her unstinting efforts towards progress in negotiations on the European Globalisation Adjustment Fund (EGF). I should also like to take this opportunity to thank the Finnish Presidency for its hard work in securing the adoption of the EGF proposal at first reading. The adoption of the fund will send out a clear political signal that the EU depends on its citizens.

We should keep in mind why this fund came into being. Nobody is in any doubts as to the contribution made by world trade to our labour markets and economy. In some areas, however, the opening up of world trade has led to changes in the structure of our economies, which has in turn led to substantial job losses. We are often able to predict change and to react to a particular situation by establishing support mechanisms such as the European Social Fund. Sometimes, however, it is not possible to predict where and when job losses will occur and the extent of the impact. We now have the EGF to react to such crises.

The Commission has, from the outset, highlighted the importance to European citizens of this fund, which is a tangible expression of European solidarity. In recent years, the EGF has, for example, played a role in compensating for the serious job losses arising from changes in the textiles industry. When quotas were abolished in the textiles and clothing sector at the end of 2004, as part of the WTO textiles and clothing agreements, many workers in the sector in Europe were threatened with redundancy. Among the affected regions were Valencia and Catalonia in Spain, and the south west region of the Czech Republic. There were also significant job losses in the footwear industry, for example in the French region of Pas de Loire and the Hungarian region of Western Transdanubia. In this case, the EGF was able to help workers to find new jobs, develop new skills, obtain qualifications, or take the major step of starting their own businesses. The Commission based its proposal on the Council's mandate to establish a fund specifically aimed at providing additional support for employees who have lost their jobs following major structural changes in world trade. The criteria for assistance proposed by the Commission reflect the Council's requirement that the assistance from the fund should be subject to clear criteria concerning the extent of economic disruption and its impact on local, regional and national economies.

In the existing version of the adopted text, the positions of Parliament and the Council are perfectly in tandem. The Council and Parliament supported the criteria for providing assistance in relation to cases, on the one hand, of large corporations and, on the other hand, of SMEs. The amendment on flexibility, which should take into account the fears of Member States with smaller labour markets and should cover exceptional cases, also won considerable support.

The regulation also provides Member States with an opportunity to support aid from the fund more broadly, with measures that are dependent on the nature of the crisis and the actual situation in the individual countries.

Once again, I should like to thank you and in particular Mrs Bachelot for your efforts in getting this fund off the ground at the beginning of 2007. We must now get down to work together so that all of our instruments and policies bring benefits to the people of Europe. I am sure that the combination of policies and efforts at national and EU levels, with the European Social Fund and now the European Globalisation Adjustment Fund, will bring benefits to our citizens.

Roselyne Bachelot-Narquin (PPE-DE), rapporteur. – (FR) Mr President, Commissioner, ladies and gentlemen, tomorrow, we shall in fact give our verdict for the third time on the Globalisation Adjustment Fund. The founding act of the project was the adoption of the Böge report on the 2007-2013 financial perspective. In addition to the draft Fund, Article 28 of the interinstitutional agreement thus defines the annual sum of EUR 500 million, budgeted over seven years, together with part of the budgetary procedure.

The second ratification was expressed within the context of Mr Cottigny's own-initiative report on restructuring and employment, which was adopted in March: the latest events in the automobile sector tend to make us more vigilant regarding the future of weakened or declining economic sectors. I should like, on the occasion of our debate, to pass on my thoughts and to give my support to the employees affected by the social disaster at the Volkswagen plant in Forest.

Parliament has therefore twice voiced its support for the conclusions of the Hampton Court Summit, which ratified the draft fund devised by the President of the Commission, Mr Barroso. The Committee on Employment and Social Affairs adopted the report on the draft regulation on Thursday 26 October by a very large majority, and this serves as a basis for the negotiations in triologue, the aim of which is to obtain an agreement at first reading, such that, as you said, Commissioner, the fund might be operational as from 1 January. The negotiation in triologue ended positively on Thursday 30 November, with my agreement and with that of Mr Andersson and Mr Lewandowski, together with that of the draftsman of the opinion, Mr Seppänen, on the budgetary part, where he had access to enhanced cooperation.

I should like to thank the shadow rapporteurs for their constructive spirit – this report belongs to you, Mr Cottigny, Mr Beaupuy and Mrs Schroedter – as well as the group coordinators. I am also grateful to the representatives from the Commission and from the Finnish Presidency.

The day after the triologue, the agreement was ratified at the Council by Coreper: an agreement at first reading on the creation of the EGF is therefore in the hands of the MEPs, who will vote tomorrow.

Four principles have guided the work of our Committee on Employment and Social Affairs, and we have preserved them throughout the debate. The first principle is European added value. It is by no means a question of substituting for the Member States when it comes to dealing with the social effects of industrial disasters. The EGF's operations will be focused on cases symbolising European-wide social disasters, which take place following a change in the structure of international trade. The European Parliament has therefore specifically insisted that the 50% cofinancing rule be laid down in Article 10 of our regulation, thus marking the European ambition and not the provision of European aid for international issues. Equally, we have introduced the transnational element of certain issues.

The second principle is responsibility. Responsible, as it is, for international trade negotiations, the European Union thus accepts the potential consequences of its strategic decisions. Our responsibility is indeed to accept the positive aspects of globalisation, but also to take account of its potentially negative effects.

The third principle is justice. Justice firstly, because we are addressing men and women. Territorial justice, too, because all of the Member States are involved, and we have rejected discrimination against small labour markets, which will be eligible from now on via the safeguard clause and the extension of the provisions of Article 2 b).

The fourth principle is effectiveness. In Article 3, on eligible actions, we have clearly prohibited passive social protection measures. We want proactive measures aimed at getting workers back to work, particularly older workers, who should not be condemned to compulsory early retirement or to prolonged periods of unemployment. The EGF programme thus has a place in the Lisbon Strategy, in that it helps European competitiveness. Effectiveness also means controlling and evaluating the process, on which our Parliament has laid a great deal of emphasis. Our objective is well and truly to provide Europe, thanks to the EGF, with a similar instrument to the one that has already existed for 40 years in the United States in the form of the Trade Adjustment Act, which last year helped more than 170 000 US employees, over 70% of whom found a long-term job.

Many of my colleagues support the idea of the Fund, but regret the lack of money involved. I understand them. Nevertheless, I would emphasise the fact that this is an experimental move, which will have to be analysed, then refined and enhanced. This experimental move will constitute the first stage in the establishment of a genuine global European strategy on globalisation. There is no such strategy today, and not for long will we be able to remain the only strategic trade actor in the world to do without such a road map.

Giulietto Chiesa (PSE), *draftsman of the opinion of the Committee on International Trade*. – (IT) Mr President, ladies and gentlemen, globalisation does not just make victims of developing countries, but also of countries in Europe.

The main victims of globalisation have been the populations of those developing countries where the abolition of tariffs by the WTO has not had any tangible effect. However, there are sadly victims in Europe, too, where the living conditions of many Europeans have dramatically worsened. There are no jobs, or they do not pay enough, or they are no longer secure.

The welfare state and social security are in crisis. The Globalisation Adjustment Fund is important, insofar as it sends out a positive message, but unfortunately this is more or less just a symbolic message. The appropriations are not actually sufficient to meet the ambitious objectives stated, and the number of workers that will be able to be helped – between 35 000 and 50 000 – is also more or less symbolic. We can therefore expect the Fund to be spread here, there and everywhere, leaving the many applicants empty-handed.

Esko Seppänen (GUE/NGL), *draftsman of the opinion of the Committee on Budgets*. – (FI) Mr President, we on the Committee on Budgets are particularly interested in how money that has been saved in other areas of expenditure is to be transferred to this fund. If the budget is drafted for year N, the Council wanted to use the money according to the following procedure: first the unused margins for year N minus 1 preceding the budget under debate would be transferred to the European Globalisation Adjustment Fund and only then would the unused commitment appropriations for year N minus 2 preceding it be transferred to the fund. Parliament, however, could not accept the logic of this order of events. We wanted first to use the known commitment appropriations for the year N minus 2 preceding the drafting of the budget and only then the margins for the year N minus 1.

The Commission supported Parliament's position, a strong indication of which is the letter on fund transfers sent to Parliament by Commissioner Dalia Grybauskaitė. The Council accepted this arrangement at the trilogue meeting. I want to thank Roselyne Bachelot-Narquin for her excellent levels of cooperation. The Committee on Budgets can thus adopt the outcome of the trilogue discussions.

Vladimír Remek (GUE/NGL), *draftsman of the opinion of the Committee on Industry, Research and Energy*. – (CS) Ladies and gentlemen, despite differing opinions over the existence of the European Globalisation Adjustment Fund (EGF), the Committee on Industry, Research and Energy has concluded that the fund might act as an expression of EU solidarity with workers who have lost their jobs owing to changes in the structure of world trade. In my view, the Commission's original proposal, which was based on the discussions and compromise proposals in the committee, was better suited to the needs of most Member States, including the smaller ones, and also to the conditions faced by SMEs. The key criterion remains access to the fund.

Unfortunately the document before us today concerning the establishment of the fund fails to take sufficient account of the – unanimously adopted – conclusions of the Committee on Industry, Research and Energy. For example, the provision of financial aid still depends on reaching a minimum threshold of a thousand workers who have been made redundant. The EGF should be a source of rapid assistance. As we say in our country, 'He who gives quickest gives twice.' Yet there are no deadlines set out here by which the Commission must issue decisions on the provision of resources from the funds. The fact that EGF is restricted to compensation for relocations of production outside the EU is also, in my opinion, an unpromising sign, although I am aware that under Community law no other options are possible. Nevertheless, I have often heard a similar opinion being expressed during negotiations in Parliament and the Commission, and the European trade unions have also criticised the double standard in the approach to the unemployed.

The proposal before us today to establish the EGF, as distinct from the version adopted by the Committee on Industry, Research and Energy, does not reflect the conditions faced by the small Member States or the SMEs, which are the very backbone of the European economy. For this reason, I will not be alone in finding it difficult to lend my full backing to this version of the EGF.

Jamila Madeira (PSE), *draftsman of the opinion of the Committee on Regional Development*. – (PT) Mr President, Commissioner, ladies and gentlemen, the European Globalisation Adjustment Fund came about as an attempt to address social emergencies that have arisen in EU Member States. The economic scourge of unemployment, caused by globalisation-related phenomena, is clearly one such emergency, and, with 19 million people unemployed, solutions must be found.

This Fund is to be supplied from the unused amounts from other headings, up to a maximum of EUR 500 million per year. It will not have its own funding line, nor will it be possible for the fund to be brought forward from the following year, as is the case with the Solidarity Fund. This is a serious

problem because we may be declining to intervene in clearly eligible situations owing to a lack of available funding. I broadly welcome this regulation. I must, however, register my scepticism as regards the tight eligibility criteria laid down in Article 2. We managed to bring in a flexibility clause, but I fear that it may be insufficient to protect smaller countries and regions that may not have met the quantitative criterion but in which the impact of globalisation may be extremely serious.

It is essential we contribute with an instrument that strives to preserve the European social model, which lies at the very core of Europe. For this to happen, we must use the Globalisation Adjustment Fund to support our workers and support the workers of the rest of the world by making social criteria a barrier to the import of certain products into European territory. Only in this way, and by promoting fairer trade, shall we defend our social model and champion the interests of millions of citizens throughout the world.

Lastly, I wish to say that we must respond, as a matter of urgency and before it is too late, to these serious economic and social problems caused by globalisation.

Ria Oomen-Ruijten, on behalf of the PPE-DE Group. – (NL) Mr President, the Council has, in its infinite wisdom, decided to set up, at Mr Barroso's suggestion, the globalisation fund that is the subject of today's debate. We could have also opted to convert the ESF, for example, but we did not. On the positive side, I think, is the fact is that we are acknowledging with this proposal that globalisation has implications. It has positive implications in the sense that it is the best development aid, while the negative implications are to be found in our own labour markets. We are now trying to cushion this with EUR 500 million annually, which will not be enough.

I would, however, thank the rapporteur for making a huge number of improvements to this proposal in recent months, and I should like to give you a thumbnail description of them. First of all, the unemployed within the somewhat smaller labour markets will now also be able to tap into this fund, 15% of which has been set aside for this purpose. Secondly, if thousands of people are made redundant within the next nine months, they will be able to enjoy the benefits of this fund and that is vitally important to the SMEs. Thirdly, the 50% cofinancing measure has been removed, which is excellent. Fourthly, the definition of the SME has been extended. Fifthly, there is no longer any passive support, as this is termed in the proposal, for social security; instead, an active employment policy is pursued with means of this fund.

Finally, we can decide on spending together with the Council. To sum up, I am pleased with the way in which adjustments have been made. Even if a disaster were to strike in my region, this Fund can be used to enhance further employment. I would extend warm thanks to Mrs Bachelot, as well as the Committee on Budgets and my own Committee on Employment and Social Affairs for this.

Jean Louis Cottigny, on behalf of the PSE Group. – (FR) Mr President, Mr Špidla, Mrs Bachelot-Narquin, ladies and gentlemen, I should like to begin by congratulating our rapporteur, Mrs Bachelot-Narquin, not because it is customary to do so, but because she has been able to put her stamp on this report. During our work, she has been able to establish a constructive frame of mind with all of the draftsmen and the groups, which now enables us to examine a report at first reading, something that we could not have hoped for only a short time ago.

Yes, ladies and gentlemen, to the great displeasure of those who think that Europe is nothing but a large market with no political objective, the European Globalisation Adjustment Fund is going to come into being. It is true that the delivery has been painful and that, sadly, the case of the Volkswagen-Forest employees, about whom I cannot help but think this evening, has hung in the balance. It has enabled the detractors of the project to realise how useful and, moreover, necessary, this Fund is. It is quite clear that the Socialist Group in the European Parliament was unwilling to accept just any compromise when it came to reaching this agreement at first reading, but we are genuinely satisfied with the results of the dialogue.

We particularly welcome the integration of the Fund regulation; the assurances that we have obtained thanks to the tenacity of the members of the Committee on Budgets; the implementation of the safeguard clauses, which will enable us to support employees who have been made redundant; the creation of a European one-stop shop, which will guarantee everyone equal access to information; the certification of acquired experience, which recognises employees who find themselves out of a job after years of work; the funding of cooperative projects and the obtaining of micro-credits; and the maintaining of Article 10, which sets a rate of 50% for the European Globalisation Adjustment Fund's contribution to

the funding of issues, which makes this tool an entirely European fund. An agreement is never perfect, of course; it is the fruit of compromise.

The Socialists regret, for example, that, as regards the resources allocated to this Fund today, the European budget does not exceed EUR 115.5 billion. It is a pity that we did not see more money go into this budget.

Thanks to this agreement at first reading, this Fund will be operational as from 1 January. It gives rise to a hope, that of seeing work finally begin on a social Europe. It is important to understand that job insecurity and the pitting of European workers against each other is not the norm. It is up to Europe to guarantee employee protection. Social Europe is the only Europe that can now bring the citizens closer to their institutions.

This Fund represents the first stage towards a more united Europe. Today, Europeans expect Europe to contribute to their job security and their lifestyles, in the same way that it has been able to guarantee peace and stability for almost 50 years.

Jean Marie Beaupuy, on behalf of the ALDE Group. – (FR) Mr President, Mr Špidla, ladies and gentlemen, thank you for being present and, above all, thank you to Mrs Bachelot-Narquin who, as my fellow Member, Mr Cottigny, did such an excellent job of saying just now, has succeeded in uniting the ideas of various parties within Parliament: it is most certainly not the case that she lacks ideas, but the fact of supplementing them with the ideas of various parties has actually enriched the debate. I should like to thank you too, Mr Špidla, for the participation of the Commission which, acting on the Council's wishes, has proposed a text on which we have been able to work. I note that the Council is not very well represented this evening: without doubt, the low turnout is compensated for by the quality of the persons present.

We have finally reached an agreement: that is the crucial point. Once again, if anyone should doubt Parliament's ability to enrich the texts proposed to it by the Commission, well, this evening, we can prove it to them!

I do not wish to go back over what Mrs Bachelot-Narquin ably summarised. However, I should like to highlight a point that I feel is crucial in terms of the positive aspect of the text submitted to us, which I have no doubt we will adopt tomorrow: it is the very proactive aspect that we are going to provide in the area of retraining, of reemployment, of the reemployment of employees who are going to be affected by these globalisation-related developments, at a time when they are going to lose their jobs. We have insisted in our various debates that, thanks to training schemes, business start-up assistance and skills appraisals, to mention just a few examples, workers can immediately benefit from this money with a view to finding a job.

Over and above these congratulations, however, I should like to guard us against a great danger: the illusions created by the communication on this Fund. Mr Cottigny, who is clearly highly motivated by human kindness and by his desire to create a social Europe, etc., did a good job just now of outlining all the hopes presented to us. I would advise caution: we only have EUR 500 million and, even if we had more, is it up to the European Union to take the place of training bodies, of the State, of the regions, of the local councils and of all the contributors, of which there are many?

Next, it is quite important to understand that this system only exists when, unfortunately, a business winds up and has to file for bankruptcy, has to stop its activities. The same goes for its suppliers, its various service providers. Last week in Brussels, under the chairmanship and on the initiative of Mr Špidla, a two-day forum was held on restructuring. Well, I should like to say at this point that the work done by the European Union on these restructuring arrangements is very important because it is precisely going to allow us to take a dynamic approach to preventing a number of negative effects and, therefore, factory closures.

I believe that the message that we, and particularly you, Commissioner, together with our Commission bodies in general, should send out is that, on the one hand, there is a human desire to provide new resources through this Globalisation Fund, and that, on the other hand, Europe, using the bulk of this budget, is dedicated to adapting to the modernisation of our European Union so that our general economy, and therefore, in fact, our employees, are better able to dominate the world's developments. I believe that this is the message that we must send out, so that we do not have the kind of communication that is simplified in the extreme and that penalises the entire European Union.

Elisabeth Schroedter, *on behalf of the Verts/ALE Group*. – (DE) Mr President, Commissioner, ladies and gentlemen, if you expect me to join in singing the praises of this Globalisation Adjustment Fund, then you are making a mistake, for, as we recall, the fund was made necessary by the unwillingness of the Commission and the Council to include consideration of the social dimension in their international trade policy from the very outset.

If European economic policy does not run in tandem with social cohesion, then the fund is, in essence, a fire extinguisher, one reliant on modest, indeed minimal resources in a reserve the funds for which have to be collected together as and when European policy, being socially unbalanced, has failed. This House was then left with no option other than to help establish this fund, but it would have been better if the Council had topped up the Budget with more money for the long-term restructuring and modernisation of, and job creation in, regions and sectors, so the rapporteur, Mrs Bachelot-Narquin, really does deserve gratitude for having – in the face of resistance from both this House and the Council – ensured that a draft with real improvements in it can become, in a single reading, the legal basis for this Fund.

It really is good that she has agreed to our amendments. This House has done away with discrimination against older workers and enabled them to have the same opportunities for continued employment as their younger colleagues; it has caused the same weight to be given to the principle of gender mainstreaming as it receives in the European Social Fund, and – crucially – this Fund has been enabled to make microloans enabling workers to acquire the capital they need if they are facing unemployment and want to become self-employed for lack of any alternative – and that is precisely the point: they have no alternative, because Europe's trade policy has been wrongheaded from the word go.

In this area, too, we have supported the rapporteur, since she has done her bit to improve the opportunities for making use of this fund.

Ilda Figueiredo, *on behalf of the GUE/NGL Group*. – (PT) The Commission's proposal is no more than a palliative for the serious problem of the impact of globalisation in a number of Member States.

The restructuring and relocation of multinationals are, alone, known to cause many thousands of redundancies and to hamper development in large parts of various countries in which there are no employment alternatives. Apart from the obvious inadequacy of the overall amount proposed, restrictions have been imposed that, in practical terms, prevent the Fund being used in countries such as Portugal, which is experiencing serious problems due to multinationals relocating their factories.

By not allowing the use of the Fund when companies are restructuring and relocating within the EU, we are preventing the workers in well-known cases such as that of Opel in Azambuja, which is to relocate to Spain, from receiving support. The same could happen in other cases, such as that of Johnson Controls, which is threatening to move to Romania, that of Lear and those of many other firms relocating to Poland and other EU countries.

In reality, then, this Fund is a symbolic measure that does not provide solutions. Its budget is limited and its eligibility criteria are restrictive. The Commission estimates that between 35 000 and 50 000 workers could benefit from the Fund, but, by 2005 alone, the number of workers laid off as a result of restructuring had topped 570 000, most of the redundancies being due to relocations within the EU. Despite its grandiose name, the Globalisation Adjustment Fund is no more than a smokescreen designed to conceal the serious consequences for workers of the neoliberal policies pursued and implemented by the EU.

The Fund is not intended to stop the redundancies, factory closures, relocations and the quest for the maximum profit at the minimum cost, with the workers treated as mere numbers to be cut back on. The only intention is to soothe the consciences of those responsible for such actions.

José Albino Silva Peneda (PPE-DE). – (PT) Mr President, globalisation is one of the defining features of our times and should be seen in a positive light because, first and foremost, it puts everyone in contact with everyone else, which is a good thing. Globalisation has already pulled millions of people out of poverty, and that is another good thing. In coming to terms with globalisation, Europe is doing what it has always been able to do well: it has opened up to other cultures. Yet we must be aware that globalisation also has some worrying aspects, for certain regions of Europe in particular.

There is a political angle to the decision to set up the Globalisation Fund, which was taken simultaneously by the three most important EU institutions. This was the first time that the three institutions had acknowledged the existence, in the European area, of the negative aspects of globalisation. With the closure of industrial units, there are clear signs of major concern in certain strata of our societies. People are not so much concerned at the moment with fighting for more rights, but rather with trying at least to keep things as they are. In broad strata of our society, there is a feeling that I have no qualms about describing as a certain fear, a fear of the future, which I feel will only be overcome if people are prepared to change. When people are concerned and fearful, it is very difficult to accept any kind of change.

To my mind, this fund is, more than anything, a way of helping to encourage the most vulnerable workers to change. It is not, and nor, in my view, does it seek to be, a miracle cure for redundancies and for the consequences of company restructuring, closures and relocations. The Fund's *raison d'être* relates solely to people in a very precarious situation, whom we want to help regain a high level of self-esteem as quickly as possible. I wish to congratulate the rapporteur and to say that I support this report.

Jan Andersson (PSE). – (SV) Mr President, I want to begin by thanking not only the rapporteur, Mrs Bachelot-Narquin, for a quite excellent piece of work but also the shadow rapporteurs, including Mrs Schroedter, who became involved. I also wish to thank the Council, which is not present, for being so attentive, and the Commission for its constructive approach to the dialogues. Others have talked about the improvements made, for example, when it comes to cofinancing, small labour markets and such like. A host of improvements were made. I want to emphasise what Mrs Bachelot-Narquin said, namely that the fund will not solve all the problems, that what we have here is European added value and that the Member States, regions or companies are not relieved of their responsibility to face up to globalisation. What we are talking about is added value. Do not imagine that this fund will solve all the problems, most of which will have to be solved in the Member States. It is an important contribution, however.

Secondly, the fund is not about supporting companies or specific regions. We have other aid for those purposes. It is about reintegrating workers who, through no fault of their own, have been affected by globalisation, so that they might re-enter the labour market as soon as possible. Fortunately, the proposals will enter into force as early as on 1 January. I should like to thank everyone for their constructive cooperation.

Ona Juknevičienė (ALDE). – (LT) Mr President, ladies and gentlemen, I would first like to congratulate Mrs Bachelot for preparing this complex report. I am sure that the authors of the Globalisation Fund idea and the rapporteur herself had a lofty goal – to help people who find themselves without a job.

However, ladies and gentlemen, before voting I would like you to ask yourselves a few questions:

1. Is it really the role of the Commission to regulate and interfere in the micro-management of enterprises in the entire Community?
2. How will the Commission determine whether an enterprise is leaving the market because of the effects of globalisation or just because of normal competition? We know that every year thousands of enterprises go bankrupt due to the normal course of events.
3. How will we explain why no help is forthcoming for the employees of enterprises that go bankrupt in the normal course of events? Is this Fund likely to become yet another bone of contention among the people of the Community?
4. Why would the programmes, that the Commission is going to offer for re-qualifying, help in finding employment and other consultations, work better than the programmes already in place that are often offered free of charge? As we know, they are not very effective.

The Globalisation Fund idea may make sense politically, but the proposed Regulation clearly lacks economic logic. It goes against basic free market principles and particularly against the principle of competitiveness.

There is no guarantee that the funds will go to people who have found themselves without a job, rather than to consulting enterprises or other intermediaries.

Therefore, without clear answers to these questions I think it will be hard to vote in favour of this document.

Pierre Jonckheer (Verts/ALE). – *(FR)* Mr President, Mr Špidla, Mrs Bachelot-Narquin, as my colleague, Mrs Schroedter, has already pointed out, our group has indicated that it agrees with the outcome of the dialogue, and has done so in order to have the Fund implemented as quickly as possible.

I should like to stress in this House that this aid is intended directly for workers and that its primary aim is to get people back to work, which I feel is very positive.

Regarding the intervention criteria laid down in Article 2, there remain some margins for interpretation, which the Commission will have to clarify in its guidelines. The planned job losses are clearly linked to structural changes in international trade for the sectors concerned. That being the case, what is regarded as a serious economic disruption remains subject to interpretation. That is why we believe that the automobile sector can come under this plan and that, as such, the Volkswagen Forest workers and the sub-contractors should be able to benefit from this extra aid.

As desirable as it is, this new Fund will obviously not prevent working conditions from continuing to deteriorate under the pressure of competition organised between various production sites of the same group, located inside and outside the Union.

The Group of the Greens/European Free Alliance repeats its request for the Commission to propose a legal framework aimed at creating European, sectoral and group collective agreements, enabling us to anticipate restructuring and not to suffer it.

Csaba Öry (PPE-DE). – *(HU)* We are all aware that views differ among the political groups in terms of an assessment of globalisation, but the same is true within European society as a whole. Although nowadays it is mainly the relocation process in Europe the public is aware of, let us not forget either that Europe was the main beneficiary from globalisation during the last century.

Taking all this into consideration, it is possible, in principle, to agree to the establishment of this fund. However, the draft text for this has also raised serious concerns in a number of respects. It would not be appropriate if interfering in European funds only helped to cover up the lack of competition, or if the method of determining the criteria for the funds turned old and new Member States against each other. As regards the first issue, we need to create the opportunity for improving and maintaining competitiveness within a European framework. This is where legislation has a serious role to play. I would mention, first of all, efforts to create an internal market. This means that the globalisation fund cannot dispense with those whose job is actually to ensure that European companies, based in Europe and employing EU workers can not only continue to operate, but increase their revenue too.

The other issue is connected with this. I would like to emphasise that it is not our job to create difficulties between old and new Member States, as is happening with the free movement of workers, but to work together to make the Union commercially competitive. This is why the award criteria system needs to be just and fair to all Member States. We have managed to improve the original proposal, thanks to Roselyn Bachelot, so that, in its present form, it is already acceptable, even if it is of mainly symbolic significance.

Alejandro Cercas (PSE). – *(ES)* Mr President, like other Members, I shall begin by expressing my satisfaction, though also a degree of caution. We have reservations because, though it is a very appropriate response at this time of so much anguish for so many of our fellow citizens, it would be a mistake to raise expectations only for them to be dashed.

We can say, however, that a positive message will be sent out tomorrow, which will firstly show that a way of working has been employed that overcomes the differences amongst our parties, in order to reach agreement on problems that we have in common. There is broad agreement between the Council, the Commission and Parliament, also demonstrating that a good method has been employed. Above all, however, this legislation demonstrates that we are once again seeing that Europe means solidarity, that Europe provides a social model, and that we are sensitive to our citizens' demand that Europe should exist between our States and the world in order to support the victims of globalisation, those who pay the price for globalisation.

Though in a symbolic and limited manner, we are prepared to provide them with a new instrument, which must of course be managed extremely efficiently, given its limited resources, and which is dedicated to those who suffer most, the workers, enabling them to return to the labour market.

Mr President, Parliament has done a good job and tomorrow I shall vote in favour, like the majority of my fellow Members.

Danutė Budreikaitė (ALDE). – *(LT)* Mr President, ladies and gentlemen, in this Parliament, when we are discussing the effects of globalisation, we often hear certain countries expressing pride in having transferred manufacturing processes to third countries with cheap labour costs.

However, the transfer of manufacturing processes has another side to the coin – the loss of jobs and prosperity of EU citizens.

We can see the first sign of European solidarity with those becoming unemployed – Europe adapting to a Fund for the consequences of globalisation.

According to the Regulation, the Fund's money will be used in accordance with strict criteria, having regard to the scale of economic disruption and the effect on the local, regional or national economy.

How is the scale of economic disruption to be determined?

The Regulation suggests that aid be offered when job losses affect 1 000 employees; the EP suggests that in exceptional cases it could also be offered for 500 employees. However, in the small EU countries over 90% of enterprises are medium-sized or small, and over 90% of these are micro-enterprises.

Therefore, in reality the aid will go to large enterprises in large countries.

EGF aid is paid only once, but it should be tied to the creation of new employment opportunities in an endeavour to reintegrate workers into the employment market.

Thomas Mann (PPE-DE). – *(DE)* Mr President, the approach taken by the Globalisation Fund is very much the right one, in that it is intended to act in solidarity with those workers who have lost their jobs as a result of international business relocations, making available temporary income support for the purpose of their further training and reintegration, in order to give them new opportunities for employment. Having the right idea, though, is a long way from doing the right thing.

The people on the receiving end are bound to be bitterly disappointed when the money – which amounts to a maximum of EUR 500 million per annum – runs out; raising high hopes and then dashing them is a sure-fire route to long-term frustration. The fund goes about things the wrong way, in that it addresses the symptom rather than the causes of the lay-offs; the authorisation procedures are too complicated, and there is loads of red tape, which makes for considerable expense, but, above all, it does not work for SMEs, in that, for example, a reduction in the threshold from 1 000 layoffs to 500 has been refused, and, moreover, when fewer than 1 000 workers are laid off, only 15% may be paid out as against the 20% that we seek.

The Fund is meant to kick in when a given Member State reports 1 000 layoffs from its SMEs over a period of nine months, whereas the Committee on Employment and Social Affairs had demanded a period of twelve. There is a need for a great deal more structural investment in our Member States, not only in research and innovation, but also in high-quality education and training, which the European Union is supporting in both the short and long terms with programmes for lifelong learning. Money from the ESF is also being used to fund older workers through retraining, the completion of their education, and their integration. The Globalisation Fund was pushed through the institutions in short order; in its present form, not even its basic approach is likely to meet the public's high expectations.

Donata Gottardi (PSE). – *(IT)* Mr President, Mr Špidla, ladies and gentlemen, I should also like to say how satisfied I am with this important measure.

The fund is one of the most significant tools for forging a European identity. This is true on both a symbolic and a practical level, since it provides backing for active policies for male and female workers who are at risk of losing their jobs, or who have already lost them, mainly as a result of company relocations.

The Committee on Economic and Monetary Affairs did not express its opinion because of an unexpected and inexplicable majority of votes against, which luckily I now see has been readjusted. Thus, the committee has sidelined itself from being able to offer positive contributions, and has lost the opportunity to improve the text on matters that fall within its competence.

I would like to say that, despite the device of a reserve for exceptions, the setting of a quantitative ceiling is liable to make it difficult to perceive the diversity of individual countries' productive systems, and risks failing to target the true losers: those who do not have effective national legislation to protect workers of both genders, small businesses and industrial areas.

Philip Bushill-Matthews (PPE-DE). – Mr President, British Conservatives are not unreservedly enthusiastic that there should be a globalisation fund at EU level. The good news is that this proposal is about helping people, helping them cope with the challenge of change, and we support such a principle wholeheartedly. At issue is whether such help should be at EU rather than Member State level. However, to be frank, the fund is also about helping certain governments sell the idea of globalisation to their voters. This is not a criticism. We support that idea too.

There is indeed unease in certain countries and certain quarters that the wind of global competition can be a chill wind for some. This is understandable. It is also true. It is in all our interests that concerns regarding possible downsides of globalisation are addressed so that the upsides of globalisation can be released.

I congratulate the rapporteur on her thoughtful and considered report and for her positive work in the dialogue. However, concerns remain about the fund itself and it has been no surprise that in the various discussions in committee voices have been raised saying: if there is to be such a fund, let it be bigger; if there is to be such a fund, let it be easier for us to get our hands on it. Once the EU proposes any new budget line, there is usually such a clamour. But in this case there is not really a separate budget line, as the amount available will basically be made up of monies unspent elsewhere. This is not just untidy, it is bad accountancy practice.

I am encouraged that the rapporteur and indeed the committee have supported a key amendment of mine to Article 18(3), which states that 'it is the responsibility of each Member State to ensure it has smoothly functioning management and control systems' to track the expenditure and to make sure it is justified and that 'it is the responsibility of the Commission to verify that such systems are indeed in place.'

Globalisation can indeed be a challenge but, in the context of the auditors' failure to sign off the overall annual accounts for the 12th successive year, the management and control of this spending is possibly the biggest challenge of all.

Brigitte Douay (PSE). – (FR) Mr President, I, like my fellow Members, welcome the creation of this Fund, which gives great hope to employees worried about relocations and which has given rise to countless debates within our respective committees, particularly with regard to its amount, to the award criteria and thus to the risks of unfair treatment between regions that could result. However, it is important for European workers to know that the Union has finally decided to take account of the job losses that badly managed globalisation can cause in each of our countries, particularly in traditional industrial regions.

I join with those who have congratulated Mrs Bachelot-Narquin and all the draftsmen on their thorough work, and I am delighted that the Fund will be operational as from 1 January 2007. Like many, I regret that the threshold for the granting of the Fund has not been lowered, that the sum is not larger and has not been definitively allocated and that the Fund cannot be harnessed for relocations within the European Union, where the majority take place.

However, this Fund does exist, and we need to get it up and running very quickly because there is a sense of urgency, as events frequently demonstrate, and then we need to assess its scope and usefulness, so that we can adjust it and replenish it if necessary. I am also pleased that there is an obligation to inform the workers and the regions that will benefit from it, because anything that can help make our often sceptical fellow citizens more aware of the added value provided by the European Union in terms of cohesion and solidarity is most welcome.

Iles Braghetto (PPE-DE). – (IT) Mr President, Mr Špidla, ladies and gentlemen, in the face of the urgent need to restructure the fabric of European business, because of the process of globalisation, and prompted by the emergence of a large European market, we are concerned to ensure that the costs of such changes, which are in themselves positive, are not borne solely by the world of work.

We therefore welcome European initiatives such as the creation of a globalisation fund, which we are debating today, and the report on corporate social responsibility, which we shall discuss tomorrow. The

development of the free market within the context of a social economy must of necessity combine the creative impetus of economic freedom with the positive values of action to promote solidarity. Only in this way will businesses and work be an asset to the European Community. To that end, the creation of the globalisation fund is an important tool in achieving this balance, which would otherwise be lost, leading to social injustice and the loss of jobs. At the moment, we can see significant examples of this in the difficulties of large firms such as Volkswagen in Belgium, and significant regional problems such as those of Magrini Galileo in the Veneto – my region.

We therefore hope that this initiative, although it is experimental, can produce positive results and can be properly funded. I would also like to thank the rapporteur for her commitment.

Gábor Harangozó (PSE). – (HU) It continues to be the Union's job to remove the structural barriers which trade liberalisation and the open markets are facing. We need to harness the benefits of globalisation to increase employment and raise our citizens' living standards, as we will otherwise suffer its disadvantages. While globalisation is associated with positive developments at a European level, it can cause serious problems leading to acute economic and social trauma in individual areas. The Community, as a whole, enjoys the benefits of globalisation, but problems that may have a negative impact can arise at the local level.

The Community's job is to provide workers with appropriate, effective support enabling them to access the labour market. This is also dictated by the duty of solidarity. Rapid, effective help is required in these areas, which is why I welcome this new fund, in addition to the existing funds. But to ensure that this programme can provide a real panacea, a suitable budget is necessary. We must not be prevented from doing this by the unrealistically high cofinancing commitment, nor is it ideal if we exclude smaller areas from this opportunity to improve their situation.

Konstantinos Hatzidakis (PPE-DE). – (EL) Mr President, first let me congratulate rapporteur Mrs Bachelot-Narquin on her work. Furthermore, I would like to say that from the list of speakers we have today it is clear that the issue we are discussing is very important. We could not have it any other way considering that globalisation is an unavoidable reality, which has negative effects on the economy. Its consequences have to be dealt with and I think that the idea of the Globalisation Fund handles them in a rather smart way, because instead of using new budget funds, it uses funds that were not allocated in order to cope with these adverse consequences of globalisation.

I feared that the implementation of the idea as proposed by the European Commission would encounter problems, but I am glad that Parliament dealt with them. I am referring to small countries, in particular, which because of their size were running the risk of being left outside from the fund's planning, given that the required amounts would be too high to apply to major enterprises in smaller countries.

The regulation that was adopted deals with this issue and at the same time we send out the message that the European Parliament cares about all European Union countries, equally. For Greece, my country, the final amendment of the document is positive and I believe that the message that we send out to the citizens regarding the creation of this fund, is positive. In this way the European Union shows sensitivity towards social problems and I believe that in this way the European Union's credibility is boosted.

Nikolaos Vakalis (PPE-DE). – (EL) Mr President, Commissioner, ladies and gentlemen, I think you will agree with me when I say that globalisation begun, I would say, with the appearance of man on Earth; it is a form of a natural phenomenon, namely an unavoidable one. Now that we are feeling its intensity, our goal, our vision ought to be that of a globalisation with a human face.

Due to its special European history and culture, the European Union can have a major contribution to this process. However, any negative effects should not, under any circumstance, cause us to take protective measures, which will have negative long-term consequences. Therefore, I agree entirely with the Fund's objectives and I would like to point out two important elements, first that all Member States should have access to it and second, that it should be dynamic in nature and adapt depending on market conditions.

However, the question at hand is whether, in reality, all Member States can benefit from the Fund. The globalisation phenomenon affects all countries and more so the small and weak ones, which because of their size will never reach the one thousand terminations of employment per sector. Therefore, it is a step in the right direction to adopt exceptions when serious consequences in employment and local economy are substantiated. However, 15% for aiding such exceptions, I believe is small. I do, though,

consider it a positive fact that the Fund will be dynamic in nature, which means that if the need arises, this percentage will be readjusted.

For all the above and for the facts that I did not mention, I would like to congratulate the rapporteur.

Ivo Belet (PPE-DE). – *(NL)* Mr President, Commissioner, this fund is indeed creating an opportunity for us to bring Europe's social dimension to the fore. We will not leave the workers affected by the job restructuring out in the cold. We will send out the message – and it is important that this signal is also sent out at European level – that, in those cases, we must, and indeed will, pull out all the stops to steer those people who lose their jobs as effectively as possible in search for another job, of course. This is in the short term, as someone mentioned a moment ago, the case for the restructuring that is being conducted at the Volkswagen Vorst plant in Brussels, where thousands of people, not least the suppliers, are facing job losses.

Today, many of the workers affected are opting for a high redundancy pay-out, but this, Commissioner, does not make the need and support of those workers in search of new jobs any less urgent; quite the reverse. We are therefore relying on their being eligible for support from the fund, because this is very much a sector that is feeling the effects of globalisation.

By way of conclusion, Commissioner, I should like to add that a huge number of the workers are pinning their hope on the Commission in the next few weeks and months. I take it as read that we will not let them down.

Vladimír Špidla, Member of the Commission. *(CS)* Ladies and gentlemen, I should like to thank you for this debate, which has addressed the issue of the fund from a variety of perspectives. I feel that every aspect has been considered and assessed. I must be brief and would like to highlight just a few points that emerged clearly from the debate. The fund is not a panacea, a cure for all ills. It is simply one weapon in our armoury that is useful and that we have assessed from various points of view. The conclusion we have come to is that this is an effective weapon that is capable of providing help for a large number of people in a short space of time.

A further important perspective that I should like to highlight is that this fund is earmarked for people, and should not, therefore, benefit large corporations. This is a fund designed for individual workers, a point that must not be overlooked.

Another issue that came through implicitly from today's debate was the fear of whether the criteria that have been established are actually the right ones. I feel we can safely say that these criteria have been considered extremely carefully by all those with an interest in work and in the creation of this fund. No human undertaking ever offers absolute certainty. The regulation includes a concept relating to the rendez-vous clause that will make it possible to consider other changes very quickly depending on the course of events. It is clear, however – and this debate has convinced me of this – that all criteria have been deeply thought through from all relevant points of view.

As regards individual amendments, I can say clearly that the Commission can accept all amendments on which there is agreement at first reading. I sincerely hope that tomorrow's vote goes successfully and that the regulation can be up and running as of 1 January. I should like to quote a phrase used by Mr Remek: 'He who gives quickly gives twice', a phrase often used in Czech, and understood everywhere. It would be far better if we could establish the fund by 1 January, rather than if it were to happen weeks or months later. With tomorrow's vote the European Parliament can send out a positive signal to the citizens of Europe. I believe that this has been explained in the debate from different perspectives.

President. I thank all speakers in the debate and, in particular, the Committee on Employment and Social Affairs for its serious work in a difficult and challenging global environment.

The debate is closed.

The vote will be tomorrow.

Written statement (Rule 142)

Véronique Mathieu (PPE-DE). – *(FR)* One can only welcome the adoption of the report on the European Globalisation Fund (EGF), which marks a new position on the part of the EU when it comes to dealing with the social consequences of globalisation. Its implementation, as from January 2007, testifies to the

desire of the European institutions to find an effective solution to relocations and to put the social rights of the individual back at the centre of the system. This fund will enable selective, individual aid to be offered to workers who have been made redundant on account of globalisation, so as to help them retrain for new jobs.

While it is recognised that, by and large, the opening up of economies to competition is positive for growth and competitiveness, it can also lead to painful relocations and brutal job losses. The case of Volkswagen in Belgium is a perfect example of this.

Admittedly, instruments for supporting employees affected by globalisation-related relocations already exist at Member State level. Nevertheless, the adoption of this report means that an instrument can be created at Community level that reflects the solidarity of the EU. This fund corresponds to a strong expectation on the part of Europeans and demonstrates the EU's ability to react swiftly when the solidarity of the people is at stake.

24. European Institute for Gender Equality (debate)

President. The next item is the recommendation for second reading from the Committee on Women's Rights and Gender Equality on the Council common position for adopting a regulation of the European Parliament and of the Council establishing a European Institute for Gender Equality (10351/1/2006 – C6 0314/2006 – 2005/0017(COD)) (Co-rapporteurs: Lissy Gröner, Amalia Sartori)

(A6-0455/2006)

Lissy Gröner (PSE), rapporteur. – (DE) Mr President, I start with many thanks to my co-rapporteur and to the Commission. We have worked together very well in attempting to get the Institute up and running as soon as possible, and we have been very successful in this. I would, however, ask, Mr President, that all services be again reminded to check that versions of the report in all languages use gender-sensitive language, which is not universally guaranteed in my own language – German – despite repeated calls for this.

For as long as the European Parliament has been in existence, we have presented ourselves as an engine of equality. For ten years now, we have been discussing how best to facilitate the establishment of an institution that would pursue gender mainstreaming and draw on the best outcomes from all countries in performing its horizontal task. Following a feasibility study, demands were made for the Gender Institute, to which the Council acceded nearly two years ago now, when it resolved that the Institute would be set up, and on a budget-neutral basis. What does that mean? In practice, it means that the Gender Institute will be funded from what was the gender equality programme. The Budget was halved, and what was left of the programme then became part of the social action programme 'Progress'. Such is the price that women have had to pay. If certain parties are going to claim that the Institute costs too much, the response will have to be that, on the contrary, women have paid a lot for it.

Here in this House, though, with a great deal of support from women's groups, we have managed to advance the Institute's cause. We want it to work independently in facilitating the centralisation of information on tried and tested model procedures for the best possible equalisation of opportunities. We would like to see these examples collected from all countries and the abolition of the gulf between the legal position with regard to equality of opportunity – as found, for example, in the European treaties, as Article 3 once more confirms – and the discrimination that actually goes on from day to day.

We want women no longer to earn something like 30% less than their male counterparts. In the case of those who preside over this House, that may well not be so, and may even be cause for amusement, but when a woman working on a production line earns 30% less than her male colleagues, it is not funny any more. We want all the Member States to have access to information on how to successfully combat violence, forced prostitution and sexual exploitation, along with a Europe-wide exchange of information on how discrimination based on gender may be brought to an end in the twenty-first century.

I have already stressed that the agreement we reached in committee came about rapidly. The Commission was highly supportive in accepting at once 35 of the 50 amendments that we adopted at first reading, although there were others for which we had to fight. We had to fight hard to get a hearing for the head of the Institute – and I want to emphasise that I am not gender-neutral about this, in that I expect the Director appointed to be a woman – but we did manage to get it, together with a smaller Management

Board. It is far from clear why each and every Member State should be represented on the Management Board, for the end result of that would be that only 13 people would be doing the work, with 33 monitoring them, and that makes sense to nobody.

We want the European Gender Equality Institute to do groundwork of the European institutions, and the assistance of experts to enable us to do our work in this House more efficiently. How, though, can it be – and this I see as the big drawback – that the Council should decide, as it did last week, that the Institute should end up in Vilnius? That is a long way away from the places where decisions are taken. A working institute such as the Gender Equality Institute does not have any representative function and should not go where it can boost a country's image, but should, on the contrary, be close to our spheres of government; the effect of this is to weaken it. We wanted to see the institutions supported in their work and that work being efficient and helping to make equality a political reality.

That is why I think the proposal we produced is a good one, and am asking this House to agree to the compromise we have worked out with the Council, and for broad-based support for the European Institute for Gender Equality. We have opened up the way to an early agreement, and I again thank all those who had a hand in this, particularly the Commission, which made repeated attempts to bridge the gulf that divided Parliament and the Council on this. I reiterate my thanks to all those who worked with us, in particular the shadow rapporteurs from all the groups. One can expect the Gender Institute to achieve lift off some time soon, and that will represent the passing of a milestone, but there will still be much work to be completed if the great tasks are to get done.

Grateful though I am for the willingness to work together with us on this front, I do want to ask who would actually be able to head up this Institute; it would have to be someone capable of offering not only expertise, but also the necessary insider knowledge of the European institutions, and the Committee on Women's Rights and Gender Equality will take great care to ensure that the Institute does not end up with someone from the Council or the Commission who is incapable of performing this function. If we manage to get to grips with the maintenance of a large-scale network of women's organisations – which is what we envisage doing – that will make the establishment of this Institute an enormous leap ahead for the women's movement in Europe.

Amalia Sartori, (PPE-DE), rapporteur. – (IT) Mr President, ladies and gentlemen, on behalf of my group I would like to thank my colleague, Lissy Gröner, for the work that we have achieved together.

It was our strong wish that this institute should be created with the backing of the representatives of the two largest parties within the European Parliament, precisely in order to benefit from this strength and support. I have to acknowledge that throughout our work, even though there were at times strongly differing views, in the end we always achieved a nearly unanimous vote within the Committee on Women's Rights and Gender Equality. I believe that this point is worth noting.

Even in the Chamber, there are often reservations when we deal with the issue – which is unresolved at the European level too – of women, above and beyond the laws which provide guarantees, still not able to benefit in earnest from equal opportunities and the chance to take part at all decision-making levels. Despite this, we recently achieved – at first reading, what is more – a vote in favour which, I am convinced, will be repeated in this Chamber tomorrow.

I would just like to add a few points to my colleague's words: first of all I believe that it is not often the case that a decision succeeds in reflecting the positions of the preparatory studies as well as this one has done.

Following the Social Policy Agenda in early 2000, a decision was taken to begin carrying out preparations for the creation of this institute, and both Parliament and the Commission commissioned in-depth studies from management consultancies working in the field. I can go so far as to say that the result of our work, which the Chamber will vote on tomorrow, fully represents the positions contained in these two studies, namely the creation of a small, flexible, independent institute, structured around networks, capable of analysing the data and the reasons for the discrimination that still exists, examining good practice and finding and publicising innovative standards-based and legislative solutions in the field of women's rights and equal opportunities.

Above and beyond the debate regarding the location of the institute – in which we basically did not participate as a committee, and which has now been settled with the choice of Vilnius in Lithuania, which, I hope, regardless of its remoteness, will be able to provide us with a satisfactory outcome thanks

to the wonders of science and technology – I would like to express my satisfaction concerning the fact that this institute will be launched immediately and that it will begin its work as early as 2007.

The work of this institute will make it possible to achieve further progress, which will benefit both the community of Europe as a whole and those outside Europe who look to us for guidance and a model in this particular sector.

Vladimír Špidla, *Member of the Commission*. (CS) Mr President, ladies and gentlemen, I am very pleased that the debate between the Council and Parliament has made rapid progress and that we are now close to agreement. The establishment of the European Institute for Gender Equality addresses a genuine need to give European policy on gender equality new instruments enabling us to make further progress. This need was identified as long ago as 1999. Parliament and in particular the Committee on Women's Rights and Gender Equality supported the idea of establishing this institute. This institute will help us – that is to say, the bodies of the Community and the Member States – to formulate and pursue policies by developing knowledge on equal opportunities for men and women. To this end, the institute will arrange the gathering, analysis and dissemination of objective, reliable and comparable data at Community level. It will also develop appropriate methodological resources for improving gender mainstreaming in Community policy.

The first reading enabled Parliament to refine and clarify a number of points contained in the Commission proposal. The common position also incorporates most of the amendments tabled by Parliament. At second reading we had to find answers to questions relating to the establishment of a management board, an issue on which the Council and Parliament had very different opinions. I am happy that both bodies endeavoured to find a well considered compromise, and eventually found one. The compromise that is on the table provides for an improvement to the common position. On the one hand, the system of rotating the members of the management board, and of issuing joint statements, has enabled Member States that had been in doubt to accept a medium-sized management board. This will enable the institute to work effectively from the point of view of its size and the performance of its tasks. On the other hand, amendments relating to the appointment of the director, the reinstatement of the experts' forum and the appointment of two experts from that forum by Parliament will strengthen Parliament's role. The Commission will therefore accept this compromise. I firmly believe that Parliament, which shares our wish to see this regulation adopted by the end of the year, will be able to accept them too and for this I am grateful to you.

Honourable Members, I should also like to thank the rapporteurs, Mrs Gröner and Mrs Sartori. I was able to meet with them very regularly and all of you can testify to their unstinting efforts. It is thanks to them that we are at the stage where tomorrow we can, I hope, bring this matter to a final conclusion.

Anna Záborská, *on behalf of the PPE-DE Group*. (SK) The Committee on Women's Rights and Gender Equality did well to appoint two rapporteurs from the PPE-DE and PSE to draw up a report on the Commission's proposal to establish the European Gender Institute.

The resulting report is well balanced, and I would like to give my sincere thanks to you, Mrs Sartori and Mrs Gröner. It would be wonderful if we could announce today that there was no need to establish a Gender Institute, since all forms of discrimination against women had been eliminated. It would be good if we could say that there is no longer any discrimination in regards to women's pay, that the value of men's and women's work is fully recognised with regard also to responsibilities at home, and that mothers and fathers have freedom of choice as a result of the progress made in balancing life and work.

Alas, this is not the case, despite the fact that the European Union has a whole arsenal of legal instruments for protecting people's rights. Under these circumstances, the European Gender Institute may prove to be a useful instrument. Whether it will live up to our expectations will be seen during the evaluation exercise in five years' time. Will we have enough courage to dissolve the Institute if the evaluation proves negative? Will we have the courage to find more useful applications for the money that has been already allocated? I would like to caution against relying solely upon the Gender Institute to resolve all the problems associated with the lack of equal opportunities for men and women.

In the same way that a broad range of worldwide and European legislation has failed to resolve these problems for more than 50 years, the Gender Institute will also not be able to do this. Only the personal involvement of every man, woman, politician and non-governmental organisation will ensure that women are not discriminated against, and that all women, including the poorest, have access to justice, and that their value, honour and dignity are fully respected.

Zita Gurmai, on behalf of the PSE Group. – (HU) Equality between women and men is one of the basic pillars on which modern Europe has been constructed. After a long battle, we are now on the verge of seeing the establishment of a public institute for gender equality in Europe. I would like to thank Mrs Gröner and Mrs Sartori for their work, and to congratulate them on the draft proposal, which represents the best outcome that can be achieved at the moment and has, not least, the support of the Commission and Council as well.

We have managed to ensure that the institute is independent, which is essential for it to carry out its work in a suitably professional manner and fulfil its role as an expert forum which will help the director in his or her work. The operation's budgetary framework is also guaranteed, along with transparency in how it will be managed. It will remain the task of the Commission and Governing Board to appoint the director, but I would point out that the director must appear before the European Parliament's commission. This will reinforce Parliament's role.

It is a source of great satisfaction that there will finally be a European institute which will continually analyse the issue of gender equality in society and collect data in a systematic way. I am sure that it will devise valuable methodologies of benefit to the equal opportunities policy and offer advice to the Community's other institutions and Member States, as well as help enforce Community policy.

I welcome the fact that a new Member State has been chosen as the venue for the institute's headquarters. It was really important to me during the process of selecting the headquarters to choose a venue that would offer a suitable environment. We can be sure that this will be the case in Lithuania, as the Lithuanian government proved its commitment when it provided the additional EUR 50 million, which will be available from Community funds for seven years.

The opening of the institute has marked an important step for us in the area of gender equality. Only time will tell how significant its role is, but its timeliness is highlighted by the fact that 2007 will be the year of equal opportunities in Europe. We have taken the necessary step and the institute is now ready to get down to work. But it is our job too to ensure that it operates effectively.

Danutė Budreikaitė, on behalf of the ALDE Group. – (LT) Mr President, ladies and gentlemen, I would like to express my pleasure at the decision of the European Union Common Affairs and External Relations Council of 1 December this year to establish the European Gender Equality Institute in Vilnius, Lithuania. This decision will be officially confirmed in the conclusions of the Council of European Leaders on 14/15 December.

This institute will be the first EU institution in a new Member State – Lithuania.

Although there is a long history of women's struggle for equal rights with men, there remains a large difference between men's and women's wages to the disadvantage of women. The real implementation of gender equality would mark the realisation not only of this EU democratic value, freedom of self-expression and interpersonal relations, but it would also help to solve demographic problems and to reduce poverty.

The most important tasks of the new Institute will be to gather information about gender equality, to analyse it and to offer recommendations on gender equality issues, and also to disseminate information about the state of gender equality in the European Union and third countries.

I am convinced that the European Gender Equality Institute, established in Lithuania, will operate successfully, since Lithuania has experience in cooperating with other EU countries and is well placed to share its experience with third countries, particularly Eastern neighbours.

The Commission accepted forty of Parliament's recommendations for extending the geographical scope of information gathering and analysis, and information supply, including both the newly joining countries and candidate countries.

However, the scale of discrimination against women in some EU countries is so great that no one should be happy about the reduction of the Institute's expenditure. I believe that the opposite should be done – an increase in the number of Institute employees and the size of its budget, in line with the expanded scope of its activities.

I would also like to stress that in the first instance Member States must themselves take steps to actively and vigorously implement gender equality policy within their countries. The European Gender Equality

Institute would help them fulfil this task. Furthermore, if the President permits, I would like to tell Mrs Sartori that not far from Vilnius is the geographical centre of Europe, and it is a city that is not too distant from Brussels.

Hiltrud Breyer, *on behalf of the Verts/ALE Group*. – (DE) Mr President, I too would like to give many thanks to the rapporteurs. When this Institute for Gender Equality becomes a reality, as it soon will, it will be a gigantic step forward. Europe needs an independent, autonomous Gender Institute in order to ensure that the objective of equal opportunities for men and women does not get ranked lower than other anti-discrimination measures. It is therefore very important that we have made it clear that we want a strong woman at the head of this Institute.

An independent Gender Institute is necessary, since discrimination against women is unfortunately still a reality in Europe. There are many areas in which we do not just need more statistics, but also innovative suggestions for problem-solving. I hope that this Institute will be more than just a place where data is collected, but will also be able to make an innovative contribution to solving the problem of gender discrimination.

Finally, however, I would like to raise another point which is very important to me. The European Gender Institute cannot be a substitute for practical policies and real laws, and it must not become an excuse for the failure to implement legislative initiatives.

(The President cut off the speaker)

Eva-Britt Svensson, *on behalf of the GUE/NGL Group*. – (SV) Mr President, I should like to say a big thank you to everyone concerned for their hard work and commitment and a special thank you to Mrs Gröner and Mrs Sartori for the fact that this Institute is now finally to be set up and to begin its important work. Today is an important milestone for all of us who are working to bring about a society in which women and men are equal. It is also a milestone in strengthening children's rights because the situation of children is, to a large extent, influenced by their mothers' – that is to say, women's - rights. Pleased as I am about this step towards setting up an Institute for Gender Equality, I am also, in equal measure, disappointed about the fact that, in 2006, there is a need for a special institute to champion rights that women self-evidently should possess and that we have not progressed further when it comes to recognising the right of half of humanity to lead their lives on the same conditions as the other half of humanity.

We talk a lot in the EU about democracy and human rights, but women too need to have human and democratic rights. The fact that large parts of the population believe that women can be treated as commodities in a market and believe that society cannot be responsible for women's right to their own bodies cannot be viewed as democratic. We are concerned here with women's right not to be beaten and otherwise abused and, for example, with the fact that political power is, in large part, still male power and that women earn less than men for doing the same work. I really do hope that, in the vote in plenary, we shall support setting up an Institute for Gender Equality, which will be a major and important step towards our really being able in the future to talk about democracy and human rights that are the same for everyone, irrespective of gender.

Urszula Krupa, *on behalf of the IND/DEM Group*. – (PL) Mr President, the idea of creating an Institute for Gender Equality, described as one of the most important aims of the Community, was conceived in 2000, when it became clear that there was significant gender inequality in the majority of policy fields. This is presented as a multifaceted phenomenon, which I am sure is true to a certain extent, although it does raise the fundamental question of whether this really is a matter of equality and human dignity or rather the creation of a new left-wing ideology.

One of the roles of the institute will be to eliminate gender stereotypes by disseminating information on non-stereotypical male and female roles, together with providing liberal examples to follow. This has been done for a long time and is something that those with a Christian world view cannot support.

Contemporary programmes that are far removed from moral standards and which exploit human weakness only serve to make people weak, defenceless slaves, especially to their sexual impulses and need for gratification. Mankind, reduced to his basic appetites, deprived of any spiritual dimension in his life, his personal development prevented and obstructed by the lack of any spiritual life, will not be able to find complete fulfilment, even with active assistance and supported by the lofty aims of various institutions.

Moreover, the legal regulations of the directive raise a number of doubts, as the institution is supposed to have maximum independence in the implementation of its activities, and is even able to commission an external evaluation of its achievements. This lack of control of the European Parliament's committee and its ability to select its own evaluator does not just raise doubts, but is actually quite ridiculous. The revenue of the institute is also surprising, as it includes not only subsidies paid for from our taxes, but also contributions from various wealthy organisations, together with the revenue from services it provides.

The next privilege is immunity. This means that the institute's staff will also be unrestricted in the performance of their duties and will be free to spread false feminist ideas, which will lead to a situation where, instead of women cooperating with men, there will be a destructive battle of the sexes which will become the new dogma, while gender becomes the new proletariat. We will vote against the adoption of this directive.

Marie Panayotopoulos-Cassiotou (PPE-DE). – *(EL)* Mr President, it is undeniable that equal treatment for men and women and respecting the principle of equality in all aspects of public and private activities will allow for better management of human resources in the European Union which shall contribute without obstacles to the development and competitiveness of the economy and the raising of citizens' living and cultural standards.

In particular, in order for female participation in the labour market to be effective while at the same time allowing for the continuation of human kind through procreation and the raising of children, it is necessary to respect the rights of women as fundamental human rights. In this perspective, as you very well noted Commissioner, both the Council and the European Parliament in their previous parliamentary term set the foundation for the establishment of a European Gender Institute. However, since then the scepticism on equality on a European level has evolved to become a point of view with integrated horizontal applications in all policies and actions. The roadmap on equality and the directive on the equal treatment of men and women in the labour market are clear proof of this. I honestly have to congratulate rapporteurs Mrs Sartori and Mrs Gröner, for their amendments in the proposal for a regulation on the establishment of the Institute. Apart from promoting equality through research, libraries, data analysis and promotion of fair practices, we await a breakthrough in the approval of the multidimensional monitoring of the establishment of equal opportunities. These proposed aimed actions should show respect to ethnic diversification and the principle of subsidiarity. The Institute's administration should guarantee representativity of Member States in all its actions. We hope that the quality of the expert opinion will guarantee useful proposals and avoid the overlapping of responsibilities among organisations that deal with particular fundamental rights, such as health, safety at work and others.

Thus, I would like to point out that despite the progress in the formation of the consulting body, the European Parliament only during its subsequent hearing with the Director ...

(The President cut off the speaker)

President. Thank you very much for your contribution.

Mrs Thomsen, before you start, I should just like to say that I notice a TV crew is following you and interviewing you in the Chamber. I doubt whether this would happen in the Folketing. This is a Parliament not a studio. I shall allow it on this occasion, but please do not let it happen again.

Britta Thomsen (PSE). – *(DA)* Mr President, Commissioner, ladies and gentlemen, I would like to start by thanking the rapporteurs for the great deal of work that they have put into this report. I am very glad that this institute is finally to become a reality. Despite all the legislation and good intentions, we still do not have equality in Europe today. This can be seen, for instance, in the continued differences in the pay men and women receive and in the marked underrepresentation of women in all forms of decision-making bodies, be they political, public or private. There is a desperate need for this institute in Europe, and for precise information, analyses and recommendations in the field of equality.

I believe that the institute will play an important role in Europe both as an inspiration and a disseminator of information in the field of equality. The collection of data and the development of best practice will enable the institute to take the lead in producing proposals and strategies for breaking down the barriers to equality. Many Member States are in need of a push. Amongst other things, the need to identify and tear down barriers to equal pay could be highlighted. Today, we not only suffer from a lack of knowledge in this area, but we also lack the tools needed for getting to work on combating these disparities. This

means that the inequalities continue to exist despite the legislation and fine words stating that we want things to change. I am very glad that the EU is able to blaze a trail in this area and demonstrate that the work on equality is to be given high priority on the political agenda, and I hope that this work will give impetus to the efforts of the Member States.

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

I am delighted to support this report and to call for speedy progress so that the European Institute for Gender Equality will be able to start work next year. I wish to thank the rapporteurs for their work.

Fostering the exchange of experience across the EU will help us to make use of the analysis already carried out at national and regional level and to carry out important new analysis. The institute should become a major arm of EU policy development so that action on gender mainstreaming can be actively promoted. The institute should be operational as soon as possible, with a clear focus on both collection and analysis of data; and it is then up to us here in Parliament to ensure that the analysis it comes forward with is pushed through all policy development in the future.

Johannes Blokland (IND/DEM). – *(NL)* Mr President, gender equality is a regularly recurring theme in this House. Quite apart from the fact that what is probably meant is the equal treatment of men and women, as opposed to their equality, it is, as I see it, too easy to hope that this issue can be resolved by making one or two sweeping changes. In recent decades, much interest, both healthy and less healthy, has been generated in women's rights. This does not mean that in some cases and in some regions, there is certainly cause for special attention. This can be attributed to the different views about role patterns across the centuries in different cultures. We can still find traces of this in the cultures of countries, not least within the European Union.

As I see it, these differences must be handled wisely if gender equality is to be achieved across all countries and Member States. I can see the individual Member States playing an important role in this, as they are best placed to assess the local situation and take measures accordingly. Should a Member State lack initiative, there are enough national and international organisations that can encourage, or even force, concrete steps in this area.

I am, in short, all for the equal treatment of men and women, and of equal opportunities for them, but, at the moment, we do not particularly need a new European institute to take care of this.

Teresa Riera Madurell (PSE). – *(ES)* Mr President, I would like to begin by congratulating Mrs Gröner and also Mrs Sartori, the Council and the Commission, on the agreement reached. We are pleased that Parliament's view of the issues that were important to more efficient operation of the Institute have been respected.

A medium-sized management board, elected by a system of rotation amongst the Member States, will undoubtedly speed up decision making. A director appointed by means of an open, transparent procedure who has to appear before the competent committee of this Parliament in order to answer Members' questions is satisfactory to us. Furthermore, the reinstatement of a forum of experts made up of representatives of the Member States, of Parliament and of social actors, to assist the board in planning the Institute's activities is undoubtedly a good thing.

This is an historic day for this Parliament, ladies and gentlemen, because today we are creating something that both this Parliament and the other institutions and civil society believed to be absolutely essential: to have an independent body specifically dedicated to gender equality policies.

Ladies and gentlemen, equality between men and women is one of the European Union's fundamental principles. This Institute will be a powerful tool for guaranteeing the integration of gender equality into all Community policies.

Pia Elda Locatelli (PSE). – *(IT)* Mr President, ladies and gentlemen, tomorrow we will vote for the Gender Institute and we are obviously happy to be finally reaching this goal. I say 'finally' reaching the goal of this process because, as I recall, the feasibility study dates back to 2002. I hope, at any rate, that the institute will soon start to be operational.

We would certainly have preferred to have more resources available, but I prefer to look on the positive side, namely the creation of the institute, and to hope that in future the resources, of all kinds, will increase.

Thinking about the future activities of the institute, I would like to make two recommendations: the first refers to where it would be particularly useful for the institute to carry out its work, and the second to a specific issue on which to take action.

It has always been the case that in the very places where conditions for women are most backward there has been a serious lack of statistical data broken down by gender. My first recommendation is, therefore, that the institute should be particularly active on this front.

My second recommendation refers to a specific subject for investigation: the pay gap. The disparity between women and men in terms of pay remains unacceptably high and, above all, shows no significant signs of decreasing. The fact that the Treaty of Rome contained an article expressly mentioning equal remuneration for men and women, and that the passage of 50 years has left us at almost the same point, should bring home to us the fact that on this issue a lot of work still remains to be done.

Lidia Joanna Geringer de Oedenberg (PSE). – *(PL)* Mr President, the idea of creating an Institute for Gender Equality was conceived in 1995. Four years later, the Swedish Ministry of Integration and Gender Equality put forward its initial plan. Then, the European Commission and the European Parliament, after a number of years of research into the aims and organisation of the institute, recommended that it should be set up.

After the first reading in March of this year, the European Parliament supported the creation of this new agency, having tabled a number of amendments relating to the scope of its activities and ways of ensuring greater effectiveness. It is good that the Council, the Commission and the European Parliament have expressed their intention to set up the institute and enable it to begin its operations in 2007.

At this stage, in the second reading, only questions relating to the institute's management structure, the election of its director and the still controversial issue of the forum of experts still remain to be resolved. It is a shame that the Council's position in this matter is different from the positions of both the Commission and Parliament. However, the final outcome is satisfactory.

Taking into account the important role of this agency in the European Union, where in some countries there is still clearly noticeable gender discrimination in many areas of life, the task of the institute will be to apply a unified system for collecting and analysing information on the equal treatment of men and women in Europe.

It is good that the institute will have its headquarters in a new Member State. It will be based in Vilnius, the capital of Lithuania. I hope that it will begin its work as soon as possible, as this is something that we have been waiting for since 1995.

Finally, I would like to congratulate the rapporteurs on a very well-prepared document.

Anna Hedh (PSE). – *(SV)* Mr President and all ladies and gentlemen who are still awake, equality between women and men is one of the EU's basic principles, and bringing it about is one of the EU's central tasks. The EU should try to bring about equality in all its activities. In spite of the fact that a lot of progress has been made in the area of equality, many surveys show, however, that such progress is very slow. The EU does not, for example, have the ability to put together analyses and to come up with constructive solutions when it comes to the integration of equality and the promotion of equality between the sexes. By now creating a European Institute for Gender Equality, the EU and the Member States are signalling the high priority they are giving to this issue, as well as the political will to do more to overcome the prevailing lack of equality.

Today, I feel very proud, as an MEP from the Socialist Group in the European Parliament, that EU cooperation is being used to advance the fight against gender discrimination. It is now important for all the Member States to make use of the Institute and to submit statistics and information to it. It is a huge responsibility for the Member States. In conclusion, I want to say how pleased I am that it is a new Member State, Lithuania, and the city of Vilnius, in which this Institute is to be located. I do not believe that the proximity principle has any role to play in this case, because all the EU Member States are central. I want to wish them the best of luck and to thank the rapporteurs, Mrs Gröner and Mrs Sartori, together with the Commission.

Vladimír Špidla, Member of the Commission. *(CS)* Ladies and gentlemen, I am pleased that Parliament is able to accept the Presidency's compromise in full. With this agreement the institute can be up and

running more quickly. The recent decision by the Member States to locate the seat of the institute in Vilnius is indicative of a common desire for the institute to be up and running at the earliest opportunity.

Honourable Members, Parliament will tomorrow take a further step on the road to equal opportunities. As a number of speakers have pointed out, there is still a long way to go on that road.

President. I wish to thank the Commissioner, all the speakers and Mrs Záborská and her committee for their important work. I wish the institute every success. It is much needed.

The debate is closed.

The vote will take place on Thursday.

25. Type approval of motor vehicles with respect to emissions and access to vehicle repair information (debate)

President. The next item on the agenda is the report by Matthias Groote, on behalf of the Committee on the Environment, Public Health and Food Safety,

on the proposal for a regulation of the European Parliament and of the Council on type approval of motor vehicles with respect to emissions and on access to vehicle repair information, amending Directive 72/306/EEC and Directive .../.../EC (COM(2005)0683 – C6-0007/2006 – 2005/0282(COD)) (A6-0301/2006).

Günter Verheugen, Vice-President of the Commission. (DE) Mr President, ladies and gentlemen, I would like to start by expressing my gratitude to the rapporteur, Mr Groote, for his tireless efforts. He has made it possible for us to reach an agreement with the Council at the very first reading. I would also like to thank the shadow rapporteurs and of course the Finnish Council Presidency for the efforts which have enabled us to bring this difficult matter to a conclusion so soon.

The three Institutions have worked together constructively. We now have a proposal on the table which lays down strict emissions values for the next ten years and which simultaneously creates clarity and incentives for technological innovations. As well as being the result of communal efforts, these proposals are also based upon a thorough impact assessment which has confirmed the technical and financial feasibility of the proposals.

This proposed Regulation represents a significant step towards improving the environmental compatibility of motor vehicles. Poor air quality is a cause for great concern throughout the European Union and it has serious effects on public health. This Regulation therefore deals primarily with emissions of particulate matter and with the emission of nitrogen oxides. The point is thus to improve air quality.

The Commission supports agreement at first reading for four reasons. Firstly, the compromise we have reached takes into account both the costs and the benefits of laying down limit values for emissions. More demanding limit values have been set for vehicles with petrol engines than for diesel vehicles, since it is easier and costs less to achieve lower emissions with petrol engines than is the case with diesel engines. This fact is important if we want to persuade consumers to exchange their old cars, which do more damage to the environment, for cars which are more environmentally friendly, but also more expensive.

Secondly, the Commission welcomes the timetable for the introduction of Euro 5 and Euro 6. The five year interval between the introduction of the two standards is important, so that motors may be further developed that comply with the second, stricter level of emissions. Thirdly, I am pleased that it was possible to reach an agreement on access to vehicle repair and servicing information. The OASIS standard will be retained for now and later it can be adapted speedily to keep up with technological advances. Motor vehicles must be environmentally friendly not only when they are brand new, but throughout the entire life of the vehicle too. Without access to repair and servicing information, however, this cannot be guaranteed.

Fourthly, I believe that it is important that a consensus should be reached on the question of financial incentives, a package solution of two emissions stages, as with Euro 3 and 4 and now again with Euro 5 and 6. It is advantageous for the environment and for technology if both levels enter into force as

actual levels. The same must also apply to tax incentives. For these reasons, the Commission can endorse all of the amendments proposed by your rapporteur, Mr Groote.

Matthias Groote (PSE), rapporteur. – (DE) Mr President, Commissioner, ladies and gentlemen, I would first of all like to thank the shadow rapporteurs for their fruitful and constructive cooperation. The vote on this report was postponed several times, but in my view the wait has been worth it, and the negotiations have shown that we have managed to work out a compromise with the Council at first reading.

It is important that the regulation should be adopted at first reading, because the Member States need instruments in order to achieve the air quality targets we have set. It is deplorable that every year in Europe there are 370 000 premature deaths because of poor air quality. This shocking figure must be minimised. The compromise on which we are to vote tomorrow is substantially different from the Commission's proposal, because a second step was added by the Committee on the Environment, Public Health and Food Safety. The so-called Euro 6 step brings limit values that are ambitious and realistic. With this compromise we are at last effectively tackling the problem of fine particulates. This is being achieved through the introduction of particle filters. The limit value for the mass of particulate emissions is being reduced from the Euro 4 value of 25 mg/km to 5 mg/km. Compared to the Euro 4 emissions standard in force today, this corresponds to a reduction of 80%.

Furthermore, the particle count will be measured at the very latest when the Euro 6 step enters into force on 1 September 2014. By measuring the particle count, particles of the magnitude of PM_{2.5}, which are especially harmful, will be reduced. This too will bring about progress in improving air quality and public health in Europe.

The greatest step forward in combating motor vehicle emissions, however, is in the area of nitrogen oxides. Here, the first step involves reducing the limit to 180 mg/km for diesel passenger cars and to 60 mg/km for petrol passenger cars. Compared to today's Euro 4 emissions standard, this corresponds to a reduction of 28% for diesel passenger cars and a reduction of 25% for petrol passenger cars. The greatest step forward, however, will be taken in the planned Euro 6 step and affects diesel passenger cars. In this stage, the emission of nitrogen oxides will be lowered by 56%, from 180 mg/km to 80 mg/km.

As far as the time frame is concerned, I would like to point out that the Euro 5 step comes into force on 1 September 2009 for new types of vehicle and that the Euro 6 step applies from 1 September 2014. In fact, however, Euro 5 and Euro 6 motor vehicles will be introduced more quickly, because thanks to this Regulation the Member States have the opportunity to promote vehicles with Euro 5 and Euro 6 emissions standards before the 1 September 2009 through tax incentives. A look into the history books tells us that in 2001 for example, motor vehicles with the Euro 4 emissions standard were already available on the market, even though the Euro 4 emissions standard only entered into force on 1 January 2005. Not only does Euro 5 ensure better air quality in Europe, but this Regulation and the compromise we have arrived at also improve the rights of manufacturers in Europe. Thus consumers must now demonstrate the durability of pollution control devices over 160 000 km instead of 80 000 km. Furthermore, in Chapter 3 of the Regulation the rights of consumers are protected, in so far as it is laid down that consumers may continue to seek out repair shops themselves. This was achieved by securing access to vehicle repair information and by laying down a new format in this Regulation, the so-called OASIS format, for the provision of repair information.

Moreover I do not want to neglect to point out that this Euro 5 Regulation is a good example of the reduction of bureaucracy in Europe. The Euro 5 Regulation cancels out 25 directives, and I very much welcome this as an example of 'better lawmaking'.

In conclusion I would like to ask you to support this compromise we have arrived at, so that consumer rights are reinforced and so that air quality is improved. The compromise was negotiated as an entire package, and any deviation from the complete package would inevitably lead to a second reading, the consequence of which would be that we would have to wait for this instrument, Euro 5, for improving air quality in Europe, and, therefore, that an improvement in air quality would be shelved.

Ivo Belet (PPE-DE), draftsman of the opinion of the Committee on Industry, Research and Energy. – (NL) Mr President, with this directive – and I should also like to thank the rapporteur – we are obviously making considerable headway in the area of public health. Thanks to the compulsory installation of soot filters on diesel cars, the emission of fine dust is *de facto* reduced by 80%. These are figures everyone should be delighted about. At the moment, life expectancy in the European Union is on average eight

months lower as a result of the presence of ultra-harmful fine dust particles, soot particles in the air, and every measure to address this situation is obviously welcome.

It is now up to the Member States to take measures, fiscal and other incentives, to remove older, polluting diesels from the roads as quickly as possible. Whilst this constitutes an important step forward, there is also a downside, unfortunately. It is really regretful that the 4x4s have been exempted via the backdoor and that the manufacturers of what people refer to as SUVs (sport utility vehicles) have been given more time to conform. Commissioner, I assume that you do not drive one of those SUVs, for the simple reason that they, as you know, are the biggest spreaders of fine dust; they emit one third more fine dust than normal diesel cars and it is, as you know, fine dust that causes cancer. I would therefore call on the manufacturers to take their responsibility seriously. The car manufacturer that is the first to produce an all-terrain vehicle that is environmentally friendly will, in my view, have a huge head start on the competition.

Finally, public opinion can, and indeed should, play its role. Every buyer has to realise that it is not in the interest of their health to drive a car that emits carcinogenic substances to irresponsible levels.

Anja Weisgerber (PPE-DE), *draftsman of the opinion of the Committee on the Internal Market and Consumer Protection*. – (DE) Mr President, I would first of all like to thank the rapporteur and the shadow rapporteurs for their solid cooperation. The Euro 5 Regulation will ensure two things in the future: firstly, that independent repair shops have unimpeded access to the repair information they need, and, secondly, ambitious emission limit values for modern passenger cars which will lead to better air quality.

Effective health protection and promoting small and medium-sized enterprises – these are goals which I wholeheartedly support. For this reason I will be voting for the compromise which we have negotiated with the Council.

On the first point, access to repair information, the following should be noted: modern passenger cars are equipped with a plethora of electronically steered car components. These cannot be repaired without particular information from the car manufacturer. Independent repair shops therefore require access to this information. This is also important for consumers. In future they can decide which repair shop to take a car to for repairs or for servicing. This promotes competition and so it also leads to lower prices.

In my view, however, our ultimate goal should be to integrate the regulation of access to repair information into the new type verifying framework directive. Legally and thematically, that would be a better place for the rules than a Regulation on emission limit values. In this respect I am pleased to say that the Council has adopted our idea that we have developed in the Committee on the Internal Market and Consumer Protection.

Just a brief remark about the second point, the new emission limit values. The new limit values make soot particle filters almost mandatory. This is an important step towards better air quality. It is also right that the new Euro 6 limit values should be laid down even now, for that gives car manufacturers the security to plan ahead and to invest, thereby promoting innovation. Tomorrow we will adopt a Euro 5 Regulation which stands for improved health protection and which at the same time strengthens small and medium-sized enterprises.

Bogusław Liberadzki (PSE), *draftsman of the opinion of the Committee on Transport and Tourism*. – (PL) Mr President, the Committee on Transport and Tourism produced a positive evaluation of the European Commission initiative concerning the proposed directive. It also tabled proposals for amendments. I am pleased to see that Mr Groote's report takes account of these proposals.

We looked at the following issues. First of all, the positive effects of the draft directive on the environment are clear. The second issue is the cost of implementing new standards. It seems that these standards are sensible and will not have too much of an effect on the price of new cars. Therefore, these changes should not prevent the purchase of new automobiles or extend the lifespan of older cars.

Finally, European Union manufacturers will be able to meet the new requirements and, in the case of imported vehicles, we will be able to force foreign manufacturers to meet our requirements. Thus, there are a number of positive aspects, which I would like to highlight.

The liberalisation of the production and turnover of spare parts was also analysed, taking into account three interested parties. The first group are the major car manufacturers, who have their reservations.

The other partners, namely spare parts manufacturers and repair workshops, are pleased with the draft directive.

The expected results include a possible fall in the price of repairs and spare parts for vehicles, thereby creating certain benefits for users. This may more than compensate for a possible increase in the cost of new cars, and thus prove to be an advantage.

Martin Callanan, *on behalf of the PPE-DE Group*. – Mr President, I wish to begin by thanking the rapporteur and the shadow rapporteurs, Mr Groote, Mr Krahmer and particularly Mrs Harms, for their excellent cooperation on this report. We have all sat through long and involved negotiations with the Council and the Commission, and I am pleased that we have come to a satisfactory conclusion – at least in most respects.

My group welcomes the outcome of these negotiations. The report is balanced because it not only tackles air pollution at source but also takes into account the very legitimate concerns of a very successful European industry. As previous speakers have outlined, the timetable that has been agreed is based on the package adopted in the Committee on the Environment, Public Health and Food Safety, Euro 5 and Euro 6 coming into force in 2009 and 2014 respectively.

I welcome the work done by my colleague Mrs Weisgerber on the access to repair information. That is a controversial paragraph but we have also reached a very successful conclusion in that.

The limit values agreed for Euro 5 and Euro 6 steps are challenging but achievable standards. Although reduction of NO_x is very desirable, it must be remembered that will be achieved at the expense of increased CO₂ emissions. The particulate limits are as tight as is feasible and will require the fitting of diesel particulate filters across the range of Euro 5 diesel passenger cars, and that will deliver major air quality benefits.

With regard to the so-called heavy M1 provision, I am very happy with the compromise reached. We must not forget that these vehicles are essential for many users and that there are very legitimate reasons for them to be covered by these specific provisions, which have slightly higher limits to reflect the fact that emissions increase with vehicle mass. In this regulation we must avoid giving manufacturers a perverse incentive to simply replace diesel engines with petrol engines in these vehicles, with the resultant increase in CO₂ emissions that we all want to see avoided.

President. I drive a diesel Audi, so I have an interest in this debate. Thank you for your kind remarks. I have been here in the Chair since 9 p.m. I am being fortified by coffee and some nameless Portuguese firewater provided by the usher, because it is Christmas. So if I go blind before the end of the debate, just accept the situation!

Dorette Corbey, *on behalf of the PSE Group*. – (NL) Mr President, it is the simply appalling air quality in many European cities that means that cars must become much cleaner, and this can be done, for we do have the technology.

Tomorrow, we will be voting on the Euro 5 standards that ensure that diesel cars in particular become much cleaner. I should like to thank the rapporteur, Mr Groote, for his efforts. Although major improvements have been reached in the compromise, I do have a number of comments.

First of all, I am not very happy about the procedure. The decision has been taken that there should be an agreement at first reading, which, as a procedure where backroom decisions are taken, is not very transparent. This could be justified if we were in a great hurry, but we are not in the case of Euro 5, since the standards do not enter into effect until September 2009. It would have been preferable if a second reading had been added, for this would have given us the opportunity to arrive at a position in the plenary before discussing it with the Council.

Secondly, I also have mixed feelings about the content. As I said, I am delighted with the stricter standards that have been agreed upon compared to the Commission proposal. I am not happy, though, with the special treatment sport utility vehicles are receiving, in that they will, according to compromise amendment 91, be exempt from the emission requirements that apply to cars until 2012. It is precisely these cars – and I am completely at one with Mr Belet on this – that cause most pollution that should be subject to stricter environmental requirements.

In addition, I regret the fact that Amendment 59, which allows Member States to take more sweeping measures, has not been included in the compromise package. This amendment received broad majority support in the Committee on the Environment, Public Health and Food Safety. In previous legislation, we allowed for more flexibility, and we do so again in the case of Euro 5. California, in the USA, has been given more scope to impose stricter environmental requirements for new cars than has the Netherlands within the EU's internal market, which has become a straitjacket, something that an increasing number of Europeans find unacceptable. In fact, stricter requirements in one or several Member States could be a great incentive for innovation.

Holger Krahmer, on behalf of the ALDE Group. – (DE) Mr President, in the first place thanks are due to the rapporteur for having produced this excellent piece of work. That is a big compliment, Matthias, for it is not every day that I praise Social Democrats.

The close cooperation between the rapporteurs has decisively contributed to the fact that we have been able to achieve a good compromise and a consensus at first reading. With Euro 5, the soot particle problem of diesel vehicles is practically solved, particulate matter emissions are reduced by 80%, and, thanks to modern engine filters and particle filters, many a new diesel passenger car will have an exhaust that lets out cleaner air behind than it sucks in at the front. We also achieve a drastic reduction in the nitrogen oxides emitted by diesel vehicles. As rapporteur for the air quality directive I can tell you I wish that all technical systems were as clean and energy-efficient as our modern passenger cars.

I am pleased that we could agree on a realistic timetable for the introduction of the new limit values, one which takes into account the production cycles of the modern automobile industry. The 'green side' of this House would like to see Euro 5 and Euro 6 introduced earlier, and also stricter limit values for nitrogen oxides, as, indeed, do we all, and the 'green side' is even right in saying that the technology to do this already exists, of course it does, but we cannot pursue illusory policies here. Not only do businesses bear responsibility, but they also incur risks. Technologies must not only be available, but must also be marketable and affordable for the consumer. It does little for the environment if new, clean cars are not affordable and we therefore cannot get the old ones off the roads.

Even today, it is not the new cars which are the problem. More than half of all the passenger cars in Europe only comply with the Euro 3 standard or less, and our goal must therefore be to completely renew all vehicles on the road. We were generous with the exceptions for M1 vehicles, but I think that this is justified, since the effects on the environment are comparatively small. The fact is that SUVs are popular with consumers and there is a trend towards larger cars. However, it is not the job of the legislator to criticise this. In a market economy – and when it comes to environmental decisions I keep wanting to remind people about this – the decision to buy is, in the end, made by the consumer. I come from the system of the former GDR, where the state and party leadership decided for us what the best car for each individual was, and that is something I have no desire to go back to.

Rebecca Harms, on behalf of the Verts/ALE Group. – (DE) Mr President, Commissioner, ladies and gentlemen, I must say that we shadow rapporteurs also had a great deal of fun with our rapporteur Mr Groote. Sometimes we agreed, sometimes we did not agree, however, at the end of the compromise I ask myself if the central responsibility for the negotiations really was in the hands of the Committee on the Environment, Public Health and Food Safety. When I now look at the entire package, I get the impression that such a proposal normally tends to be put together by the Committee on Industry, Research and Energy.

I would like to briefly explain my position, which is different from Mr Krahmer's portrayal of 'the green side of this House'. I can see that this Parliament obviously does not seem to be capable of consistently championing incentives for technological innovations which could have positive effects on the environment. The type of particle filters which we now require for Euro 5 – some time from the autumn of 2009 onwards – are already available today. I do not understand why we have now included an artificial political delay in the process. Technologies to reduce nitrogen oxides are also already available today. It is completely incomprehensible to me that these will be made mandatory only from 2014 and 2015 onwards. In my view, this politically motivated hesitation about technological innovation cannot be justified.

Another important question for me is this: why is it not possible to lay down today tax incentives for ambitious nitrogen oxide reducing technologies? The lack of ambition in this Euro 5 and Euro 6 Regulation culminates symbolically in this remarkably generous derogation for heavy SUVs. I do not

see why we should make a long term exception – lasting well into the next decade – precisely for such dirty, environmentally hazardous vehicles. My view is that in doing so, we are only sending out an indefensible, irrational political signal.

President. Actually, I drive an Audi Quattro.

Jens Holm, on behalf of the GUE/NGL Group. – Mr President, I ride a bicycle – that is enough for me!

(*SV*) Mr President, I should like to thank the rapporteur, Mr Groote, for his constructive work. We in the Confederal Group of the European United Left/Nordic Green Left and the Group of the Greens/European Free Alliance wish, however, to make some basic improvements in three areas. We want this legislation to enter into force earlier than the compromise made with the Council. Both the environment and European consumers would benefit from this. We also want to see tougher emissions requirements for diesel cars and fuel neutrality for diesel and petrol. A third important amendment relates to four-by-fours. We do not want to see any exemptions for these.

In conclusion, I also want to put in a good word for Mr Blokland's amendment about the Member States being able to have tougher legislation in this area. Their being able to do so should go without saying when we take decisions, but unfortunately it does not go without saying. All credit to the Independence and Democracy Group, too, in this case.

Johannes Blokland, on behalf of the IND/DEM Group. – (*NL*) Mr President, where the improvement of air quality is concerned, I should like to see a few swift steps made in the right direction; that is why an agreement at first reading on new emission standards for cars is to be welcomed. Considering, however, that these standards will not take effect for a number of years, I wonder why we are in such a hurry now. The Euro 5 standards will not become effective until 2009 and even then, they will not apply to all types until 2011. The Euro 6 standards will not be introduced as a whole until 2015. As I see it, we should have taken a little longer to arrive at a better result. This is why I shall be supporting the three amendments tabled by the Group of the Greens/European Free Alliance.

Different Member States are working hard to improve air quality. In order to meet the European air quality standards, they are prepared to take more extensive measures. In the Netherlands, people wanted to introduce the Euro 5 standards early, but the Commission would not allow this, stating that this could distort the internal market. This is, in my view, an unacceptable state of affairs, certainly if we consider that the measures are necessary in order to have good air quality levels and that, moreover, according to the Treaty, Member States may take more far-reaching measures to protect the environment.

This is why I have re-tabled Amendment 59 of the Committee on the Environment, Public Health and Food Safety in order to spell out the fact that Member States may take more far-reaching measures in order to achieve the air quality standards. This amendment has been approved by a broad majority in the Committee on the Environment and as such, it deserves the support of a broad majority of this House, support which, I am pleased to note, has already been pledged by a number of speakers.

Jacques Toubon (PPE-DE). – (*FR*) Mr President, I should like to begin by congratulating Mr Groote, Mrs Weisgerber and Mr Callanan, as well as the Finnish Presidency. They have done a remarkable piece of work on this issue with the aim of reaching a satisfactory compromise position, both within the Council and with all of the MEPs.

The Euro 5 standard will do a great deal to help further improve air quality. In laying down harmonised rules for the manufacturing of motor vehicles with regard to their air emissions, the Euro 5 standard is part of a more general strategy aimed at dealing with the harmful effects of air pollution on people's health and the environment. This is an important step.

The timetable for applying the Euro 5 and Euro 6 standards, with 2009 and 2014 respectively as the dates on which they will enter into force, is certainly demanding, but it is also manageable for the economic sector, and the introduction of a one-year extension for adopting the implementing measures will mean more flexibility for industry, which I welcome.

As for access to vehicle repair information, which is an issue for manufacturers and SMEs, I am pleased at last with the compromise reached on this subject as well as on the subject of recourse, in the first instance, to the OASIS standard. I note, in particular, the opportunity provided to review the provisions on access to technical information and to consolidate them as part of the review of the directive on the approval procedure: we owe this to Mrs Weisgerber.

Finally, I believe that we should remain vigilant regarding the issue of renewing the cars on the road in the Union. I would like Europe to act as the driving force and to encourage emerging countries, where the number of vehicles on the road is constantly increasing, to gradually catch up with regard to the Euro emissions standards. We now want an agreement at first reading on the basis of this compromise.

Péter Olajos (PPE-DE). – *(HU)* The report presented before us is excellent, and I would like to congratulate its authors. I would like to congratulate, in particular, Matthias Groote, Anja Weisgerber and Martin Callanan on behalf of the PPE-DE. This proposal establishes a delicate compromise that has been difficult to implement between our traffic requirements, technical and economic potential and our growing environmental problems.

The Union is at the forefront in terms of regulating motor vehicle engines with low pollutant emissions, but it seems that in everyday life the efforts to deal with pollution are at an early stage, lagging far behind. Manufacturers have been taking it in turn for years, presenting their concept cars to us, which can run on electricity, hydrogen or biofuels, but these plans then end up on the floor of the exhibition hall. The question is: why does this happen? For the same reason that we are now talking about Euro 5 and Euro 6 cars, while not just Euro 4, but mainly Euro 2 and Euro 3 cars are also still on our roads.

The reason for all this is because Member States do not give enough encouragement to new technology, the spread of alternative fuels or to people trading in their old, outdated vehicles for modern ones. They say that they do not have the means? But they could! We could use lower taxes to encourage people to buy more advanced technology, giving more money to research and development and pilot projects. We could then greatly reduce the cost of buying new technology. We can also encourage people to change technology, to a large extent, through awareness and educational campaigns, and by offering parking and transport benefits.

I feel this is the path which will lead us to achieve the Lisbon goals. It is the only solution capable of resolving the ever more serious problem of managing air quality in our cities.

Zita Pleštinská (PPE-DE). – *(SK)* In the Clean Air for Europe programme, the European Commission has identified several sectors as the biggest polluters of the environment. It would seem, however, that the measures envisaged are confined to the automobile sector. Today we are establishing the Euro 5 and Euro 6 standards that will set emission caps extremely low.

I appreciate the argument that the adoption of Euro 6 in this proposal will give manufacturers greater certainty, as they will know when and by how much motor vehicle emissions must be cut. On the other hand, we must look at the situation from a long-term perspective and see that motor vehicle emissions have been reduced enormously over the past three decades, for example, by as much as 95% in the case of solid dust particles. One cannot help wondering whether we may end up having completely clean cars that most of the public would not be able to afford. For this reason, impact studies should also take into account the economic implications of future reductions in motor vehicle emission caps.

In Slovakia the average age of motor vehicles on the road is far greater than in the rest of Europe. This is due to the fact that many citizens are not yet in a position to afford a new car. With regard to the accessibility of vehicle repair information, I understand the importance of supporting small and medium sized businesses. On the other hand, it remains questionable whether we would be able to ensure adequate intellectual property protection for car manufacturers.

I am pleased that in her report, Mrs Weisgerber, has embraced the idea of having a separate framework directive to deal with access to vehicle repair information. I was one of the many MEPs who submitted amendments aimed at removing this section of the proposal, as the issue of access to information should be addressed by a separate piece of legislation rather than forming part of a proposal dealing with the reduction of emissions. I hope that the European Commission will, in the near future, submit a draft framework directive which will establish a balance between access to information and intellectual property protection.

Richard Seeber (PPE-DE). – *(DE)* Mr President, I would like to congratulate Mr Groote on the package that he has worked out with the other shadow rapporteurs. In my view it certainly could have been more ambitious. I come from the Tyrol, a region which is very heavily affected by car emissions. We are faced here with a field of related issues. We talk about micro-costs which we want the manufacturers to bear, who then try to pass them on to the car buyers. On the other hand, it is a question of macro-benefits, namely: health. It is difficult to find the right balance here.

All in all the compromise is sustainable, and, to be honest, what Mrs Pleštinšská said is right: in the end it is not just about whether we have strict and high standards; many other factors too have significant effects on actual traffic emissions, as for example the age of vehicles on the road or the way people drive. Perhaps the Strasbourg colleagues I see driving at 160 km per hour on the motorway might like to take note that the particulate emissions from a Euro 5 vehicle will be considerably higher than if one were to drive at 90 km per hour through the region with a Euro 0 vehicle. Here we should be quite honest and say, for once, that European industry has done a great deal to ameliorate the problem.

When colleagues claim that the Americans or the Californians are a shining example, then I can only suggest that they should travel over there. There the standard motor is an old V8 petrol motor, which consumes around 20 litres per 100 km. If I am supposed to regard California as an example, then, despite the fact that my fellow countryman Mr Schwarzenegger is the governor there, then I must say that that is completely unrealistic.

What we have here is thus a sustainable compromise, and I am saying this as a Tyrolean, as someone who finds it particularly hard to express it in these terms. I also say this for the benefit of the Commission, since it is important that we try together to push the whole package through and also that we try to have stricter standards in future. Overall, though, it is important to take a sweeping approach to the problem, and not just to focus on one aspect of it.

Karsten Friedrich Hoppenstedt (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, firstly I wish to congratulate the rapporteur, Mr Groote, who comes from the car-making country of Lower Saxony, a German province where many cars are manufactured, which is why he has taken the trouble to consider the industry's point of view as well. We have heard – and I will not go into detail – that there is a pressing need to act. This we have done.

By further developing the Euro standards, we have doubtless taken a decisive step in the context of European environmental policy, a step which is also tolerable to the automobile industry. As has already been mentioned several times, the effects of the Euro standards are extraordinarily positive, so that non-European countries are already orienting themselves to our standards.

I would like to take the example of China as an illustration of this, since I was able to follow that country's development in my role as a member of the China delegation. Only six weeks ago I gave a lecture at the China Automotive Industry Forum in Shanghai, in which I spoke about European environmental policy activities, which involve dialogue with the automobile industry. There I learned that, in 2007, China will introduce emissions values which correspond to the Euro 3 standard, thereby reducing emissions of pollutants by 30%. As soon as 2010 they will reach the next stage, which corresponds to the Euro 4 standard. One reason for them to use our European environmental standards is certainly the expanding Chinese automobile industry, which wants to compete with our market and which must therefore comply with European standards. This could be described as a welcome side-effect of the entry hurdles to our market. I very much welcome this extension of the influence of the Euro standards beyond Europe itself, since, from a global point of view, if Europe were to go it alone with these standards, this would have relatively little effect and it would also reduce our competitiveness. All of those who are involved have accepted this compromise, and thanks to this being achieved, we can vote tomorrow on a balanced proposal on the Euro 5 and Euro 6 standards.

Now, however, it is up to the highly profitable fuel industry to take part more intensively in this process and to improve the environmental compatibility of motor fuels, so that the burden of costly improvements is not borne by the automobile industry alone.

Günter Verheugen, Vice-President of the Commission. (DE) Mr President, ladies and gentlemen, there are three issues I would like to address. The first is that of large off-road vehicles. In response to a question put earlier, I can state that I, personally, do not own a car. I get around on foot or by train. I was a little taken aback when Mr Belet criticised the Commission for having made an exception for large and expensive off-road vehicles.

I am sorry, but it was the Commission that proposed that no exception should be made, and Parliament that insisted on an exception for vehicles of this nature. Let us not get carried away here. Let us all show understanding and let us all try to follow the arguments. However, I really cannot follow what Mr Krahmer means if he is saying, basically, that if someone has enough money to buy a particularly large and expensive car they also acquire the right, at the same time, to cause more pollution. With the best will in the world, I cannot share this view.

The problem, put simply, is that, as Mr Groote is quite right to point out, what we are dealing with here is a compromise as part of a complete package. I am sure that you have noticed that the Commission is very unhappy indeed with one element of this compromise. However, this does not in any way change the fact that we are urging you all to vote in favour of this package compromise and not to table any amendments of the type described because, otherwise, the entire package will, in fact, collapse and it will no longer be at all possible to tell when we will ever reach a solution to this issue. Sometimes, you just have to bite the bullet, or swallow the toad, as we say in German.

Allow me, by way of conclusion, just to say something in response to an argument that a number of speakers have used today. This relates to the age of the cars on Europe's roads and what impact these regulations will actually have. This is a very serious issue. In reality, of course, most vehicles on our roads are not equipped to meet the most up-to-date regulations on exhaust gases.

In reality, only 8% of the cars on Europe's roads are replaced each year, so that it will take over 10 years for all of the cars on the roads to be replaced. Thus, for example, it will probably be 2015 or 2016 before Euro 4 applies to all the vehicles on Europe's roads. These are the actual realities and it would indeed be a very welcome achievement if we were to be able to convince consumers to get hold of more environmentally friendly cars more quickly. If that, though, is to happen, such cars must remain affordable. We have no way of bringing such a situation about, and it is for this reason that I believe, in the final analysis, that the proposal before us, which I recommend you to adopt, is clearly the best achievable.

President. Commissioner, my reference was not to the language but to the geographical spread of the debate. There were actually seven German Members speaking in the debate – which is admirable – three Dutch and single Members from other Member States. Good for Germany – and, of course, for you!

I should like to thank the rapporteur, the shadow rapporteur, all the draftspersons of opinions and speakers in the debate.

The debate is closed.

The vote will take place on Wednesday.

Written statement (Rule 142)

James Nicholson (PPE-DE). – In dealing with any matter related to environmental pollution it is essential that we strike a balance between the necessity for economic progress and offering a real opportunity for a reduction in emissions and thereby reducing the risks to health. I thank the rapporteur for drafting a report which generally strikes that balance. It is clear that we need to make stronger efforts to address the problem of vehicle emissions deriving from the use of fossil fuels. It is necessary to have sensible limit values for emissions of carbon monoxide, hydrocarbons, nitrogen oxides and particulate matter. There may be differences of opinion over what the limit values should be but a reasonable compromise appears to have been reached.

26. Membership of Parliament: see Minutes

27. Agenda for next part session: see Minutes

28. Closure of sitting

(The sitting was closed at 11.40 p.m.)